

**U.S. Department of
Transportation**

**BUDGET
ESTIMATES
FISCAL YEAR 2010**

**OFFICE OF
THE SECRETARY
OF TRANSPORTATION**

**SUBMITTED FOR THE USE OF
THE COMMITTEES ON APPROPRIATIONS**

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FY 2010 CONGRESSIONAL BUDGET JUSTIFICATION

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<p>GENERAL NOTES</p> <p>Detail in this document may not add to the totals due to rounding.</p>

OFFICE OF THE SECRETARY

OVERVIEW

FY 2010 resources requested for the Office of the Secretary total \$307 million -- \$257.1 million of discretionary resources and \$50 million of mandatory resources.

The FY 2010 request includes:

- \$103.2 million in Salaries and Expenses for the Department's Secretarial offices including \$13.3 million for the Office of the Chief Information Officer to manage DOT's \$3 billion IT portfolio and funding to support added security requirements, and \$1.9 million for the Executive Protection Program previously funded through the Working Capital Fund.
- \$9.7 million for the Department's Office of Civil Rights to support and advance internal and external civil rights initiatives, administer Federal civil rights statutes, investigate EEO complaints, support the Disability Resource Center and the Shared Neutrals Alternative Dispute Resolution Program, and oversee and ensure compliance of environmental justice programs throughout the Department.
- \$4.0 million for the Minority Business Resource Center and Minority Business Outreach activities. These programs encourage and assist small, disadvantaged, and women-owned businesses to participate in DOT and DOT-assisted contracts and grants and provide them assistance in obtaining short-term working capital.
- \$10.2 million for the Department's Transportation Planning, Research and Development program including activities and studies needed to support the Secretary's responsibilities in the formulation of national transportation policies.
- A total of \$175 million for the Essential Air Service program, including an estimated \$50 million of mandatory resources from overflight fees collected by the Federal Aviation Administration as authorized in the Federal Aviation Reauthorization Act of 1996 (P.L. 104-264) and \$125 million of discretionary funds from the Payments to Air Carrier appropriation.
- \$5.0 million for a multi-year project to upgrade DOT's financial systems and processes as part of the Financial Management Business Transformation initiative.

The FY 2010 request includes the following funding levels to support the Department's key strategic objectives: \$2.8 million for Safety; \$185.1 million for Reduced Congestion; \$13.8 million for Global Connectivity; \$2.4 million for Environmental Stewardship; \$13.9 million for Security, Preparedness and Emergency Response; and \$89 million for Organizational Excellence.

EXHIBIT II - 1
COMPARATIVE STATEMENT OF DISCRETIONARY BUDGET AUTHORITY
OFFICE OF THE SECRETARY
(\$000)

<u>ACCOUNTS</u>	<u>FY 2008</u> <u>ACTUAL</u>	<u>FY 2009</u> <u>ENACTED</u> <u>(OMNIBUS)</u>	<u>FY 2009</u> <u>ENACTED</u> <u>TOTAL</u>	<u>FY 2010</u> <u>REQUEST</u>
SALARIES & EXPENSES	91,782	98,248	98,248	103,184
<i>Office of the Secretary (S-1)</i>	2,310	2,400	2,400	2,631
<i>Office of the Deputy Secretary (S-2)</i>	730	759	759	986
<i>Office of the Under Secretary for Transportation Policy (S-3)</i>	9,874	10,107	10,107	11,100
<i>Office of the Executive Secretariat (S-10)</i>	1,516	1,595	1,595	1,711
<i>Office of Small and Disadvantaged Business Utilization (S-40)</i>	1,335	1,369	1,369	1,499
<i>Office of Intelligence and Security and Emergency Response (S-60)</i>	7,874	8,675	8,675	10,929
<i>Office of the Chief Information Officer (S-80)</i>	11,887	12,885	12,885	13,263
<i>Office of the General Counsel (C)</i>	18,720	19,838	19,838	20,359
<i>Office of the Assistant Secretary for Governmental Affairs (I)</i>	2,383	2,400	2,400	2,504
<i>Office of the Assistant Secretary for Budget and Programs/CFO (B)</i>	9,417	10,200	10,200	10,559
<i>Office of the Assistant Secretary for Administration (M)</i>	23,750	26,000	26,000	25,520
<i>Office of Public Affairs (A)</i>	1,986	2,020	2,020	2,123
TRANSPORTATION PLANNING, RESEARCH & DEVELOPMENT	13,884	18,300	18,300	10,233
OFFICE OF CIVIL RIGHTS	9,141	9,384	9,384	9,667
MINORITY BUSINESS OUTREACH	2,970	3,056	3,056	3,074
MINORITY BUSINESS RESOURCE CENTER PROGRAM	893	912	912	912
ESSENTIAL AIR SERVICE PROGRAM	60,000	73,013	73,013	125,000
<i>Payments to Air Carriers - Discretionary</i>	60,000	73,013	73,013	125,000
FINANCIAL MANAGEMENT CAPITAL	0	5,000	5,000	5,000
SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE	0	0	1,500,000	0
TOTAL DISCRETIONARY BUDGET AUTHORITY	178,670	207,913	1,707,913	257,070

EXHIBIT II-2
FY 2010 BUDGET REQUEST BY APPROPRIATION ACCOUNT
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, Exempt Obligations, and Mandatory EAS
(\$000)

<u>ACCOUNTS</u>	<u>FY 2008</u> <u>ACTUAL</u>	<u>FY 2009</u> <u>ENACTED</u> <u>OMNIBUS</u>	<u>FY 2009</u> <u>ENACTED</u> <u>TOTAL</u>	<u>FY 2010</u> <u>REQUEST</u>
SALARIES & EXPENSES				
Office of the Secretary	2,310	2,400	2,400	2,631
Office of the Deputy Secretary	730	759	759	986
Office of the Under Secretary for Policy	9,874	10,107	10,107	11,100
Office of the Executive Secretariat	1,516	1,595	1,595	1,711
Office of Small & Disadvantaged Business Utilization	1,335	1,369	1,369	1,499
Office of Intelligence, Security and Emergency Response	7,874	8,675	8,675	10,929
Office of the Chief Information Officer	11,887	12,885	12,885	13,263
Office of General Counsel	18,720	19,838	19,838	20,359
Office of Governmental Affairs	2,383	2,400	2,400	2,504
Office of the Assistant Secretary for Budget & Programs/CFO	9,417	10,200	10,200	10,559
Office of the Assistant Secretary of Administration	23,750	26,000	26,000	25,520
Office of Public Affairs	1,986	2,020	2,020	2,123
TOTAL: SALARIES & EXPENSES	91,782	98,248	98,248	103,184
TRANSPORTATION PLANNING RESEARCH & DEVELOPMENT				
Transportation Planning Research & Development	13,884	18,300	18,300	10,233
TOTAL: TRANSPORTATION PLANNING, RESEARCH & DEVELOPMENT	13,884	18,300	18,300	10,233
OFFICE OF CIVIL RIGHTS				
Office of Civil Rights	9,141	9,384	9,384	9,667
TOTAL: OFFICE OF CIVIL RIGHTS	9,141	9,384	9,384	9,667
MINORITY BUSINESS OUTREACH				
Minority Business Outreach	2,970	3,056	3,056	3,074
TOTAL: MINORITY BUSINESS OUTREACH	2,970	3,056	3,056	3,074
MINORITY BUSINESS RESOURCE CENTER PROGRAM				
Minority Business Resource Center Program - Discretionary	893	912	912	912
TOTAL: MINORITY BUSINESS RESOURCE CENTER PROGRAM	893	912	912	912
ESSENTIAL AIR SERVICE PROGRAM				
Payments to Air Carriers - Discretionary	60,000	73,013	73,013	125,000
Essential Air Service - Mandatory	41,566	27,286 ^{1/}	27,286 ^{1/}	50,000
Essential Air Service - Mandatory Borrowing Authority P.L. 109-171	15,000	0	0	0
TOTAL: ESSENTIAL AIR SERVICE	116,566	100,299	100,299	175,000

^{1/} An additional \$22.714 million of overflight fees were transferred by FAA as an unobligated balance at the start of FY 2009 for a total of \$50 million of mandatory funding available during FY 2009.

EXHIBIT II-2
FY 2010 BUDGET REQUEST BY APPROPRIATION ACCOUNT
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, Exempt Obligations, and Mandatory EAS
(\$000)

<u>ACCOUNTS</u>	<u>FY 2008 ACTUAL</u>	<u>FY 2009 ENACTED OMNIBUS</u>	<u>FY 2009 ENACTED TOTAL</u>	<u>FY 2010 REQUEST</u>
FINANCIAL MANAGEMENT CAPITAL				
Financial Management Capital	0	5,000	5,000	5,000
TOTAL: FINANCIAL MANAGEMENT CAPITAL	0	5,000	5,000	5,000
SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE TRANSPORTATION SYSTEM				
Supplemental Discretionary Grants for National Surface Transportation System - Discretionary	0	0	1,500,000	0
TOTAL: SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE TR	0	0	1,500,000	0
TOTAL APPROPS, OBLIG. LIMITATIONS, AND EXEMPT OBLIGATIONS	235,235	235,199	1,735,199	307,070
<i>[Mandatory]</i>	<i>56,565.6</i>	<i>27,286.0</i>	<i>27,286.0</i>	<i>50,000.0</i>
<i>[Discretionary]</i>	<i>178,669.8</i>	<i>207,913.0</i>	<i>1,707,913.0</i>	<i>257,069.9</i>

EXHIBIT II-3
FY 2010 TOTAL BUDGET AUTHORITY BY APPROPRIATION ACCOUNT
OFFICE OF THE SECRETARY
(\$000)

<u>ACCOUNTS</u>	<u>Mandatory/ Discretionary</u>	<u>FY 2008 ACTUAL</u>	<u>FY 2009 ENACTED OMNIBUS</u>	<u>FY 2009 ENACTED TOTAL</u>	<u>FY 2010 REQUEST</u>
SALARIES & EXPENSES					
Office of the Secretary	D	2,310	2,400	2,400	2,631
Office of the Deputy Secretary	D	730	759	759	986
Office of the Under Secretary for Policy	D	9,874	10,107	10,107	11,100
Office of the Executive Secretariat	D	1,516	1,595	1,595	1,711
Office of Small & Disadvantaged Business Utilization	D	1,335	1,369	1,369	1,499
Office of Intelligence, Security and Emergency Response	D	7,874	8,675	8,675	10,929
Office of the Chief Information Officer	D	11,887	12,885	12,885	13,263
Office of General Counsel	D	18,720	19,838	19,838	20,359
Office of Governmental Affairs	D	2,383	2,400	2,400	2,504.1
Office of the Assistant Secretary for Budget & Programs/CFO	D	9,417	10,200	10,200	10,559
Office of the Assistant Secretary of Administration	D	23,750	26,000	26,000	25,520
Office of Public Affairs	D	1,986	2,020	2,020	2,123
TOTAL: SALARIES & EXPENSES	D	91,782	98,248	98,248	103,184
TRANSPORTATION PLANNING RESEARCH & DEVELOPMENT					
Transportation Planning Research & Development	D	13,884	18,300	18,300	10,233
TOTAL: TRANSPORTATION PLANNING, RESEARCH & DEVELOPMENT		13,884	18,300	18,300	10,233
OFFICE OF CIVIL RIGHTS					
Office of Civil Rights	D	9,141	9,384	9,384	9,667
TOTAL: OFFICE OF CIVIL RIGHTS	D	9,141	9,384	9,384	9,667
MINORITY BUSINESS OUTREACH					
Minority Business Outreach	D	2,970	3,056	3,056	3,074
TOTAL: MINORITY BUSINESS OUTREACH	D	2,970	3,056	3,056	3,074
MINORITY BUSINESS RESOURCE CENTER PROGRAM					
Minority Business Resource Center Program - Discretionary	D	893	912	912	912
MBRC Guaranteed Loan Subsidy reestimate - Mandatory	M	30	3	3	0
TOTAL: MINORITY BUSINESS RESOURCE CENTER PROGRAM		923	915	915	912
ESSENTIAL AIR SERVICE PROGRAM					
Payments to Air Carriers - Discretionary	D	60,000	73,013	73,013	125,000
Essential Air Service - Mandatory	M	41,566	27,286 ^{1/}	27,286 ^{1/}	50,000
Essential Air Service - Mandatory Borrowing Authority P.L. 109-171	M	15,000	0	0	0
TOTAL: ESSENTIAL AIR SERVICE		116,566	100,299	100,299	175,000
FINANCIAL MANAGEMENT CAPITAL					
Financial Management Capital	D	0	5,000	5,000	5,000
TOTAL: FINANCIAL MANAGEMENT CAPITAL	D	0	5,000	5,000	5,000

^{1/} An additional \$22.714 million of overflight fees were transferred by FAA as an unobligated balance at the start of FY 2009 for a total of \$50 million of mandatory funding available during FY 2009.

**EXHIBIT II-3
FY 2010 TOTAL BUDGET AUTHORITY BY APPROPRIATION ACCOUNT
OFFICE OF THE SECRETARY
(\$000)**

<u>ACCOUNTS</u>	<u>Mandatory/ Discretionary</u>	<u>FY 2008 ACTUAL</u>	<u>FY 2009 ENACTED OMNIBUS</u>	<u>FY 2009 ENACTED TOTAL</u>	<u>FY 2010 REQUEST</u>
COMPENSATION FOR AIR CARRIERS					
Compensation for Air Carriers - unoblig. balance rescission Discretionay	D	0	0	0	0
TOTAL FTE		0	0		0
SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE TRANSPORTATION SYSTEM					
TOTAL: SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE TR	D	0	0	1,500,000	0
TOTAL BUDGET AUTHORITY		213,266	234,354	1,734,354	307,070
Mandatory		34,596	26,441	26,441	50,000
PROPRIETARY AND OTHER GOVERNMENTAL RECIEPTS					
MBRC Guaranteed Loans Downward Subsidy Reestimate		183	67	67	0

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)

SALARIES AND EXPENSES

	2009 FTE Per Program	2009 PCAB By Program	2009 Contracts Expense	2009 Pay Rates	2010 Pay Rates	GSA Rent	WCF Increase	Inclusion/ Deduction	Restoration of Base FTE/Reduction of Resources	FY 2009 Adjusted Base	Program Increases/ Decreases	2010 PCAB Program Change	2010 FTE Per Program Increase	2010 Contract Expense Program Changes	FY 2010 Request
OPERATIONS															
PERSONNEL RESOURCES															
Direct FTE	463	463							13	428	11.0		11.0		489
	431	431							15	446					457
FINANCIAL RESOURCES															
Salaries and Benefits	\$59,676	\$59,676		\$120	\$874		\$74		2,064	\$62,734	\$1,632	\$1,632			\$64,366
WCF Travel Benefits	\$306							1		\$381	\$0				\$381
Travel	\$1,314							8		\$1,522	\$256				\$1,778
Transportation	\$6									\$6	\$0				\$6
GSA Rent	\$8,343					\$435		42		\$8,870	\$0				\$8,870
Communications, Utilities & Misc.	\$5									\$5	\$1				\$6
Printing	\$1,214							6		\$1,220	\$0				\$1,220
Other Services	\$14,905						\$451	72		\$15,028	(\$745)				\$14,283
WCF	\$11,621							58	(\$58)	\$11,121	\$116				\$11,237
Other	\$307							2		\$309	\$14				\$323
Supplies	\$751							4		\$755	\$9				\$764
Expenses	\$98,248			\$120	\$874	\$435	\$525	\$193	\$1,506	\$101,901	\$1,283	\$1,632	\$0	\$116	\$103,184
Admin Subtotal	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Programs Subtotal	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Limitations	\$98,248			\$120	\$874	\$435	\$525	\$193	\$1,506	\$101,901	\$1,283	\$1,632	\$0	\$116	\$103,184
GRAND TOTAL	\$98,248			\$120	\$874	\$435	\$525	\$193	\$1,506	\$101,901	\$1,283	\$1,632	\$0	\$116	\$103,184

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

OFFICE OF CIVIL RIGHTS

Base Line Changes

	2009 Enacted	2009 PCAB By Program	2009 # FTE Per Program	2009 Contracts Expenses	Annualization of 2009 Pay Rates	Worker's Comp	WCF Increase/Decrease	Initiation/Deferral	FY 2009 Adjusted Base	Program Increases/Decreases	2010 PCAB Program Increase	2010 # FTE Per Program Increase	2010 Contract Expense Program Increase	FY 2010 Request	Note Non-Add	
															\$5	\$5
OPERATIONS																
PERSONNEL RESOURCES (FTE)	\$5								\$5						\$5	
Direct FTE	\$5								\$5						\$5	
FINANCIAL RESOURCES																
Salaries and Benefits	\$6,829	\$6,829			\$82	\$103	\$16	\$0	\$7,031	\$0				\$7,031		
-WCF Transit Benefits	\$24	\$24			6				\$30	\$0				\$30		
Travel	\$54								\$54	\$0				\$54		
Transportation	\$0															
GSA Rent	\$250								\$251	\$0				\$251		
Communications, Rent & Utilities	\$77								\$77	\$0				\$77		
Printing	\$2								\$2	\$0				\$2		
Other Services									\$0	\$0				\$0		
-WCF	\$823						(\$5)	\$4	\$822	\$0				\$822		
-Other	\$1,295			\$1,295				\$7	\$1,302	\$68	\$0	\$0	\$0	\$1,370		
Supplies	\$20								\$20	\$0				\$20		
Equipment	\$10								\$10	\$0				\$10		
Admin Subtotal	\$9,384				\$82	\$103	\$16	\$1	\$9,600	\$68	\$0	\$0	\$0	\$9,667		
PROGRAMS																
Programs Subtotal	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total: Limitation	\$9,384				\$82	\$103	\$16	\$1	\$9,600	\$68	\$0	\$0	\$0	\$9,667		
GRAND TOTAL																
	\$9,384				\$82	\$103	\$16	\$1	\$9,600	\$68	\$0	\$0	\$0	\$9,667		

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY
Appropriations, Obligations, Limitations, and Exempt Obligations
(14000)

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

Baseline Changes

	2009 Budget		2009 PCAB By Program		2009 Contracts Expenses		Assessment of 2009 Pay Rates		2010 Pay Rates		GSA Rent	WCF Increase/Decrease	Inclusion/Exclusion	FY 2009 Adjusted Base	Program Increase/Decrease	2010 PCAB Program Increase	2010 FTE Per Program Increase	2010 Contract Expense Program Increase	FY 2010 Request	
	Direct FTE	FTE	Program	Non New-Add	Program	Non New-Add	Program	Non New-Add	Program	Non New-Add										Note
OPERATIONS	31	31		31										31					31	
PERSONNEL RESOURCES (FTE)																				
FINANCIAL RESOURCES																				
Salaries and Benefits	\$5,334	\$5,330					\$64		\$80			7	0	\$5,478	\$0				\$5,478	
-WCF-Tripnet Benefits	\$26													\$33	\$0				\$33	
Travel	\$150													\$151	\$0				\$151	
Transportation	\$1													\$1	\$0				\$1	
GSA Rent	\$0													\$0	\$0				\$0	
Communications, Rent & Utilities	\$0													\$0	\$0				\$0	
Printing	\$19													\$19	\$0				\$19	
Other Services														\$0	\$0				\$0	
-WCF	\$630											\$1	\$3	\$634	\$0				\$634	
-Other	\$20													\$20	\$0				\$20	
Supplies	\$15													\$15	\$0				\$15	
Equipment														\$0	\$0				\$0	
Admin Subtotal	\$6,196						\$64		\$80			\$8	\$4	\$6,352	\$0				\$6,352	
PROGRAMS																				
Research & Development	\$2,272				\$0									\$0	\$0				\$0	
Earthquake Project	\$9,833				\$2,772									\$11	\$2,783	\$1,598			\$1,881	
					\$9,833									\$49	\$9,882	(\$9,882)			\$0	
					\$0									\$0	\$0	\$0			\$0	
					\$0									\$0	\$0	\$0			\$0	
					\$0									\$0	\$0	\$0			\$0	
					\$0									\$0	\$0	\$0			\$0	
					\$0									\$0	\$0	\$0			\$0	
					\$0									\$0	\$0	\$0			\$0	
Programs Subtotal	\$12,104				\$0		\$0		\$0			\$0	\$61	\$12,165	(\$8,284)				\$3,881	
Totals Limitation	\$18,300				\$64		\$0	\$8	\$65			\$18,517	(\$8,284)	\$10,233					\$10,233	
GRAND TOTAL	\$18,300				\$64		\$0	\$8	\$65			\$18,517	(\$8,284)	\$10,233					\$10,233	

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

MINORITY BUSINESS OUTREACH

Baseline Changes

OPERATIONS PERSONNEL RESOURCES (FTE)	2009 Enacted	2009 PCAB By Program	2009 # FTE Per Program	2009 Contract Expenses	Annulment of 2009 Pay Raises	2010 Pay Raises	GSA Rent	WCF Increase/ Decrease	Inflation/ Deflation	FY 2009 Adjusted Base	Program Increase/ Decrease	2010 PCAB Program Increase	2010 # FTE Per Program Increase	2010 Contract Expense Program Increase	FY 2010 Request	Note Non-Add	
																1	1
Direct FTE	1		1												1	1	
FINANCIAL RESOURCES																	
Salaries and Benefits	\$129	\$129			\$2	\$2				\$133	\$0				\$133		
-WCF Transit Benefits	\$1	\$1						2		\$2	\$0				\$2		
Travel									\$1	\$124	\$0				\$124		
Transportation	\$123										\$0				\$0		
GSA Rent	\$0										\$0				\$0		
Communications, Rent & Utilities	\$0										\$0				\$0		
Printing	\$0										\$0				\$0		
Other Services	\$0										\$0				\$0		
-WCF	\$17										\$0				\$0		
-Other	\$2,781							\$1	\$0	\$2,792	\$0				\$2,792		\$18
-Other Consultants Services	\$1,210			\$2,781				\$0	\$11	\$2,792	\$0				\$2,792		
Grants	\$1,551			\$1,210					\$5	\$1,215	\$0				\$1,215		
Supplies	\$5			\$1,551					\$6	\$1,557	\$0				\$1,557		
Equipment	\$0									\$5	\$0				\$5		
Admin Subtotal	\$3,056					\$2	\$2	\$0	\$2	\$3,074	\$0				\$3,074		\$0
PROGRAMS																	
Programs Subtotal	\$0					\$0	\$0	\$0	\$0	\$0	\$0				\$0		
Total: Limitation	\$3,056					\$2	\$2	\$0	\$2	\$3,074	\$0				\$3,074		
GRAND TOTAL																	
	\$3,056					\$2	\$2	\$0	\$2	\$3,074	\$0				\$3,074		\$0

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

MINORITY BUSINESS RESOURCE CENTER

Baseline Changes

	2009 Enacted	2009 PC&B By Program	2009 # FTE Per Program	2009 Contracts Expenses	Annualization of 2009 Pay Raises	2010 Pay Raises	GSA Rent	WCF Increase/Decrease	Inflation/Deflation	Reduction of Resources	FY 2009 Adjusted Base	2010 PC&B Program Increase	2010 # FTE Per Program Increase	2010 Contract Expense Program Increases	FY 2010 Request
OPERATIONS			Note Non-Add												
PERSONNEL RESOURCES (FTE)	1										1				1
Direct FTE	1		1								1				1
FINANCIAL RESOURCES															
Salaries and Benefits	\$144	\$144	---	---	\$2	\$2	---	---	---	\$0	\$148	---	---	---	\$148
-WCF Transit Benefits	\$1	---	---	---	---	---	---	---	---	\$1	\$2	---	---	---	\$2
Travel	\$0	---	---	---	---	---	---	---	---	\$24	\$24	---	---	---	\$24
Transportation	\$0	---	---	---	---	---	---	---	---	\$0	\$0	---	---	---	\$0
GSA Rent	\$0	---	---	---	---	---	---	---	---	\$0	\$0	---	---	---	\$0
Communications, Rent & Utilities	\$0	---	---	---	---	---	---	---	---	\$0	\$0	---	---	---	\$0
Printing	\$0	---	---	---	---	---	---	---	---	\$0	\$0	---	---	---	\$0
Other Services									\$0	\$0	\$0	---	---	---	\$0
-WCF	\$17	---	---	---	---	---	---	\$0	\$0	\$1	\$18	---	---	---	\$18
-Other	\$397	---	---	---	---	---	---	---	---	\$0	\$378	---	---	---	\$378
Supplies	\$0	---	---	---	---	---	---	---	---	\$0	\$0	---	---	---	\$0
Equipment	\$0	---	---	---	---	---	---	---	---	\$0	\$0	---	---	---	\$0
Admin Subtotal	\$559				\$2	\$2	\$0	\$0	\$0	\$7	\$570				\$570
PROGRAMS															
Guaranteed Loan Subsidy	\$353	---	---	---	---	---	---	---	---	\$0	(\$11)	\$342	---	---	\$342
															\$0
															\$0
															\$0
															\$0
Programs Subtotal	\$353				\$0	\$0	\$0	\$0	\$0	(\$11)	\$342				\$342
Total: Limitation	\$912				\$2	\$2	\$0	\$0	\$0	(\$4)	\$912				\$912
GRAND TOTAL															
	\$912				\$2	\$2	\$0	\$0	\$0	(\$4)	\$912				\$912

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, and Exempt Obligations
Mandatory Funding
(\$000)

ESSENTIAL AIR SERVICE

Baseline Changes

	2008 FTE	2008 PCAB By Program	2009 # FTE Per Program	2009 Contracts Expenses	Anticipation of 2009 Pay Raises	2010 Pay Raises	GSA Rent	WCF Increases/Decrease	Inaccuracy Defusion	FY 2009 Adjusted Base	Program Increases/Decreases	2010 PCAB Program Increase	2010 # FTE Per Program Increase	2010 Contract Expense Program Increases	FY 2010 Request
OPERATIONS	10									10	4	4			14
PERSONNEL RESOURCES (FTE)	10									10	4	4			14
Direct FTE	10									10	4	4			14
FINANCIAL RESOURCES															
Salaries and Benefits	\$1,338	\$1,338			\$16	\$20				\$1,374	\$635	\$635	4		\$2,009
WCF Transit Benefits	\$7							2		\$6					\$5
Travel	\$10								\$0	\$10					\$10
Transportation	\$1									\$1					\$1
GSA Rent	\$0								\$0	\$0					\$0
Communications, Rent & Utilities	\$29								\$0	\$29					\$29
Printing	\$0								\$0	\$0					\$0
Other Services									\$0	\$0					\$0
WCF	\$181							(\$3)	\$1	\$179					\$179
Other										\$0					\$0
Supplies	\$3									\$3					\$3
Equipment	\$5									\$5					\$5
Admin Subtotal	\$1,573				\$16	\$20	\$0	(\$1)	\$1	\$1,610	\$635				\$2,245
PROGRAMS															
Essential Air Service	\$48,427		10						\$242	\$48,669	(\$913)				\$47,755
									\$0	\$0					\$0
									\$0	\$0					\$0
									\$0	\$0					\$0
									\$0	\$0					\$0
Programs Subtotal	\$48,427				\$0	\$0	\$0	\$0	\$243	\$48,669	(\$913)				\$47,755
Total Limitation	\$50,000				\$16	\$20	\$0	(\$1)	\$243	\$50,278	(\$278)				\$50,000
GRAND TOTAL	\$50,000				\$16	\$20	\$0	(\$1)	\$243	\$50,278	(\$278)				\$50,000

EXHIBIT II-4
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)

PAYMENTS TO AIR CARRIERS

2009 Service	Baseline Changes														
	2009 Estimated	2009 PCAB By Program	2009 # FTE Per Program	2009 Contract Expenses	Anticipation of 2009 Pay Rates	2010 Pay Rates	QSA Rent	WCF Increase/Decrease	Indirect/Deletion	FY 2009 Adjusted Base	Program Increased/Decreased	2010 PCAB Program Increase	2010 # FTE Per Program	2010 Contract Expense Program Increase	FY 2010 Request
	0		Note Non-Add							0			Note Non-Add		0
OPERATIONS															
PERSONNEL RESOURCES (FTE)	0									0					0
Direct FTE	0									0					0
FINANCIAL RESOURCES															
Salaries and Benefits	\$0														\$0
-WCF Transit Benefits															\$0
Travel	\$0														\$0
Transportation	\$0														\$0
GSA Rent	\$0														\$0
Communications, Rent & Utilities	\$0														\$0
Printing	\$0														\$0
Other Services	\$0														\$0
-WCF															\$0
-Other															\$0
Supplies	\$0														\$0
Equipment	\$0														\$0
Admin Subtotal	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	
PROGRAMS															
Essential Air Service	\$73,013									\$73,013	\$51,987				\$125,000
Programs Subtotal	\$73,013				\$0	\$0	\$0	\$0	\$0	\$73,013	\$51,987				\$125,000
Total Limitation	\$73,013				\$0	\$0	\$0	\$0	\$0	\$73,013	\$51,987				\$125,000
GRAND TOTAL	\$73,013				\$0	\$0	\$0	\$0	\$0	\$73,013	\$51,987				\$125,000

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

FINANCIAL MANAGEMENT CAPITAL

Baseline Changes

	2009 Enacted	2009 PCAB By Program	2009 # FTE Per Program	2009 Contracts Expenses	Actualization of 2009 Pay Rates	2010 Pay Rates	GSA Rent	WCF Increase/Decrease	Industry Deficit	FY 2009 Adjusted Base	Program Increased/Decreased	2010 PCAB Program Increase	2010 # FTE Per Program Increase	2010 Contract Expense Program Increase	FY 2010 Request
OPERATIONS															
PERSONNEL RESOURCES (FTE)	0									0					0
Direct FTE	0									0					0
FINANCIAL RESOURCES															
Salaries and Benefits	\$0									\$0					\$0
-WCF Transit Benefits										\$0					\$0
Travel	\$0									\$0					\$0
Transportation	\$0									\$0					\$0
GSA Rent	\$0									\$0					\$0
Communications, Rent & Utilities	\$0									\$0					\$0
Printing	\$0									\$0					\$0
Other Services	\$5,000			\$5,000					\$0	\$5,000					\$5,000
-WCF															
-Other															
Supplies	\$0									\$0					\$0
Equipment	\$0									\$0					\$0
Admin Subtotal	\$5,000				\$0	\$0	\$0	\$0	\$0	\$5,000	\$0				\$5,000
PROGRAMS															
Financial Management Capital										\$0					\$0
Programs Subtotal	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
Total: Limitation	\$5,000				\$0	\$0	\$0	\$0	\$0	\$5,000	\$0				\$5,000
GRAND TOTAL	\$5,000				\$0	\$0	\$0	\$0	\$0	\$5,000	\$0				\$5,000

EXHIBIT II-4A

WORKING CAPITAL FUND
Office of the Secretary
Appropriations, Obligation Limitations, Exempt Obligations and Reimbursable Obligations
(\$000)

	<u>FY 2009</u> <u>PRES. BUD.</u>	<u>FY 2010</u> <u>REQUEST</u>	<u>CHANGE</u>
DIRECT:			
Salaries and Expenses	14,810	14,665	-146
Transportation, Planning, Research & Development	656	667	11
Office of Civil Rights	847	852	5
Minority Business Outreach	18	20	2
Minority Business Resource Center Program Account	18	20	2
Essential Air Service/Payments to Air Carriers	188	188	0
SUBTOTAL	<u>16,537</u>	<u>16,412</u>	<u>-125</u>
REIMBURSABLE:			
Salaries and Expenses	645	564	-80
SUBTOTAL	<u>645</u>	<u>564</u>	<u>-80</u>
TOTAL	17,182	16,977	-206

**EXHIBIT II-5
OFFICE OF THE SECRETARY
PERSONNEL RESOURCE -- SUMMARY
TOTAL FULL-TIME EQUIVALENTS**

<u>DIRECT FUNDED BY APPROPRIATION</u>	<u>FY 2008 ACTUAL</u>	<u>FY 2009 ENACTED OMNIBUS</u>	<u>FY 2010 REQUEST</u>
Salaries and Expenses	353	431	457
Transportation Planning, Research and Development	27	31	31
Office of Civil Rights	42	55	55
Minority Business Outreach	1	1	1
Minority Business Resource Center Program	1	1	1
Essential Air Service	9	10	14
Financial Management Capital	0	0	0
SUBTOTAL, DIRECT FUNDED	433	529	559
 <u>REIMBURSEMENTS/ALLOCATIONS/OTHER</u>			
Salaries and Expenses	23	33	32
Essential Air Service	0	0	0
Supplemental Discretionary Grants for NSTS	0	0	3
Working Capital Fund	172	219	213
SUBTOTAL, REIMBURSEMENTS/ALLOCATIONS/OTHER	195	252	248
 TOTAL FTEs	 628	 781	 807

EXHIBIT II-6
OFFICE OF THE SECRETARY
RESOURCE SUMMARY - STAFFING
FULL-TIME PERMANENT POSITIONS

<u>DIRECT FUNDED BY APPROPRIATION</u>	<u>FY 2008 ACTUAL</u>	<u>FY 2009 ENACTED</u>	<u>FY 2010 REQUEST</u>
Salaries and Expenses	498	499	511
Transportation Planning, Research and Development	31	31	31
Office Civil Rights	64	64	64
Minority Business Outreach	1	1	1
Minority Business Resource Center Program	1	1	1
Essential Air Service	14	14	14
Financial Management Capital	0	0	0
SUBTOTAL, DIRECT FUNDED	609	610	622
<u>REIMBURSEMENTS/ALLOCATIONS/OTHER</u>			
Salaries and Expenses	34	34	33
Essential Air Service	0	0	0
Supplemental Discretionary Grants for NSTS	0	0	3
Working Capital Fund	219	219	213
SUBTOTAL, REIMBURSEMENTS/ALLOCATIONS/OTHER	253	253	249
TOTAL POSITIONS	862	863	871

EXHIBIT II-7
FY 2010 OUTLAYS BY APPROPRIATION ACCOUNT
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

<u>ACCOUNTS</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
Salaries & Expenses	43,334	123,078	102,690
Office of Civil Rights	8,372	10,190	9,639
<i>Compensation for Air Carriers [mandatory]</i>	0	1	0
Compensation for General Aviation Operations	13,404	3,426	0
Financial Management Capital	0	4,000	5,000
New Headquarters Building	29,442	8,997	0
Transportation Planning, Research & Development	15,857	41,599	14,190
MBRC Program (loan subsidy & admin)	410	1,252	912
<i>MBRC Guaranteed Loan Subsidy Upward Reestimate [mandatory]</i>	30	3	0
Minority Business Outreach	1,496	16,403	3,072
Payments to Air Carriers	40,594	71,686	104,205
<i>Essential Air Service & Rural Airport Funding [mandatory]</i>	88,933	55,570	50,000
Supplemental Discretionary Grants for National Surface Transportation System	0	0	180,000
Working Capital Fund	13,170	55,275	0
	<hr/>	<hr/>	<hr/>
Total OST Outlays	255,044	391,479	469,708
<i>Mandatory</i>	88,963	55,574	50,000
<i>Discretionary</i>	166,081	335,905	419,708

EXHIBIT II-8

**OFFICE OF THE SECRETARY
EXHIBIT 300**

The following Exhibit 300s can be viewed at <http://www.dot.gov/exhibit300/>

--DOT IT Combined Infrastructure

--DOT eGrants Consolidation

--Intermodal Hazardous Materials

-- Delphi

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, [\$98,248,000, of which not to exceed \$2,400,000 shall be available for the immediate Office of the Secretary; not to exceed \$759,000 shall be available for the immediate Office of the Deputy Secretary; not to exceed \$19,838,000 shall be available for the Office of the General Counsel; not to exceed \$10,107,000 shall be available for the Office of the Under Secretary of Transportation for Policy; not to exceed \$10,200,000 shall be available for the Office of the Assistant Secretary for Budget and Programs; not to exceed \$2,400,000 shall be available for the Office of the Assistant Secretary for Governmental Affairs; not to exceed \$26,000,000 shall be available for the Office of the Assistant Secretary for Administration; not to exceed \$2,020,000 shall be available for the Office of Public Affairs; not to exceed \$1,595,000 shall be available for the Office of the Executive Secretariat; not to exceed \$1,369,000 shall be available for the Office of Small and Disadvantaged Business Utilization; not to exceed \$8,675,000 for the Office of Intelligence, Security, and Emergency Response; and not to exceed \$12,885,000 shall be available for the Office of the Chief Information Officer] \$103,184,000: *Provided*, That the Secretary of Transportation is authorized to transfer funds appropriated for any office of the Office of the Secretary to any other office of the Office of the Secretary: *Provided further*, That no appropriation for any office shall be increased or decreased by more than 5 percent by all such transfers: *Provided further*, That notice of any change in funding greater than 5 percent shall be submitted [for approval]to the House and Senate Committees on Appropriations:] *Provided [further]*, That not to exceed \$60,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine: *Provided further*, That notwithstanding any other provision of law, excluding fees authorized in Public Law 107-71, there may be credited to this appropriation up to \$2,500,000 in funds received in user fees [: *Provided further*, That none of the funds provided in this Act shall be available for the position of Assistant Secretary for Public Affairs: *Provided further*, That of the funds provided under this heading, \$100,000 shall be provided through reimbursement to the Department of Transportation's Office of Inspector General to audit the Working Capital Fund's financial statements]. (Department of Transportation Appropriations Act, 2009.)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request	Change FY 2009 - FY 2010
Office of the Secretary	2,310	2,400	2,631	231
Office of the Deputy Secretary	730	759	986	227
Office of the Executive Secretariat	1,516	1,595	1,711	116
Office of the Under Secretary Transportation Policy	9,874	10,107	11,100	993
Office of Small and Disadvantaged Business	1,335	1,369	1,499	130
Office of Intelligence, Security and Emergency Respons	7,874	8,675	10,929	2,254
Office of the Chief Information Officer	11,887	12,885	13,263	378
Office of the Asst. Sec. for Governmental Affairs	2,383	2,400	2,504	104
Office of General Counsel	18,720	19,838	20,359	521
Office of the Asst. Sec. for Budget and Programs	9,417	10,200	10,559	359
Office of the Asst. Sec. for Administration	23,750	26,000	25,520	-480
Office of Public Affairs	1,986	2,020	2,123	103
Total	91,782	98,248	103,184	4,936
FTEs				
Direct Funded	353	431	457	25
Reimbursable, allocated, other	23	33	32	-1

Program and Performance Statement

General administration. —This appropriation finances the costs of policy development and central supervisory and coordinating functions necessary for the overall planning and direction of the Department. It covers the immediate secretarial offices as well as those of the assistant secretaries and the general counsel.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, [\$9,384,000] \$9,667,000. (*Department of Transportation Appropriations Act, 2009.*)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request	Change FY 2009 - FY 2010
Office of Civil Rights	9,141	9,384	9,667	283
Total	9,141	9,384	9,667	283
FTEs				
Direct Funded	42	55	55	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This appropriation finances the costs of the Departmental Civil Rights Office. This office is responsible for enforcing laws and regulations that prohibit discrimination in federally-operated and assisted transportation programs. This office also handles all civil rights cases related to the Department of Transportation employees.

MINORITY BUSINESS OUTREACH

For necessary expenses of Minority Business Resource Center outreach activities, [\$3,056,000] \$3,074,000, to remain available until September 30, [2010] 2011: *Provided*, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation. (*Department of Transportation Appropriations Act, 2009.*)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS OUTREACH

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request	Change FY 2009- FY 2010
Minority Business Outreach	2,970	3,056	3,074	18
Total	2,970	3,056	3,074	18
FTEs				
Direct Funded	1	1	1	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This activity provides contractual support and bonding assistance to assist small, women-owned, Native American, and other disadvantaged business firms in securing contracts and subcontracts resulting from transportation-related Federal support.

FINANCIAL MANAGEMENT CAPITAL

For necessary expenses for upgrading and enhancing the Department of Transportation's financial systems, and reengineering business processes, \$5,000,000, to remain available until expended. (*Department of Transportation Appropriations Act, 2009*).

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request	Change FY 2009 - FY 2010
Financial Management Capital	0	5,000	5,000	0
Total	0	5,000	5,000	0
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This appropriation provides funds for a multi-year business transformation effort to streamline and standardize the financial systems and business processes across the Department of Transportation. This effort includes upgrading and enhancing the commercial software used for DOT's financial systems, improving the cost and performance data provided to managers, implementing a budget line of business, and instituting new accounting standards and mandates. In FYs 2009 and 2010, the business transformation effort will focus on project planning and business process re-engineering.

COMPENSATION FOR AIR CARRIERS

[(RESCISSION)]

[Of the amounts made available under this heading, all unobligated balances as of the date of enactment of this Act are hereby permanently rescinded.] (*Department of Transportation Appropriations Act, 2009.*)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

COMPENSATION FOR AIR CARRIERS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
Compensation for Air Carriers [mandatory]	-22,000	-848	0
Compensation for Air Carriers [discretionary]	0	0	0
Total	-22,000	-848	0
FTEs			
Direct Funded	0	0	0
Reimbursable, allocated, other	0	0	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

COMPENSATION FOR GENERAL AVIATION OPERATIONS

APPROPPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request	Change FY 2009 - FY 2010
Compensation for General Aviation Operations	0	0	0	0
Total	0	0	0	0
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

The Transportation, Treasury and Housing and Urban Development, The Judiciary, District of Columbia and Independent Agencies Appropriations Act for Fiscal Year 2006 (P.L. 109-115) provided \$17 million to reimburse fixed-based general aviation operators and providers of general aviation ground support services at five facilities for the financial losses they incurred when the Federal Government closed the facilities due to the September 11, 2001 terrorist attacks. The remaining balance in this account is not needed for the purpose originally enacted. In FY 2009, the remaining balance will be transferred to Payments to Air Carriers pursuant to P.L. 111-8.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, systems development, development activities, and making grants, to remain available until expended, [\$18,300,000] \$10,233,000. (*Department of Transportation Appropriations Act, 2009.*)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request	Change FY 2009 to FY 2010
Transportation Planning, Research and Development	13,884	18,300	10,233	-8,067
Total	13,884	18,300	10,233	-8,067
FTEs				
Direct Funded	27	31	31	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This appropriation finances research activities and studies concerned with planning, analysis, and information development needed to support the Secretary's responsibilities in the formulation of national transportation policies.

The program is carried out primarily through contracts with other Federal agencies, educational institutions, non-profit research organizations, and private firms.

Activities support the development of transportation policy, coordination of national-level transportation planning, and such issues as regulatory modernization, energy conservation, and environmental and safety impacts of transportation. These funds also support departmental leadership on aviation economic policy and international transportation issues.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request	Change FY 2009 - FY 2010
Essential Air Service [Mandatory]	41,566	27,286 ^{1/}	50,000	22,714
Total	41,566	50,000	50,000	0
FTEs				
Direct Funded	9	10	14	4
Reimbursable, allocated, other	0	0	0	0

1/ An additional \$22.714 million of overflight fees were transferred by FAA as an unobligated balance at the start of the year for a total of \$50 million of mandatory funding available during FY 2009.

Program and Performance Statement

The Federal Aviation Reauthorization Act of 1996 (P.L. 104-264) authorized the collection of user fees for services provided by the FAA to aircraft that neither take off nor land in the United States, commonly known as overflight fees. The Act permanently appropriated the first \$50 million of such fees for the Essential Air Service program and rural airport improvements. To the extent that fee collections fall below \$50 million, the law requires the difference to be covered by Federal Aviation Administration funds. The Administration intends to work with Congress to develop a more sustainable program model that will fulfill its commitment to maintaining small communities' access to the National Airspace System while enhancing convenience for travelers and improving cost effectiveness.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of guaranteed loans [,\$353,000] *for short-term working capital, \$342,000*, as authorized by 49 U.S.C. 332: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$18,367,000. In addition, for administrative expenses to carry out the guaranteed loan program, [\$559,000] \$570,000. (*Department of Transportation appropriations Act, 2009.*)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER PROGRAM

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request	Change FY 2009 - FY 2010
Minority Business Resource Center Program	893	912	912	0
Total	893	912	912	0
FTEs				
Direct Funded	1	1	1	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

Provides assistance in obtaining short-term working capital for minority, women-owned and other disadvantaged businesses and Small Business Administration 8(a) firms.

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with the guaranteed loans, as well as administrative expenses of this program.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER PROGRAM
GUARANTEED LOAN FINANCING ACCOUNT

PROGRAM AND PERFORMANCE

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all the cash flows to and from the Government resulting from guaranteed loan commitments. The amounts in this account are a means of financing and are not included in the budget totals.

PAYMENTS TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)
[(INCLUDING TRANSFER OF FUNDS)]

In addition to funds made available from any other source to carry out the essential air service program under 49 U.S.C. 41731 through 41742, [\$73,013,000] \$125,000,000, to be derived from the Airport and Airway Trust Fund, to remain available until expended: *Provided*, That, in determining between or among carriers competing to provide service to a community, the Secretary may consider the relative subsidy requirements of the carriers[: *Provided further*, That, if the funds under this heading are insufficient to meet the costs of the essential air service program in the current fiscal year, the Secretary shall transfer such sums as may be necessary to carry out the essential air service program from any available amounts appropriated to or directly administered by the Office of the Secretary for such fiscal year]. (*Department of Transportation Appropriations Act, 2009.*)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request	Change FY 2009 - FY 2010
Payments to Air Carriers	60,000	73,013	125,000	51,987
Total	60,000	73,013	125,000	51,987
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

Through 1997, this program was funded from the Airport and Airway Trust Fund. Starting in 1998, the FAA reauthorization funded it as a mandatory program supported by overflight fees under the Essential Air Service and Rural Airport Improvement Fund. In addition to mandatory funding supported by overflight fees, direct appropriations from the Airport and Airway Trust Fund to Payments to Air Carriers have been enacted every year beginning in FY 2002 to meet the needs of the essential air service program. For FY 2010, \$125 million in Budget Authority is requested from the Airport and Airway Trust Fund for Payments to Air Carriers.

WORKING CAPITAL FUND

[Necessary expenses for operating costs and capital outlays of the Working Capital Fund, not to exceed \$128,094,000 shall be paid from appropriations made available to the Department of Transportation: *Provided*, That such services shall be provided on a competitive basis to entities within the Department of Transportation: *Provided further*, That the above limitation on operating expenses shall not apply to non-DOT entities: *Provided further*, That no funds appropriated in this Act to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency modal administrator: *Provided further*, That no assessments may be levied against any program, budget activity, subactivity or project funded by this Act unless notice of such assessments and the basis therefor are presented to the House and Senate Committees on Appropriations and approved by such Committees.] (*Department of Transportation Appropriations Act, 2009.*)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Estimate	Change FY 2009 - FY 2010
DOT Activities	128,094	128,094	147,596	19,502
WCF-Administration	75,467	73,791	80,978	
WCF-CIO	52,627	54,303	66,618	
Non-DOT Activities	244,732	349,424	438,953	89,529
WCF-Administration	244,226	348,788	438,418	
WCF-CIO	506	636	535	
Total	372,826	477,518	586,549	109,031
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	172	219	213	-6

Program and Performance Statement

The Working Capital Fund finances common administrative services and other services that are centrally performed in the interest of economy and efficiency. The fund is financed through agreements with the Department of Transportation operating administrations and other customers.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE
TRANSPORTATION SYSTEM, RECOVERY ACT

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request	Change FY 2009 - FY 2010
Discretionary Grants	0	1,500,000	0	-1,500,000
Total	0	1,500,000	0	-1,500,000
FTEs				
Direct Funded	0	0	3	3
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This American Recovery and Reinvestment Act program provides funding for grant awards to State and local governments or transit agencies on a competitive basis for capital investments in surface transportation infrastructure that will have a significant impact on the Nation, a metropolitan area or a region. Of the \$1.5 billion appropriated, an amount not to exceed \$200,000,000 may be used to pay the subsidy and administrative costs of projects eligible for federal credit assistance under U.S.C. 23 Chapter 6, the Transportation Infrastructure and Innovative Finance Act.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ADMINISTRATIVE PROVISIONS
OFFICE OF THE SECRETARY OF TRANSPORTATION

Sec. 101. The Secretary or his or her designee may engage in activities with States and State legislators to consider proposals related to the reduction of motorcycle fatalities. (Department of Transportation Appropriations Act, 2009.)

EXHIBIT III-3
OFFICE OF THE SECRETARY OF TRANSPORTATION
Annual Performance Results and Targets

Annual Performance Results and Targets

The appropriations of the Office of the Secretary of Transportation integrate performance results into its budget request to demonstrate alignment with the Department of Transportation's Strategic Plan. The secretarial offices track the following DOT level performance measures to demonstrate program results:

Strategic Goal/Performance Goal: *Global Connectivity – Facilitate an international transportation system that promotes economic growth and development.*

The number of potential air transportation consumers (in billions) in international markets traveling between the U.S. and countries with open skies agreements.	2005	2006	2007	2008	2009	2010
Target	1.53B	2.99B	3.05B	3.85B	3.90B (r)	3.92B (r)
Actual	2.97B	3.01B	3.83B	3.94B		

(r) Revised

The number of international negotiations conducted annually to remove market distorting barriers to trade in transportation.	2005	2006	2007	2008	2009	2010
Target	10 rounds	10 rounds	12 rounds	11 rounds	12 rounds	12 rounds
Actual	10 rounds	10 rounds	23 rounds	12 rounds		

Number of new or expanded bilateral and multilateral aviation agreements completed.	2005	2006	2007	2008	2009	2010
Target	2	3	3	2	3	3
Actual	2	4	3	4		

Section 3 – FY 2010 Budget Request by Appropriation

Number of proceedings to award U.S. carriers newly available international route rights.	2005	2006	2007	2008	2009	2010
Target	N/A	N/A	N/A	8	8	8
Actual	N/A	N/A	4	13		

Percent share of total dollar value of DOT-directed contracts awarded to women-owned businesses.	2005	2006	2007	2008	2009	2010
Target	5.1	5.1	5.1	5.0	5.0	5.0
Actual	6.6	8.4 (r)	10.4 (r)	7.0*		

(r) Revised, *Preliminary data through July 2008

Percent share of total dollar value of DOT-directed contracts awarded to small, disadvantaged businesses.	2005	2006	2007	2008	2009	2010
Target	14.5	14.5	14.5	14.5	14.0	14.0
Actual	12.7	16.2 (r)	18.0 (r)	16.0*		

(r) Revised, *Preliminary data through July 2008

Strategic Goal/Performance Goal: *Environmental Stewardship – Promote transportation solutions that enhance communities and protect the natural and built environment.*

Percentage of DOT facilities categorized as No Further Remedial Action Planned	2005	2006	2007	2008	2009	2010
Target	93	93	93	93	93	93
Actual	92	92	93	94		

Strategic Goal/Performance Goal: *Security, Preparedness and Response – Balance transportation security requirements with the safety, mobility and economic needs of the Nation and be prepared to respond to emergencies that affect the viability of the transportation sector.*

Note: New multi-modal measures baseline performance targets to be established after three years of baseline actual data.

Security Outcome 1: Expert transportation sector intelligence.

Percent of intelligence briefings delivered at each DOT tier	2005	2006	2007	2008	2009	2010
Target	N/A	N/A	N/A	N/A	N/A	Baseline
Actual	N/A	N/A	N/A	N/A		

Security Outcome 2: Preparedness for response to emergencies affecting the transportation sector.

Percent of DOT personnel with emergency management responsibilities with identified training requirements	2005	2006	2007	2008	2009	2010
Target	N/A	N/A	N/A	N/A	N/A	Baseline
Actual	N/A	N/A	N/A	N/A		

Section 3 – FY 2010 Budget Request by Appropriation

Percent of DOT personnel with emergency management responsibilities participating in exercises	2005	2006	2007	2008	2009	2010
Target	N/A	N/A	N/A	N/A	N/A	Baseline
Actual	N/A	N/A	N/A	N/A		

Security Outcome 3: Effective response to emergencies affecting the transportation sector.

Percent of Operating Administrations meeting annual response requirements	2005	2006	2007	2008	2009	2010
Target	N/A	N/A	N/A	N/A	N/A	Baseline
Actual	N/A	N/A	N/A	N/A		

Section 3 - FY 2010 Budget Request by Appropriation

History of Budget Authority, Appropriations and User Fees

(\$ in thousands)

Office of the Secretary

	Salaries & Expenses	Office of Civil Rights	New HQs Building	Office of Commercial Space Trans.	GSA Rent	Transp. Planning, Res. & Dev.	Minority Business Outreach	MBRC Loans	Payments to Air Carriers	Essential Air Service	Compensation to Air Carriers	Amtrak Reform Council	Compensation for General Aviation
FY 1996	53,746	5,618	0	0 /1	135,200	7,906	2,896	1,900	22,600	0	0	0	
FY 1997	51,508	5,548	0	0	131,747	2,930	2,900	1,900	25,900	0	0	0	
FY 1998	60,657	5,562	0	0	0	4,392	2,900	1,900	0	50,000 /4	0	2,050 /	
FY 1999	66,825 /2	6,843	0	0	0	8,959	2,900	1,900	0	[48,000] /5	0	0	
FY 2000	59,497 /3	6,988	0	0	0	5,217	2,882	1,900	0	[50,000] /6	0	0	
FY 2001	63,106	8,122	0	0	0	10,976	2,993	1,896	0	50,000 /7	5,000,000	0	
FY 2002	67,078	8,362	0	0	0	11,580	3,000	900	62,952	[50,000] /8	0	0	
FY 2003	88,357	8,514	0	0	0	23,463	2,949	894	51,761	[50,000] /8	0	0	
FY 2004 Actual	77,894	8,223	0	0	0	31,810	3,973	895	51,662	[50,000] /9	0	0	
FY 2005 Actual	81,564	8,408	43,355	0	0	20,997	2,641	522	51,628	[50,000] /10	0	0	0
FY 2006 Actual	84,051	8,465	49,500	0	0	14,850	2,970	891	0	[50,000] /10	0	0	16,830
FY 2007 Actual	83,961	8,527	49,500	0	0	14,893	2,970	893	59,400	[50,000] /12	-50,000	0	0
FY 2008 Actual	91,782	9,141	0	0	0	13,884	2,970	893	60,000	[65,000] /13	-22,000	0	0
FY 2009 Enacted	98,248	9,384	0	0	0	18,300	3,056	912	73,013	[50,000] /14	-848	0	0
FY 2010 Request	103,184	9,667	0	0	0	10,233	3,074	912	125,000	[50,000] /14		0	0

Notes:

/1 Office transferred to FAA in FY 1996.

/2 Includes transfer of \$7,754 from OMB for Y2K.

/3 Does not reflect rescission of prior year Y2K balances.

/4 BA transfer from FAA Operations GF account.

/5 Offsetting collection from FAA Facilities & Equipment account.

/6 Offsetting collection from FAA Operations TF account.

/7 BA transfer from FAA Operations GF.

/8 Offsetting collection from FAA F&E balances.

/9 Unobligated balances of overflight fees

/10 Overflight fees collected by FAA

/11 Overflight fees collected by FAA

/12 Overflight fees collected by FAA

/13 Overflight fees collected by FAA (\$50m) and funds from sale of spectrum (\$15m)

/14 Overflight fees collected by FAA

History of Obligation Limitations
 (\$ in thousands)
 Office of the Secretary

	<u>TASC/ Working Capital Fund 1/</u>	<u>Direct Loans</u>	<u>Guaranteed Loans</u>
FY 1996	95,463	15,000	
FY 1997	114,812	15,000	
FY 1998	118,800	15,000	
FY 1999	109,124	13,775	
FY 2000	133,673	13,775	
FY 2001	126,887		13,775
FY 2002	116,023		18,367
FY 2003	118,391		18,367
FY 2004 Actual	98,899		18,367
FY 2005 Actual	94,881		18,367
FY 2006 Actual	99,006		18,367
FY 2007 Actual	118,014		18,367
FY 2008 Actual	128,094		18,367
FY 2009 Enacted	128,094		18,367
FY 2010 Request	147,596		18,367

Notes:

1/ This account was titled "Working Capital Fund" prior to 1997, was renamed "Transportation Administrative Service Center" from 1998 through 2002, and was renamed "Working Capital Fund" in 2003.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FY 2010 CONGRESSIONAL BUDGET JUSTIFICATION

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GENERAL NOTES

Detail in this document may not add to the totals due to rounding.

EXHIBIT III-2

SALARIES AND EXPENSES

SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)

Item	Total (\$000s)	FTE
FY 2009 Base (Enacted)	98,248	431
Adjustments to Base:		
Annualization of 2009 Comparability Pay Increase	120	
2010 Comparability Pay Increase	874	
Rent	435	
WCF Increases	525	
Inflation	193	
Restoration of Base FTEs and Redirection of Resources	1,506	15
Subtotal, Adjustments to Base	3,653	15
Total, FY 2010 Baseline Estimates	101,901	446
Change in Program Level (+/-)		
Executive Protection Detail	1,112	10
Increased FTE for S-60	145	1
Increased Travel for Public Affairs	26	
Subtotal, New or Expanded Programs	1,283	11
Total FY 2010 Request	\$ 103,184	457

Detailed Justification for the Immediate Office of the Secretary

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>	Difference From FY 2009 <u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	1,739	2,065	2,294	229
Travel	156	229	231	2
Other Costs	415	106	106	0
TOTAL	2,310	2,400	2,631	231
<u>STAFFING</u>				
Direct Positions	15	15	15	0
Reimbursable Positions	7	7	7	0
Direct FTE	15	14	15	1
Reimbursable FTE	7	7	7	0

Immediate Office of the Secretary
--

FY 2010 Request: \$ 2,631

Overview:

The Immediate Office of the Secretary provides leadership for the Department and develops a shared understanding of the Department's vision, mission, and strategic goals. It is responsible for overall planning, direction, and control of the Department's agenda.

FY 2009 Base:

The Immediate Office of the Secretary will operate within the enacted budget amount and FTE level to provide executive leadership.

FY 2010 Budget Request:

The Immediate Office of the Secretary is requesting \$2.631 million and 15 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request includes funding to annualize the 2009 pay raise, fund a 2010 two percent civilian pay increase, fund .5 percent inflation adjustment in FY 2010, and fully fund the 15 FTEs authorized for this office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

Detailed Justification for the Office of the Deputy Secretary

(In thousands of dollars)

	FY 2008	FY 2009	FY 2010	Difference
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	From
				FY 2009
				<u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	619	722	948	226
Travel	5	21	21	0
Other Costs	106	16	17	1
TOTAL	730	759	986	227
<u>STAFFING</u>				
Direct Positions	7	7	7	0
Reimbursable Positions	0	0	0	0
Direct FTE	3.52	5	7	2
Reimbursable FTE	0	0	0	0
Office of the Deputy Secretary			FY 2010 Request: \$986	

Overview:

The Office of the Deputy Secretary has the primary responsibility of assisting the Secretary in the overall planning, direction and control of the Department's agenda.

FY 2009 Base:

The Office of the Deputy Secretary will operate within the enacted budget amount and FTE level to provide assistance to the Secretary.

FY 2010 Budget Request:

The Office of the Deputy Secretary is requesting \$.986 million and 7 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request includes funding to annualize the 2009 pay raise, fund a 2010 two percent civilian pay increase, fund .5 percent inflation adjustment in FY 2010, and fully fund the 7 FTEs authorized for the office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

Detailed Justification for the Executive Secretariat

(In thousands of dollars)

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>	Difference From FY 2009 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	1,198	1,562	1,678	116
Travel	0	0	0	0
Other Costs	318	33	33	0
TOTAL	1,516	1,595	1,711	116
<u>STAFFING</u>				
Direct Positions	15	15	15	0
Reimbursable Positions	0	0	0	0
Direct FTE	11.77	14	15	1
Reimbursable FTE	0	0	0	0

Office of The Executive Secretariat	FY 2010 Request: \$ 1,711
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Overview:

The Office of the Executive Secretariat provides an organized staff service for the Secretary and Deputy Secretary to assist them in carrying out their management functions and facilitate their responsibilities for formulating, coordinating and communicating major policy decisions. This office controls and coordinates internal and external material directed to the Secretary and Deputy Secretary and ensures that their decisions and instructions are implemented.

FY 2009 Base:

The Office of the Executive Secretariat will operate within the enacted budget amount and FTE level.

FY 2010 Budget Request:

The Office of the Executive Secretariat is requesting \$1.711 million and 15 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request includes funding to annualize the 2009 pay raise, fund a 2010 two percent civilian pay raise, fund .5 percent inflation adjustment in FY 2010, and fully fund the 15 FTEs authorized for this office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

Detailed Justification for the Office of the Under Secretary - of Transportation for Policy

(In thousands of dollars)

	FY 2008	FY 2009	FY 2010	Difference From FY 2009
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	<u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	8,853	9,483	10,469	986
Travel	166	206	207	1
Other Costs	855	418	424	6
TOTAL	9,874	10,107	11,100	993
<u>STAFFING</u>				
Direct Positions	122	122	122	0
Reimbursable Positions	4	4	4	0
Direct FTE	74.51	78	84	6
Reimbursable FTE	4	4	4	0

Office of the Under Secretary of Transportation for Policy	FY 2010 Request: \$11,100
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Overview:

The Office of the Under Secretary will use its salaries and expenses (S&E) funding to support global connectivity throughout the Department. Specific activities of the office include but are not limited to: international standards development and harmonization; trade promotion; air carrier licensing; aviation and other transportation-related trade negotiations; development of legislative initiatives; performance of policy and economic analysis; coordination of departmental policy initiatives addressing spectrum allocation and GPS; intermodalism; and a panoply of safety, energy and environmental issues that impact transportation systems development. The Under Secretary's office also provides staff support to the Secretary and other senior department decision makers in their discussions, meetings and other activities with foreign officials and senior U.S. officials both within the Federal government and U.S. private sector.

The Office of the Under Secretary of Transportation for Policy is responsible for the continuing negotiations on maritime services in the General Agreement on Trade in Services, science and technology cooperative programs with Japan and Russia, and

promotion of transport-related U.S. business interests overseas. The office has been assigned lead responsibilities in each of these areas.

FY 2009 Anticipated Accomplishments:

The Office of the Under Secretary for Transportation will be heavily involved in oversight and implementation of the American Recovery and Reinvestment Act, particularly the \$1.5 billion Supplemental Discretionary Grants for a National Surface Transportation System. The Under Secretary will play a vital role in the policy making for the Secretary's initiative for livable and sustainable communities. In addition, the Office of the Under Secretary will increase and expand federal policy on intermodal transportation and will continue to initiate policies to promote efficient intermodal transportation. International outreach with major transport ministers will continue to develop policy positions on transport and transport related international trade matters, as will participation in the negotiation and implementation of trade agreements between the United States and other countries.

FY 2009 Base:

The Office of the Under Secretary of Transportation for Policy will operate within the enacted budget amount and FTE level to accomplish the mission outlined above.

FY 2010 Budget Request:

The Office of the Under Secretary is requesting \$11.1 million and 84 FTE in FY 2010. The FY 2010 request for this area includes funding to restore six critical FTEs needed to meet ongoing workload requirements; to annualize the 2009 pay raise; to fund the 2010 two percent civilian pay raise; and to fund a .5 inflation adjustment in FY 2010. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

Detailed Justification for the Office of Small and -Disadvantaged Business Utilization

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>	Difference From FY 2009 <u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	1,098	1,257	1,386	129
Travel	0	0	0	0
Other Costs	237	112	113	1
TOTAL	1,335	1,369	1,499	130
<u>STAFFING</u>				
Direct Positions	9	9	9	0
Reimbursable Positions	0	0	0	0
Direct FTE	7.41	8	9	1
Reimbursable FTE	0	0	0	0

Office of Small and Disadvantaged Business Utilization	FY 2010 Request: \$ 1,499
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Overview:

The Office of Small and Disadvantaged Business Utilization's mission is to ensure that the small and disadvantaged business policies and goals of the Secretary of Transportation are developed and implemented throughout the Department in a fair, efficient, and effective manner to serve small and disadvantaged businesses across the country. In this capacity, the Office is responsible for providing policy direction for small and disadvantaged business participation in the Department's procurement and grant programs and for implementing provisions of sections 8 and 15 of the Small Business Act, as amended. The Office also provides oversight for the programs funded by the Minority Business Outreach and Minority Business Resource Center appropriations.

Anticipated FY 2009 Accomplishments:

In support of implementing the Department's responsibilities under sections 8 and 15 of the Small Business Act, as amended, a priority in FY 2009 will continue to be placed on ensuring that effective outreach activities are in place to broaden the small and

disadvantaged business participation in DOT procurements and DOT-funded contracts and grants for transportation-related projects across the nation.

FY 2010 Budget Request:

The Office of Small and Disadvantaged Business Utilization is requesting \$1.499 million and 9 FTEs in FY 2010. The request includes funding to annualize the 2009 pay raise, fund a 2010 two percent pay raise, fund a .5 percent inflation adjustment in FY 2010, and fully fund the 9 FTEs authorized for the program. A more detailed breakdown of this request can be found in the object class detail by office exhibit.

Detailed Justification for the Office of Intelligence, Security, and Emergency Response

(In thousands of dollars)

	FY 2008	FY 2009	FY 2010	Difference From FY 2009
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	<u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	3,066	5,312	7,164	1,852
Travel	215	400	633	233
Other Costs	4,593	2,963	3,132	169
TOTAL	7,874	8,675	10,929	2,254
<u>STAFFING</u>				
Direct Positions	36	37	49	12
Reimbursable Positions	0	0	0	0
Direct FTE	21.25	37	49	12
Reimbursable FTE	0	0	0	0

Note: In FY 2009, the Department is requesting, via a reprogramming request, to transfer the Executive Protection Program from the Office of Security in the Office of the Assistant Secretary for Administration to the Office of Intelligence, Security and Emergency Response. Consistent with that transfer, the FY 2010 request proposes to fund the Executive Protection Program using Office of Intelligence, Security and Emergency Response Salaries and Expenses funding rather than through the Working Capital Fund where it has been funded in the past. The FY 2010 request for the Office of Intelligence, Security, and Emergency Response includes an additional \$1.875 million and 10 FTEs for the Executive Protection Program. See Section 5, Additional Justifications, for a complete description of the financial impact of the transfer of the Executive Protection Program on the Office of Intelligence, Security and Emergency Response, the Office of the Assistant Secretary for Administration, and the Working Capital Fund.

Office of Intelligence, Security, and Emergency Response	FY 2010 Request: \$10,929
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Overview:

The Office of Intelligence, Security, and Emergency Response is comprised of five primary areas of responsibility: Intelligence, Security Policy, Preparedness, and Operations and Executive Protection.

I. Intelligence

The Intelligence Division provides the Secretary of Transportation and other Department principals with all-source, finished transportation-related intelligence. The intelligence covers current key developments and longer-range regional/worldwide trends in international terrorism;

along with global and international issues concerning aviation, trade, transportation markets, trade agreements and a range of other international cooperation and facilitation issues, particularly as they affect U.S. security and international efforts. This mission is accomplished through analysis, reporting, and close coordination with organizations in the Intelligence Community.

The Intelligence function was created on June 14, 1990, in response to the President's Commission on Aviation Security and Terrorism. The initial responsibilities were in response to the Commission's direction. Those responsibilities have significantly increased based on numerous subsequent Presidential Directives and Executive Orders. These include the Intelligence Reform and Prevention of Terrorism Act (IRPTA), Public Law 108-458; the Implementation Plan for the Information Sharing Environment; the National Strategy for Combating Terrorism; the National Intelligence Strategy; the Homeland Security Act of 2002; and several classified National Security Presidential Directives/ Homeland Security Presidential Directives (NSPD/HSPD).

The IRPTA significantly increased workload and established a new paradigm for sharing information. For example, Section 1016 of IRPTA directed that the President establish an Information Sharing Environment (ISE) for the sharing of terrorism information among all appropriate Federal, State, local, tribal entities, and the private sector through the use of policy guidelines and technologies. As a result of IRPTA, the Program Manager of the ISE (PMISE) created the Information Sharing Council and the Intelligence Division participates in the Council.

Similar workload impacts were caused by NSPD-47/HSPD-16, "Aviation Security Policy," which established U.S. policy, guidelines, and implementation actions; and directed the development of the National Strategy for Aviation Security (NSAS), that provides the overarching framework for a comprehensive and integrated national approach to security of the Aviation Transportation System.

In order to meet the requirements, work can be summarized as follows:

1. Intelligence Advisor to the Secretary and Other Department Principals. Ensures the Secretary and senior staff are kept informed of significant intelligence and security issues affecting the traveling public, transportation industry, and national security. This intelligence includes analysis of all-source reporting on terrorist threats to transportation and the U.S. Homeland, as well as regional/worldwide trends in international terrorism; and, global and international issues concerning aviation, trade, transportation markets, trade agreements, and a range of other international developments.
2. Liaison with Intelligence and Law Enforcement Communities. Serves as the Department's primary liaison with the Intelligence and Law Enforcement Communities to ensure the intelligence requirements of the Department and the Operating Administrations are incorporated into Intelligence Community collection and reporting missions. In addition, this office provides support to intelligence and law enforcement agencies that require information and/or analysis from modal experts.

3. Transportation Intelligence Policy Advisor. Advises DOT executives on policy issues related to intelligence, information sharing, and national security strategies coordinated in the National and Homeland Security Councils; and coordinates modal input on specific national-level security plans.

There has been an exponential increase in demand for DOT to provide intelligence analysis of threats to transportation infrastructure, both within the Department and within the Intelligence Community. In addition, the Intelligence Division has become a key player in Intelligence Policy issues supporting the President's agenda, to include representing the Department at work groups such as the Information Sharing Council and the Customer Service Synchronization Board (CSSB); and helping to develop policy such as the National Implementation Plan for the Global War on Terror. In addition, the Intelligence Division works in conjunction with the Security Policy Division on security policies such as the National Strategy for Aviation Security (NSAS), the Intelligence Community Exercise Forum, and the Strategic Homeland Infrastructure Risk Assessment (SHIRA). DOT's participation in these important efforts requires considerable effort and often results in the need to surge resources to meet inflexible deadlines.

II. Security Policy

The Security Policy Division works with all DOT Operating Administrations and Offices within OST in developing and implementing policy on transportation security matters including critical infrastructure protection, hazardous materials transportation, shoulder-launched surface-to-air missiles (MANPADS), and bio-hazards, including pandemic influenza. These activities are in direct support of various Homeland Security Presidential Directives, National Security Presidential Directives, Executive Orders, National Strategies and Congressional mandates. To support the Secretary and Deputy Secretary, the Security Policy staff produces or coordinates in-depth studies, reports, analysis, and Departmental operational plans.

Although the enactment of the Aviation and Transportation Security Act (ATSA) in November 2001, gave the Transportation Security Administration (TSA) primary responsibility for transportation security, it left many critical security-related functions affecting the operations, efficiency, safety, and mobility of the transportation system, within the Operating Administrations of the Department. Further, Section 4001 of the Intelligence Reform and Terrorism Act of 2004, specifically required that the Secretary of Homeland Security work jointly with the Secretary of Transportation in developing, revising, and updating a National Strategy for Transportation Security and transportation modal security plans. In addition, Homeland Security Presidential Directives (HSPDs) formalized the security roles and responsibilities of the various Departments within the Executive Branch, and Congress enacted the Act Implementing the Recommendations of the 9/11 Commission in 2005 to provide additional guidance.

For example, Homeland Security Presidential Directive 7, "Critical Infrastructure Identification, Prioritization and Protection" charges the Secretary of Transportation to provide the Department of Homeland Security with support in identification of critical infrastructure, vulnerability assessments, analysis, and implementation of protective programs, and establishment of measures of effectiveness for continuous improvement. This requirement applies across all

modes of transportation and necessitates intermodal coordination. The Department must also ensure the security of the National Airspace System and its own internal critical infrastructure. The Security Policy Division coordinates this implementation with the Department of Homeland Security.

The Security Policy Division leads the departmental approach to participation in White House coordination bodies, including the National Security Council and the Homeland Security Council (HSC); the Deputy Secretary of Transportation to participates in the HSC Deputies Committee, which is a senior sub-Cabinet interagency forum for consideration of policy issues affecting homeland security, and other departmental leaders, primarily the Security Policy staff participate in HSC Policy Coordination Committees. These Coordinating Committees provide policy analysis for consideration by the more senior committees of the HSC system and ensure timely responses to decisions made by the President. They also coordinate the development and implementation of homeland security policies by multiple departments and agencies throughout the Federal government, and coordinate those policies with State and local government.

The Department is a vital partner with Department of Homeland Security in planning for any required response to a Weapons of Mass Destruction attack, since transportation of goods, responders and victims after an event is critical.

III. Preparedness

The Preparedness Division has four primary areas of responsibility: National Security Programs, National Response Programs (Emergency Support Function-1), International Civil Emergency Preparedness Programs and Training and Exercise Programs. These responsibilities are derived from 49 USC Sections 101 and 301, Sections 1401 and 1402 of Executive Order 12656, as amended, and Section 201 (a) of Executive Order 12919. These authorities delegate responsibilities to the Secretary of Transportation to exercise leadership in transportation matters, including those affecting national defense and those matters involving national or regional emergencies and international civil emergency preparedness planning with NATO and other allies. Part 1, Section 1.69 (b) of Title 49, Code of Federal Regulations, as amended, delegates the Secretary's authority for emergency preparedness and response functions to the Director of the Office of Intelligence, Security, and Emergency Response.

- **National Security Program.** The purpose of the national security program is to ensure survival of a constitutional form of government and the continuity of essential DOT functions in events ranging from facility damage resulting from a minor incident such as a water main break to a terrorist attack on the Nation. Under these programs, the office develops and maintains the Office of the Secretary of Transportation Continuity of Operations plan; maintains alternate secure facilities in a state of readiness for use by the OST and the DOT Emergency Response Team in the event that the use of HQ building is denied, or DHS/FEMA has directed a heightened continuity readiness posture. The office ensures a high state of readiness through periodic inter- and intra-agency exercises and testing. Additionally, the office develops and updates departmental devolution plans and procedures, and plans for DOT support to various continuity of government programs.

These programs date back to the civil defense era of the 1950's, and were updated via national security directives issued in 1982, 1990, 1992, and 1998; on May 9, 2007, President Bush issued a new policy that is far more demanding, via National Security Presidential Directive (NSPD 51)/Homeland Security Presidential Directive (HSPD-20), "National Continuity Policy". The National Continuity Implementation Plan, developed under the NSPD/HSPD, includes prioritized goals and objectives, a concept of operations, performance metrics by which to measure continuity readiness, procedures for continuity and incident management activities, and clear direction to executive department and agency continuity coordinators.

Additionally, guidance was provided in National Communications System Directive NCSD-310 that establishes new communications requirements that must be met for each COOP site. Implementation of this directive is shared among the OST offices for CIO, Management, and Intelligence, Security and Emergency Response.

- **National Response Program (Emergency Support Function - 1).** The National Response Program is responsible for coordinating the Department's response to disasters. This includes managing the Department's responsibilities under the National Response Framework. Under the National Response Framework, DOT is the coordinating and primary agency for Emergency Support Function-1 Transportation (ESF-1). ESF -1 is designed to provide transportation support to assist in domestic incident management, including: reporting status of damage to transportation infrastructure as a result of the incident; coordinating alternate transportation services provided by others; coordinating the restoration and recovery of the transportation infrastructure; performing activities conducted under the direct authority of DOT elements such as air, maritime, surface, rail, and pipelines; and coordinating and supporting prevention/preparedness/mitigation among transportation infrastructure stakeholders at the State and local levels. DOT also provides economic analysis at the local, regional, or national levels and provides recovery assistance, helping coordinate restoration of the transportation system to affected areas

This program also manages the Regional Emergency Transportation Program, which consists of Regional Emergency Transportation Coordinators (RETCOs), Regional Emergency Transportation Representatives (RETREPs), and response teams. These response teams, which are based in ten regions across the country, provide surge staffing during emergencies that deploy to key Regional, state and local field offices during emergencies to provide critical emergency transportations services. .

- **International Civil Emergency Preparedness Program.** The International Civil Emergency Preparedness Program provides for representation of the United States and the Department in international forums developing civil transportation response plans in the interest of national security. Activities include coordinating with Transport Canada in planning for mutual support in cross border operations during security incidents and other disasters, and representing the United States in NATO civil emergency planning and training to use civilian aviation resources during NATO military operations and support to other nations during disasters. The international program representatives work in

coordination with other Federal entities on planning and policy development concerning international civil transportation emergency response and recovery initiatives.

- **Training and Exercise Program.** The Training and Exercise Program is responsible for coordinating the Department's participation in National, regional, and local emergency preparedness/response exercises. These exercises are required by a number of Executive Orders and other Directives. For example, Executive Order 12656, "Assignment of Emergency Preparedness Responsibilities," November 18, 1988, requires the head of each Federal Agency to develop and conduct training and education programs that incorporate emergency preparedness and civil defense information necessary to ensure an effective national response. National Security Presidential Directive (NSPD 51)/Homeland Security Presidential Directive (HSPD-20), "National Continuity Policy, May 9, 2007, requires testing and exercises to ensure survival of a constitutional form of government and the continuity of essential Federal functions. Similarly, Homeland Security Presidential Directive (HSPD) 5, "Management of Domestic Incidents", February 28, 2003, established minimum training and exercise requirements and minimum training standards and established a certification process based on required training and requires rigorous requirements for continuous improvement for testing and conducting exercises. HSPD 7, "Critical Infrastructure Identification, Prioritization and Protection", December 17, 2003, requires the Department of Transportation to plan and coordinate training and exercises to protect the National Transportation and Air Space Systems.

To manage all of these requirements, HSPD 8. "National Preparedness," December 17, 2003, developed the National Exercise Program (NEP). The National Exercise Program (NEP) mandates that all Federal Departments budget for support to White House directed, government-wide, strategy and policy related exercises which require the participation of the agency heads or their deputies. Additionally, the NEP requires Departments to support strategy and policy exercises through simulation or staff participation as well as maintaining a corrective action program to generate input for and track corrective action issues and report on the effectiveness and accomplishments of training programs.

IV. Operations

Executive Order 12656, "Assignment of Emergency Preparedness Responsibilities," issued on November 18, 1988, requires agencies to design preparedness measures to permit a rapid and effective transition from routine to emergency operations. This includes development of a system of emergency actions that define alternatives, processes, and issues to be considered during various stages of national security emergencies and identification of actions that could be taken in the early stages of a national security emergency or a pending emergency to mitigate the impact or reduce significantly the lead times associated with full emergency action implementation.

The Crisis Management Center is an around-the-clock operations center that ensures that the Department of Transportation can meet these requirements. The primary functions of the Crisis Management Center are to:

Monitor the Transportation System: Monitor the status of the transportation system at all times, including transportation related events and incidents overseas that have the potential to impact the domestic transportation system. Provide real-time reports to DOT leadership and Operating Administrations to ensure prompt notification of and response to significant disruptions, incidents, or threats that may affect the transportation system.

Communications Support. Support the Secretary and Department by providing secure video teleconferencing and around-the-clock communications for other Departments, agencies and key stakeholders to reach senior leadership. Provide access to incident information to the Department, both for unclassified and classified information.

Support Disaster Response Activities: The Crisis Management Center (CMC) houses and supports the Department's Emergency Response Team during emergencies, both natural and man-made. During these surge operations, the CMC provides all required capabilities, communications, administrative support, etc. to conduct 24X7 emergency operations.

The Crisis Management Center also fulfills some of the requirements of Homeland Security Presidential Directive (HSPD) 5, "Management of Domestic Incidents," issued on February 2003. Among other requirements, this HSPD requires that Federal agencies participate in and use domestic incident reporting systems and protocols established by the Secretary of the Department of Homeland Security.

V. Executive Protection Program

The Protective Service Division provides the Secretary of Transportation highly trained and experienced Special Agents who are deputized U.S. Marshals. The agents provide protection for the Secretary and conduct security advance work in the United States and overseas. Equipment and supply needs for the protection detail are assessed annually to ensure agents are fully equipped and have the required resources necessary to successfully operate in the U. S. and overseas.

The Special Agents provide personal protection for the Secretary of Transportation throughout the workday and wherever the Secretary travels, whether in the Washington, D.C. metropolitan area, to other places in the United States, or to foreign countries. This protection is crucial to the Secretary's security and safety, especially in a time of increased terrorist threats or activity.

Within the Protective Service Division is the Executive Transportation Program. This program provides official transportation in the Washington, D.C. metropolitan area for the Secretary of Transportation. The drivers are highly trained and experienced professionals. They enhance the protection detail's ability to deal with terrorist threats and to meet elevated threat-level manpower demands.

FY 2009 Base:

The Office of Intelligence, Security, and Emergency Response will operate within the enacted budget amount and FTE level to accomplish the elements of the Security strategic goal.

Anticipated FY 2009 Accomplishments:

Intelligence

During Fiscal Year 2009, the Intelligence Division will fulfill its previously stated requirements. Some of the key planned accomplishments are:

- Provide transportation-related intelligence to the Secretary, Deputy Secretary, key OST Offices, and Operating Administrations.
- Analyze threats to domestic and foreign transportation infrastructure and assets and ensure key officials and emergency coordinators within the Operating Administrations are apprised of specific threats and trends in terrorist tactics and capabilities.
- Assess intelligence related to the transportation industry and international economic and diplomatic and provide that information to the Secretary, Deputy Secretary, key OST Offices, and Operating Administrations.
- Coordinate on draft intelligence analysis and warning products prepared by the National Counterterrorism Center, the Central Intelligence Agency, the Federal Bureau of Investigations, and the Department of Homeland Security.
- Represent the Department and its interests at the Information Sharing Council, the National Implementation Plan for the Global War on Terror, the Customer Service Synchronization Board (CSSB), and National Strategy for Aviation Security (NSAS) workgroups, the Intelligence Community Exercise Forum, the Strategic Homeland Infrastructure Risk Assessment (SHIRA), and other forums regarding intelligence-related issues at the national level.

Security Policy

During Fiscal Year 2009, the Security Policy Division will fulfill its previously stated requirements. Some of the key planned accomplishments are:

- Represent the Department and its interests at forums setting transportation security policy at Federal, State, Local, Tribal and international arenas.
- Continue implementation of the 9/11 Act, assuring DOT meets all 78 of its obligations under the Act.
- Analyze security policy related to the transportation infrastructure and assets and make policy recommendations to key Departmental officials.

Preparedness

During Fiscal Year 2009, the Preparedness Division will fulfill its previously stated requirements. Some of the key planned accomplishments by program area are:

National Security Program

- Maintain operational Continuity of Operations sites and continue improvements to facility configuration and communications/IT capabilities

- Manage and coordinate staffing for the Continuity of Government program and ensure expertise is increased through a formal training program
- Develop phased, prioritized, implementation plan for new Presidential policy to include classified programs

National Response Program/Emergency Support Function - 1

- Sustain/improve preparedness through training and participating in exercises
- Pursue appropriate certifications of the office's personnel.
- Update our procedures and other core documents
- Conduct after action reviews and create and carry out corrective action plans
- Replace response cadre losses and build response cadre if possible
- Update and augment essential equipment, systems, and supplies
- Participate in extensive interagency planning development and review
- Enhance the office's interagency response partners' awareness of its response plans and capabilities
- Assist the office's interagency and state/local/tribal partners through application of our technical expertise
- Participate in evolution of national policy and practice in transportation elements of emergency management

International Civil Emergency Preparedness Program

- Represent the United States in NATO civil emergency planning and support negotiations to resolve issues and planning matters related to civil aviation resources, acquisition, and deployment to support NATO operations.
- Represent the Department at international civil emergency preparedness, response and recovery meetings and training exercises
- Represent the United States in eight to ten NATO planning and training events for use of civilian aviation resources during NATO military operations and support to other nations during disasters

Training and Exercise Program

- Conduct annual DOT interagency Continuity of Operations Exercise
- Participate in National Level Counterterrorism Exercise (NLE 09)
- Participate in four Principal (Cabinet) Level Tabletop Exercises
- Participate in Natural Hazard National Level Exercise
- Participate in two National Special Security Event (NSSE) Command Post Exercises (Inauguration Support/Prep)
- Conduct National Response Framework (NRF) training for new DOT staff
- Conduct National Incident Management System (NIMS) rollout training for DOT
- Conduct Hurricane Season Preparation Training
- Support Regional ESF 1 Training Programs
- Support DOT Regional Training and Exercise Programs
- Provide Tabletop Exercise Support for the Annual RETCO Conference

Operations

During Fiscal Year 2009, the Operations Division will fulfill its previously stated requirements. Some of the key planned accomplishments are:

- Provide effective 24X7 monitoring of the transportation system to ensure key DOT staff have the necessary information on transportation related incidents
- Implement Homeland Security Presidential Directive 5 on Management of Domestic Incidents by reporting on domestic incidents
- Provide ongoing secure and other vital communications links for the Secretary and other Senior Officials
- Provide immediate impact analysis of emergency incidents and initiate the appropriate response
- Maintain a tightly coupled relationship with Federal, State, and Local emergency operations centers to make certain that maximum situational awareness and information sharing is achieved

FY 2010 Budget Request:

The Office of Intelligence, Security, and Emergency Response is requesting \$10.929 million and 49 FTE in FY 2010 to accomplish mission requirements. The FY 2010 request funds the annualization of the 2009 pay raise, the 2010 estimated two percent civilian pay increase, and a .5 percent inflation adjustment. A more detailed breakdown of this request can be found in the object class detail by office exhibit. The request also includes the following programmatic increases:

\$1.857 million and 10 FTEs are requested for the Executive Protection Program. In FY 2009, the Department is requesting, via a reprogramming request, to transfer the Executive Protection Program from the Office of Security in the Office of the Assistant Secretary for Administration to the Office of Intelligence, Security and Emergency Response. Consistent with that transfer, the FY 2010 request proposes to fund the Executive Protection Program using Office of Intelligence, Security and Emergency Response Salaries and Expenses funding rather than through the Working Capital Fund where it has been funded in the past. (See Section 5, Additional Justifications, for a complete description of the financial impact on the Office of Intelligence, Security and Emergency Response, the Office of the Assistant Secretary for Administration, and the Working Capital Fund.)

\$132.98 thousand for an additional FTE (GS-15) in conjunction with the transfer from Office of Policy to Office of Intelligence, Security, and Emergency Response of the Department's preparedness effort for pandemic influenza and other biological hazards. This function is a top priority as the Department continues to partner with other lead agencies on agenda items, such as overseas pandemic containment efforts, screening of all inbound international passengers for possible illness early in a pandemic and proper response of the Federal Government in support of State and local governments. This function is in support of the 2005 National Strategy for Pandemic Influenza and its 2006 Implementation Plan and guidance. The basis for the realignment is to have this critical function in the office organized to support preparedness and

respond to all crises, including the activities of the Department's Pandemic Influenza Plan. The continued development and activity of the Department's plan to support government-wide activities require this office to provide the technical and program support.

\$72.51 thousand for an additional half-year funded FTE (GS-15) is requested to meet the new and significant workload mandated by the White House in the creation of an Essential Portfolio for Transportation, which has broad responsibilities for aviation and surface transportation issues, along with the rapidly increasing number of committees and working groups that have been set up for interagency planning and coordination. Because Transportation is the most frequent target of terrorist attacks, a vector for disease spread, and one of the critical elements of response and recovery; it is important the Department of Transportation is fully involved in almost all of the portfolios. As a result, the Office of Intelligence, Security, and Emergency Response needs an individual who will be responsible for managing DOT's role. As an example of the workload, there are more than 30 specific Central Portfolios, and each has its own committees and work groups. In the biological area alone, there are more than 35 different groups that DOT is required to participate with. Additionally the functional area of Transportation Critical Infrastructure Security is receiving special attention by the new Administration's Presidential Study Directive # 1 Policy Coordination Committee. Because of the expanded workload, this position is needed to attend meetings where appropriate, identify primary and alternate points-of-contact for each meeting and issue area, ensure meeting materials are received and distributed to the correct individuals prior to meetings, follow-up with those who attended meetings to get notes and briefing materials to distribute as appropriate, and to coordinate all follow-up actions required to ensure that the Department submits any required products on time.

\$72.51 thousand for contract support is requested to assist the Office of Intelligence, Security, and Emergency Response in preparing documents. The Office of Intelligence, Security, and Emergency Response currently utilizes trained National Security Professionals to draft and finalize situation reports and other documents following disasters. The number of products due at different times has resulted in trained response staff spending a significant amount of their time writing reports, rather than using their expertise in response activities. Similarly, the Office of Intelligence, Security, and Emergency Response has significant responsibilities for plans and written products under a variety of laws and other directives, including "Implementing Recommendations of the 9/11 Commission Act of 2007" (Public Law 110-53), the National Strategy for Transportation Security, Homeland Security Presidential Directive 8 "*National Preparedness*". As a result, senior level staff spend much of their time writing reports and consolidating comments on drafts. Funding for contract support will allow trained staff to focus on their critical responsibilities, rather than on tasks including consolidating comments and making edits.

Detailed Justification for the Office of the Chief Information Officer ^{1/}

(In thousands of dollars)

	FY 2008	FY 2009	FY 2010	Difference From FY 2009
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	<u>Request</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	3,240	3,702	3,772	70
Travel	42	25	25	0
Other Costs	8,605	9,158	9,466	308
TOTAL	11,887	12,885	13,263	378
<u>STAFFING</u>				
Direct Positions	25	25	25	0
Reimbursable Positions	0	0	0	0
Direct FTE	20.72	25	25	0
Reimbursable FTE	0	0	0	0

^{1/} In FYs 2008 - 2010, the Offices of the Assistant Secretary for Administration and Chief Information Officer administer funds for the Working Capital Fund and receive appropriations for Salaries and Expenses.

Office of the Chief Information Officer	FY 2010 Request: \$ 13,263
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Overview:

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT) and cyber security advisor to the Secretary. In this strategic departmental role, the CIO provides leadership on all matters associated with the Department's \$3 billion IT portfolio. This includes security, investment management, and improvements in the delivery of services to the American taxpayer through electronic government initiatives.

The DOT CIO also serves as the CIO for the Office of the Secretary. Similar to the role of an operating administration CIO, the DOT CIO ensures that IT needs of OST employees are met. Funding is included in this request to address the CIO's strategic departmental, OST and infrastructure roles.

The DOT CIO also delivers IT services to DOT customers through the operation of an IT infrastructure that includes e-mail services, a backbone network and help desk support. Operating administrations contract with the CIO for services and reimburse the CIO for the cost of those services through the Working Capital Fund (WCF). The WCF budget

(including the CIO component) is provided as a separate part of the Department's budget submission.

DOT CIO Managed Resources Overview

The Office of the Chief Information Officer (OCIO) administers two sources of funding in performing its various roles in support of the DOT. Each funding stream is maintained and reported independently. OCIO funding directly tracks to the CIO's two areas of responsibility:

- Annually appropriated salary and expenses (S&E) for carrying out IT policy and security which includes monitoring, reporting and guidance; and other mandates guidance; and
- Working Capital Fund (WCF) cost reimbursements for providing and supporting Department-wide core IT functions, such as IT security and support, voice, cable and wireless, campus area network, desktop services, and server and messaging services.

Information and descriptions of the total funds administered by the OCIO are located in Section 5, "Additional Justification for OASA / OCIO Program Resources." The following discussions focus solely on the appropriation request for Salaries and Expenses.

FY 2009 Base:

The Office of the Chief Information Officer (OCIO) will operate within the enacted budget amount and FTE level to accomplish the elements of the Security and Organizational Excellence strategic goals.

Anticipated FY 2009 Accomplishments:

In FY 2009, the OCIO established a significant change in strategic direction for the Information Assurance (IA) and Privacy Management Office (IAPMO) by tying its performance objectives directly to FISMA Privacy and other Federal information protection mandates, in support of the DOT Strategic Plan (2006-2011). This effort required improved program management and oversight functions necessary to implement information security requirements across the thirteen diverse DOT organizations (ten DOT Operating Administrations and three additional organizational units), all of which have their own information technology and information security budgets needed to remediate vulnerabilities, complete certification and accreditation activities, etc., for the systems they own.

The Information Assurance and Privacy Management Office completed the consolidation of its situational awareness and incident response capabilities, merging the DOT Transportation Cyber Incident Response Center (TCIRC) and the FAA Cyber Security Incident Response Center (CSIRC) into the DOT Cyber Security Management Center (CSMC). The CSMC will continue monitoring the DOT's three major wide area networks, numerous local area networks, and 430 mission critical business systems. In addition, the Information Assurance and Privacy Management Office continued to address weaknesses in procedural and cyber security related to Information Assurance. Department-wide programs included certification/accreditation and

security awareness training, while security compliance and verification reviews completed required security assessments of high-risk systems.

The Department's IT capital planning and investment control (CPIC) process established IT portfolio management controls to ensure that the Office of the Secretary and the OAs make sound IT investments supportive of strategic goals, mission/business requirements, and the DOT IT Modernization Strategy. The DOT OCIO continued to manage the CPIC governance process and structure.

The DOT Enterprise Architecture (EA) Program continued to manage a wide array of business, information/data, application and technology information to perform the overarching objective of facilitating the improvement of program efficiency and effectiveness. To establish a centralized means of collecting and reporting such a vast level of Departmental information, the EA Program provided direct development, implementation, and maintenance support for the Transportation EA Management System (TEAMS).

FY 2010 Budget Request:

The Office of the Chief Information Officer (OCIO) is requesting \$13.263 million and 25 FTE in FY 2010 to continue the mission outlined above. The FY2010 request includes funding to annualize the 2009 pay raise, fund a 2010 two percent civilian pay raise, and fund a .5% inflation adjustment in FY 2010. In addition, funding is requested for Working Capital Fund increases--i.e., increases in the OST payment to the Working Capital Fund for IT operations support. A more detailed breakdown of the FY 2010 request can be found in the Object Class Detail by office exhibit.

**FY 2010 INFORMATION ASSURANCE AND PRIVACY AND RECORDS
MANAGEMENT -- \$4.791M**

The Information Assurance and Privacy Management Office (IAPMO) is requesting \$4.791 million for security and privacy initiatives in FY 2010. In recent years, Federal information systems and networks have increasingly been threatened and come under attack from groups that include criminals and nation-state sponsored entities, with the consequence that DOT and other agencies have had to initiate additional programs, above and beyond activities already being performed in support of requirements derived from the Federal Information Security Managers Act (FISMA) of 2002, to enhance the security and resilience of the Federal cyber infrastructure and improve the protection of privacy information of U.S. citizens and others doing business with the Government. Significant new programs including requirements deriving from National Security Presidential Directive 54 / Homeland Security Presidential Directive 23 and the Comprehensive National Cybersecurity Initiative are challenging agencies, including DOT, to not just be responsive and maintain their current security postures, but to participate in a greater, more secure Federal cyber-commons.

The inability to fully address these increasing challenges has resulted in degradation of

the Department's Information Assurance and Privacy (IAP) program. This has been seen in the specific and reoccurring findings of the Office of the Inspector General (OIG) and Government Accountability Office (GAO). The FY 2010 funding request will be used to maintain FISMA and Privacy compliance. The request provides the minimum resources to achieve these goals. To more clearly illustrate this, the budget has been designed to specifically match these mandates on a one-to-one basis.

The Office of the Chief Information Officer (OCIO) has established a significant change in strategic direction for the IAPMO by tying its performance objectives directly to FISMA Privacy and other Federal information protection mandates, in support of the DOT Strategic Plan (2006-2011).

In addition, the IAPMO has re-organized its efforts into four distinct IA Program Initiatives and two Privacy Initiatives, each designed to support specific elements of FISMA and information protection statutes. These six initiatives are described in detail in the following pages.

Although these six program initiatives each require their own budget, goals and dedicated staff, they are being designed to be both interactive and interdependent with each other and ensure a cohesive IA management program that is flexible enough to respond to unexpected challenges and new mandates.

This program supports the DOT Strategic Plan's (2006-2011) Organizational Excellence goal:

"Advance the Department's ability to manage for results"

and the DOT Strategic Plan's (2006-2011) Security, Preparedness and Response goal:

"Balance transportation security requirements with the safety, mobility and economic needs of the Nation and be prepared to respond to emergencies that affect the viability of the transportation sector"

In addition, DOT and DHS work together to design a world-class transportation security system that will prevent terrorists from ever again using our 21st Century technologies as weapons against us. The six DOT IAPMO and Privacy program initiatives are designed to fully support these goals and the desired outcomes.

IAPMO Project 1: DOT Policies, Standards, Directives and Requirements

The OCIO is requesting funding to support the Policies, Standards, Directives and Requirements Program in FY 2010. FISMA states that Federal agencies are responsible for information security standards and guidelines for national security systems issued in accordance with law, and as directed by the President. FISMA mandates that the CIO be charged with developing and maintaining information security policies, procedures, and control techniques to address all applicable requirements, including policies and

procedures that are based on the risk assessments required by FISMA and that cost-effectively reduce information security risks to an acceptable level. Continued support for development and maintenance of these policies and standards is required to ensure that information security is addressed throughout the life cycle of each information system and to ensure compliance with the other FISMA requirements.

In addition to specific FISMA requirements, the IAPMO Policies, Standards, Directives and Requirements Program is designed to implement the requirements of several important pieces of regulatory guidance, including:

- Identity, Credentialing, and Access Management Programs
- Development and implementation of policies in support of new requirements such as standards and guidance as promulgated by the National Institute of Standards and Technology (NIST), National Security Presidential Directives, Homeland Security Presidential Directives, and Federal Regulatory changes.

The requirements for this effort have increased with the implementation of NSPD-54/HSPD-23 and HSPD-12 requirements. The IAPMO, in conjunction with other offices within DOT, will develop policies and standards necessary for DOT to address enhanced logical access control, internet access, and baseline configuration requirements, develop an information technology architecture that will support enhanced cyber-security, and implement advanced cyber-security requirements. It is under this project that the IAPMO will also support collaboration with other DOT offices on the Information Sharing Environment, Federal Cybersecurity program enhancement and strategic planning performed under the auspices of the Federal CIO Council and the Information Security and Identity Management Committee, and efforts associated with the Committee on National Security Systems.

IAPMO Project 2: Certification and Accreditation (C&A)

The OCIO is requesting funding to support the Certification and Accreditation (C&A) Program Initiative. FISMA requires each agency develop and implement an agency wide information security program and periodically assess the risk and magnitude of potential harm from the unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems that support the operations and assets of the agency. In addition, FISMA requires the development of plans and procedures to ensure continuity of operations for information systems that support the operations and assets of the agency.

The IAPMO is tasked with tracking and providing oversight for the entire C&A effort across all DOT organizations, which currently includes certification of 430 sensitive systems. In order for the program to be effective, the voluminous amount of data received from the thirteen DOT organizations must be analyzed for quality of content and practicality of remediation. The program will seek to leverage automation technology and shared service solutions to support oversight and ensure that all DOT operating

administrations' IA programs are making consistent progress in mitigation of identified weaknesses.

The budget request covers continued operations and maintenance of the FISMA reporting tool (CSAM) plus requisite resources for integration, training, and program management.

IAPMO Project 3: Cyber Security Management Center (CSMC)

The OCIO is requesting funding to continue support of the Departmental situational awareness and incident reporting and response shared service provider - the DOT Cyber Security Management Center (CSMC), which operated under the CSMC Board of Directors, as instantiated under a Secretarial charter. The CSMC affords an enterprise-wide situational awareness and incident response solution that is efficient, both in program management and by eliminating redundancies, provides efficiencies of government, and meets the requirements of the National Strategy to Secure Cyberspace. As the DOT security operations center (SOC) and the Department's primary interface to the United States Computer Emergency Readiness Team (US-CERT) at the Department of Homeland Security, the CSMC also serves as the focal point for coordination of Federal cyber-security and cyber-incident response activities within DOT.

Responsibilities of the DOT CSMS that directly support this program include, but are not limited to:

- Serve as the Department's Center of Excellence for Situational Awareness and Incident Response and the focal point for receiving, tracking, monitoring, and reporting computer security incidents for all DOT Operating Administrations;
- Conduct continual research into, and investigation of, potential security issues relevant to DOT's evolving information systems; support the development of Departmental IA policies and system configuration baselines and support the assessment of adherence to FISMA guidelines;
- Provide a centralized capability for reporting cyber-related security incidents against DOT's information technology infrastructure and coordinate activities and responses to cyber-related security incidents with appropriate OAs;
- Operate, maintain, and monitor the DOT intrusion detection (IDS) and intrusion prevention systems (IPS).
- Respond to all types of intrusions detected by the IDS/IPS or reported to the CSMS; collect, review, and analyze logs and other relevant forensic data for suspected intrusions and other suspicious activity; conduct computer forensics, and incident response support functions;
- Provide technical security assistance, guidance, and recommendations to information security personnel and their designated representatives by communicating relevant computer security information such as security alerts, advisories and bulletins, software vulnerability data and reports, vendor patch notifications, virus alerts and other relevant security information;
- Serve as the primary reporting authority to external organizations such as the US-

- CERT, the Office of Management and Budget (OMB), and the OIG.
- Serve as the primary reporting authority to law enforcement and criminal investigative groups in the reporting of cyber-related attacks against DOT's infrastructure (OIG) within the provisions of a legal warrant and Title 8 authority.
 - Participate along with OA Information System Security Officers (ISSOs) in relevant Federal computer security groups such as the National Cyber Response Coordination Group (NCRCG) and Government Forum of Incident Response and Security Teams (GFIRST);
 - Implement appropriate communications within the CSMC to interface with the Intelligence, Defense, and National Security communities for the purpose of information sharing and coordinated incident response.

IAPMO Project 4: Statutory Compliance, Conformance, Verification and Validation (V&V)

The OCIO is requesting support for the Verification and Validation (V&V) Program Initiative in FY 2010 to adhere to the requirements of FISMA Section 3544 (b), including the OMB mandated implementation of FISMA reporting and tracking automated tools.

DOT OCIO oversees a program which spans diverse DOT organizations and must implement an effective V&V program to ensure all OAs implement adequate controls, ensure that their existing programs are effectively minimizing vulnerabilities, and that residual risks are properly managed to minimize impacts to the greater DOT and Federal cyber-infrastructure. The IAPMO has initiated several specific controls which will compliment each other and the OA programs. These combine the adaptation of new technologies, as well as the implementation of procedural controls.

The V&V program will:

- Support DOT's Configuration Control Board (CCB), responsible for review and approval of deviations from Departmental security configuration standards;
- Expand the use of vulnerability scanning tools from a voluntary self-scanning program to a true Department-wide V&V function. The IAPMO will use the scanning program to strengthen the patch management program and identify misconfigured systems which permit information leakage or expose the network to vulnerabilities;
- Assess requirements and develop architectures for full security configuration V&V. IAPMO will develop, implement and operate a best of breed tool set which will measure compliance to Departmental configuration policies and standards;
- Conduct penetration testing to include telephone "war-dialing" to identify and eliminate insecure modems, periodic testing for insecure wireless access points, and reviews of the Department's risk profile as seen from the Internet, to identify not only system vulnerabilities, but also architecture and firewall configuration weaknesses;
- Effectively utilize the OMB required FISMA Reporting tool, which allows the OAs to upload and update Plan of Action and Milestone status, provides access to the

standards and guides for risk management programs, and provides required reports for compliance with the national risk management program. This system allows vast amounts of dissimilar data to be correlated into meaningful management information.

IAPMO Project 5: Education, Training and Awareness (ETA)

The OCIO is requesting funding for the Education, Training & Awareness (ETA) Program Initiative in FY 2010. FISMA Section 3544 (b) (4) requires security awareness training to inform personnel, including contractors and other users of information systems that support the operations and assets of the agency, about information security risks associated with their activities and their responsibilities in complying with agency policies and procedures designed to reduce these risks.

DOT is a consumer of the OMB Security Awareness Training (SAT) shared service lines of business for Tier-1 generalized awareness training, and will be a consumer of the Tier-2 specialized training content. The OMB SAT content is designed to address training performance at the Federal level by ensuring consistency across all Departments and Agencies. All OAs and DOT employees are required to leverage at least the OMB authorized training. Where OAs implement supplemental ETA programs, the IAPMO must ensure that these supplemental programs are effective and accomplish DOT's ETA goals. In part, this will be accomplished through a Verification & Validation of the 15 different ETA programs.

In FY 2010, IAPMO will:

- Sponsor the annual DOT Security Awareness Week activity. Security Awareness Week is typically 5 days of scheduled presentations, demonstrations, vendor exhibits and more. In addition to Security Awareness Week, the IAPMO makes posters and flyers available to the OAs and forwards updated information security issues to provide the OAs source material for continuing security awareness efforts;
- Ensure that DOT information assurance professionals have position descriptions development plans, and training consistent with requirements established by the Office of Personnel Management, the Federal CIO Council IT Workforce initiative, and in alignment with training requirements derived from NSPD-54/HSPD-23 and the Comprehensive national Cybersecurity Initiative (CNCD);
- Ensure that IAPMO staff obtains and maintains proficiency and certifications in important areas, including professional certifications such as the Certified Information Systems Security Professional (CISSP); and,
- Plan and implement the integration of the OMB general and specialized Information Assurance training and awareness program, with DOD as the DOT shared service provider (SSP).

IAPMO Project 6: DOT Privacy Program

The OCIO is requesting funding to support the DOT Privacy Program to implement a strong level of privacy oversight and compliance throughout the Department. The major goal of the DOT Privacy Program is the protection of Personally Identifiable Information (PII). Established in 2003 with funding from Congress, the program works with the OA's to promote strong employee and contractor awareness of and compliance with the Privacy Act of 1974, E-Government Act of 2002 (Section 208), FISMA privacy requirements, Section 522 of the 2005 Consolidated Appropriations Act for Transportation and Treasury, related OMB Guidance, and internal policies and procedures. In FY 2008, the program underwent an audit by the Inspector General which identified several areas of weakness and made recommendations for improvements.

The requested funding for this program will be focused on the following core activities:

- Responding to recommendations for improvements derived from OIG audits, and ensuring that the Department addresses requirements promulgated by OMB;
- Tracking the number of PII systems operated by DOT OA's and ensuring that 90% of all applicable IT systems have Privacy Act System of Record Notices (SORNs) and/or an E-Government Privacy Impact Assessments (PIAs);
- Prepare an annual report to Congress on the Department's privacy activities as required by Section 522 of the 2005 Consolidated Appropriations Act for Transportation and Treasury;
- Participate in the inter-agency Information Sharing Environment Privacy Guidelines Committee to ensure new privacy guidelines are integrated into existing DOT privacy policies and procedures;
- Create, maintain and update DOT privacy policies and procedures as required by law, new OMB privacy directives, and internal PII policies; and
- Providing day-to-day guidance to OA's on all Departmental policies and procedures.

FY 2010 IT PORTFOLIO MANAGEMENT(ITPM) -- \$8.472 M

In FY 2010, the Office of the CIO will maintain overall management of the Department's IT portfolio. Funding in the amount of \$8.472 million will be applied to specific projects that increase organizational excellence through:

- robust and disciplined IT investment processes that include an enterprise architecture and capital planning as a foundation;
- a strategic management program to meet regulatory and statutory IT requirements;
- faster, simpler, more efficient and less costly ways for citizens, state and local governments, industry and other stakeholders to transact business with DOT.

IT Portfolio Management fully supports the DOT Strategic Plan's (2006-2011) Organizational Excellence goal:

"Advance the Department's ability to manage for results."

Within this DOT Strategic Plan goal are a series of strategies outlined that further define the desired outcomes. Some of the strategies that IT Portfolio Management supports include:

- Leadership Strategies - Develop and execute plans to improve the protection of DOT people, facilities, information, and equipment from intentional harm and to perform the essential functions of the Department even when key facilities are temporarily unavailable or unusable due to natural disasters or intentional harm.
- Information Technology Strategies - Mature, institutionalize and operationalize Enterprise Architecture Processes throughout the Department to improve operational efficiency, information sharing and utilization of information resources; implement initiatives to enable faster, simpler and more efficient ways for citizens, States, local governments, industry and other stakeholders to transact business with DOT; undertake a rigorous analysis of the contribution of IT to each strategic goal to identify opportunities to support mission performance and demonstrate how IT contributes to program productivity.

Outlined below are the six IT Portfolio Management projects that the OCIO plans to accomplish within the requested funding level.

ITPM Project 1: Enterprise Architecture Implementation

The OCIO is requesting funding for the DOT Enterprise Architecture (EA) Program, which drives agency wide decision making through facilitating the analysis of DOT's current, transitional, and target states from an integrated strategic, business, and technology perspective. DOT's EA processes enable optimal information technology (IT) investment management and improved performance through identifying and targeting specific areas for eliminating redundancy, providing opportunities for information sharing, and supporting evolving business needs. Through the use and maintenance of EA practices and artifacts, DOT stakeholders understand the relationships between core business processes, the information and data required for supporting those processes, and the technology used to perform them.

As a key role within the DOT governance process supporting Investment Review Board (IRB) decision making, the DOT EA function provides program analysis, guidance to the business areas via reviewing and providing feedback on EA impacts to DOT's IT Portfolio, and advisory services to management functions of proposed solutions. EA practices produce the knowledge/infrastructure base, standards and practices necessary to

improve services, reduce total cost of ownership and address information sharing requirements, thereby improving business performance and demonstrating program results.

The DOT EA Program manages a wide array of business, information/data, application and technology information to perform the overarching objective of facilitating the improvement of program efficiency and effectiveness. To establish a centralized means of collecting and reporting such a vast level of Departmental information, the EA Program provides direct development, implementation, and maintenance support for the Transportation EA Management System (TEAMS).

Specifically, the DOT EA Program:

- Enables well-informed decisions through alignment of segment (common business functions) activities with DOT IT investments for improved capital planning; as well as alignment with Strategic Planning, IT Security and Operations, Budget and other DOT functions;
- Provides facilitative resources to optimize Departmental decision-making;
- Provides TEAMS access to business and technology stakeholders;
- Facilitates business program and EA compliance with Office of Management and Budget (OMB), American Recovery and Reinvestment Act, E-government Initiatives and Federal Lines of Business, Government Accountability Office, and internal cross-cutting initiatives; and
- Promotes leveraging existing technologies and common processes to reduce cost of ownership and improve effectiveness of services provided.

The requested FY 2010 funding would allow the DOT EA Program to identify and facilitate the business line implementation of new solutions, increasing opportunities for collaboration, reuse, and leveraging solutions across the Department; thereby realizing savings, improving productivity and facilitating information sharing, business process analysis and streamlining.

ITPM Project 2: IT Investment and Capital Planning

The OCIO is requesting funding the Department's IT capital planning and investment control (CPIC) process establishes management controls to ensure that the Office of the Secretary and the OAs make sound IT investments supportive of strategic goals, mission/business requirements, and the DOT IT Modernization Strategy. The DOT OCIO manages the CPIC governance process and structure. Central to the governance structure are two Department-level boards: the Investment Review Board (IRB) and the Executive Committee.

In FY 2010, the capital planning and investment control program will continue to oversee the management of DOT's IT investments, specifically:

- Ensuring that all DOT IT investments demonstrate appropriate planning, execution, and management of major IT investments, using EVM or operational analyses.
- Ensuring that portfolio performance is within 10% of cost, schedule, and performance goal. Investments that require corrective action plans will be monitored and reviewed until variances are remediated.
- Reviewing investments that are designated as High Risk; and providing additional scrutiny and reporting on their progress, as appropriate.
- Operating a DOT-wide repository to provide DOT and OA executives and staffs with on-line access to all of the IT initiatives within the Department's IT Portfolio. This data enables OAs to query information about existing technology that can support business requirements, and allows executive visibility into the management of DOT's IT investments for better decision-making.

ITPM Project 3: Information Technology Operations Support

In addition to its role in management of the departmental IT investment portfolio, DOT OCIO provides IT services to OST employees and the Department as a whole. These services include supporting employee desktop computers, desktop computers located off-site required for emergency operations, remote access services used for telecommuting and emergency operations, supplies in support of IT systems, and applications support for select OST offices. Department-wide IT services includes those related to the headquarters IT infrastructure such as Internet access, and electronic mail services. Services provided to OST employees are paid by the OCIO and those costs are included in this funding request.

ITPM Project 4: Geospatial

As a result of DOT's continuing work associated with American Recovery and Reinvestment Act (ARRA) there are many requirements that impact the work of the OCIO. To ensure greater transparency for the general public there is a need to provide significantly more detail in terms of programs/projects that is being undertaken as part of ARRA. The following tasks will continue to be addressed:

- Develop long-term plan to address geospatial requirements
- Determine best solution to meet geospatial requirements
- Implement the selected solution and tailor the application based on specific ARRA requirements (e.g., detail by State, County, and Congressional districts)
- Determine need for analytics; overlay city data - anticipate question(s) that may come from the city mayors, for example, in terms of ARRA funds specific to their city

ITPM Project 5: Web

The OCIO is requesting funding for DOT's work associated with American Recovery and Reinvestment Act (ARRA). There are many new requirements that impact the work of the OCIO, especially those related to the Web. There are many opportunities to

increase transparency through greater use of the Web and there is much work to be done to bring the DOT-wide Internet and Intranet sites current. Some of the tasks associated with the Web include the following:

- Develop a plan to more effectively implement the Web and related solutions at DOT using a best practice approach
- Partner with OA Web and Public Affairs contacts to implement necessary changes DOT-wide
- Partner with DOT Communications/Public Affairs on related requirements and to ensure a consistent approach
- Identify, select and implement a content management system for DOT use
- Make certain that the Web IT Infrastructure requirements are identified and addressed in a timely manner to ensure Internet site availability (for the general public) at all times
- Review and bring current necessary content that is included at DOT and OST sites
- Implement all Web 2.0 applications in a timely manner

ITPM Project 6 – Grants System Solution

The OCIO is requesting funding to develop a longer-term solution for DOT to sort out the multiple disparate systems (and manual work-arounds) in place and identify the best single grants reporting solution for DOT. Some of the related tasks include the following:

- Retain subject matter expertise
- Complete requirements gathering
- Review alternate systems solutions and complete the related business case
- Review related business process re-design and data integrity requirements
- Select a single solution for DOT
- Implement the solution, including all business process re-design
- Sunset existing grants systems

Detailed Justification for the Office of the General Counsel

(In thousands of dollars)

	FY 2008	FY 2009	FY 2010	Difference From FY 2009
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	<u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	13,271	16,044	16,451	407
Travel	270	388	390	2
Other Costs	5,179	3,406	3,518	112
TOTAL	18,720	19,838	20,359	521
<u>STAFFING</u>				
Direct Postions	106	106	106	0
Reimbursable Positions	0	0	0	0
Direct FTE	91.97	105	106	1
Reimbursable FTE	0	0	0	0

Office of the General Counsel	FY 2010 Request: \$20,359
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Overview:

The General Counsel is the chief legal officer of the Department, providing legal advice to the Secretary and secretarial officers and supervisory support of legal advice given to the Operating Administrations. The Office of the General Counsel supports and facilitates the achievement of cross cutting Strategic Objectives and other program goals and advances the Department's ability to manage for results and innovation.

The Office provides a broad array of legal services to assist the Department in achieving its strategic goals. By supporting these goals through the development, presentation, and defense of well-reasoned and legally-supportable policies and programs, the Office directly contributes to the Department's agency-wide goal of Organizational Excellence.

The Office of the Assistant General Counsel for General Law provides legal advice, counsel, and representation that reflect a problem-solving approach to achieving national transportation policy goals and the efficient operations of the Department in the following areas: appropriations, fiscal law and financial management; acquisitions, financial assistance, and public private partnerships; innovative financing; real property and asset management; information technology investment and capital planning; employee ethical conduct, conflicts

of interest, and political activities; equal employment opportunity and other civil rights matters; and Federal personnel and employment. The legal questions that arise in these areas are often complex and issues of first impression. The Office provides legal sufficiency reviews on over 100 acquisition related documents. The Office oversees the ethics programs across the Department and reviews over 125 public financial disclosure statements and over 200 confidential financial disclosure statements to provide assurance that reporting individuals are in compliance with applicable ethics laws and regulations, as well as provides annual ethics training to over 325 reporting individuals.

The Office of the Assistant General Counsel for International Law provides legal support and facilitation of the Department's international program goals, including transportation negotiations with foreign countries, Global Position Satellite matters, international economic aviation licensing and regulatory matters, applications of airline alliances for antitrust immunity, implementation and negotiation of the International Mobile Equipment Financing Convention's sector-specific protocols, war risk insurance issues, international aviation sanctions, Committee on Foreign Investment in the United States (CIFIUS) reviews, and interdiction of contraband. In addition, this Office chairs the NATO Insurance Group and the Preparatory Commission for the Establishment of the International Rail Registry under the Rail Protocol to the Mobile Equipment Financing Convention. The Office will handle over 300 international work items and approximately 20 rounds of international negotiations. At international transportation negotiations, the Office provides legal support as a member of the U.S. Delegation, legal advisor and chief drafter of all documents, often providing an innovative legal solution to support the negotiation's closure.

The Office of the Assistant General Counsel for Litigation provides support in defense of the Department's programs when they are challenged in judicial proceedings. In any given year DOT and its Operating Administrations are parties in over 100 new cases challenging the Department's decisions, regulations, and policies. The Office provides support for all such cases that are integral to Departmental excellence in achieving innovative results. Cases of particular importance to the Secretary, cases involving cross-modal issues, and all Supreme Court cases are handled directly by the Office. The Office further supports and facilitates the Department's program goals by supervising the preparation of all regulatory filings and participating on behalf of the Department in proceedings in which the Department has an interest before various independent regulatory agencies. Approximately 15 to 20 such filings are prepared in any given year and the Office participates in 2 to 4 hearings before such agencies per year.

The Office of the Assistant General Counsel for Legislation provides support to ensure that the non-appropriations legislative materials of the Department submitted to Congress adhere to Administration policy and maintains effective liaison with the Office of Management and Budget (OMB) and other Departments. The Office's legislative support work often spans several years on one project. While the various elements of legislative proposals are often prepared by other offices in the Department, the Office is responsible for supporting their program goals by assembling a coherent proposal, ensuring it meets budgetary and other requirements within the Department, obtaining clearance by OMB and other affected agencies, and preparing the transmittal package for the Secretary. The Office provides comparable support for the preparation of testimony, views letters, and draft Executive Orders.

The Office of the Assistant General Counsel for Regulation and Enforcement provides legal support to achieve the Department's program goals by applying statutes, Executive Orders and Presidential directives so as to achieve organizational excellence in rulemaking and enforcement. The Office supports program offices to ensure that rules meet substantive, procedural, and Administration policy requirements. The Office's management support also includes the tracking and review of all significant DOT rulemaking documents as well as non-significant Office of the Secretary of Transportation (OST) rulemakings. In a typical year, the Department is engaged in 100-125 significant rulemaking projects. The Office is the principal liaison with the Office of Management and Budget on rulemaking matters, and coordinates important cross-cutting substantive rules that affect multiple operating administrations.

The Office of the Assistant General Counsel for Operations provides legal support on a broad range of operational issues related to the Department's programs and strategic objectives, including transportation security and emergency response, environmental law, information management and disclosure, economic matters related to airports and air carriers, maritime law, bankruptcy law, the Essential Air Service (EAS) program, the Small Community Air Service Development Program (SCASDP), Native American sovereignty and jurisdiction, and other issues across all modes of transportation. The Office includes the Department's Freedom of Information Act (FOIA) Office, which each year processes hundreds of FOIA requests submitted to the Office of the Secretary of Transportation and coordinates the work of the FOIA Offices throughout the Department. Because many of the Office's practice areas involve issues affecting all modes of transportation, such as environmental law and FOIA, the Office works closely not only with clients in the Office of the Secretary of Transportation, but also with the Operating Administrations' Chief Counsels Offices to support all of the Department's programs and ensure consistent legal interpretations on recurring and novel issues. The Office maintains 24/7 readiness to provide legal support for emergency response activities, which include regular exercises and 8-10 annual activations of the U.S. Government's "Emergency Support Function No. 1 (Transportation)," led by the Department. The Office reviews a steady stream of environmental documents, proposed EAS Orders, SCASDP grants, airport competition plans, Privacy Impact Assessments, security-related directives, and other documents.

The Office of the Assistant General Counsel for Aviation Enforcement and Proceedings (AEP) supports program offices in meeting their goals with legal guidance in aviation consumer protection, aviation civil rights, and airline fitness matters. The Office supports the Department's domestic air carrier economic licensing program goals through legal review of all applicable Department decisions. The Office anticipates handling between 150 and 250 such items during FY 2010. AEP's legal staff carry out enforcement and fitness activities that can be divided into four basic areas: (1) aviation economic and civil rights enforcement activities; (2) legal guidance and air carrier fitness review; (3) Public Counsel activities; and (4) program fraud enforcement. The Aviation Consumer Protection Division (ACPD), part of the Enforcement Office, plays an important role in assisting, educating, and protecting aviation consumers. ACPD undertakes a wide variety of tasks, such as handling consumer complaints about air travel, responding to Congressional inquiries regarding constituent travel problems (e.g., 400-700 inquiries are received each fiscal year) and conducting investigations of airlines for violations of DOT rules.

The Center for Alternate Dispute Resolution (CADR) provides innovative approaches to problem-solving that control the cost of conflict and produce quicker, more durable outcomes. CADR supports the use of ADR by the Department in all areas including formal and informal adjudication, issuance of regulations, enforcement and compliance, issuing and revoking licenses and permits, contract and grant awards, environmental planning, and litigation brought by or against the Department. CADR supports program offices in the design and implementation of specific ADR approaches that meet an organization's particular need. CADR also facilitates early and direct interaction among parties by providing mediation and facilitation services to help parties resolve disputes efficiently and effectively and helps identify ADR providers outside the Department. Finally, CADR offers informational and skills based training on dispute resolution and conflict management.

FY 2009 Base:

The Office of the General Counsel will operate within the enacted budget amount and FTEs to accomplish the elements of: Reduced Congestion, Global Connectivity, and Organizational Excellence strategic goals.

Anticipated FY 2009 Accomplishments:

- Support implementation of the American Recovery and Reinvestment Act.
- Continue to improve the air travel environment for persons with disabilities by issuing regulations containing standards for improving access to facilities and services, and issuing guidance on existing requirements, particularly those associated with the Department of Transportation's new disability regulations applicable to foreign air carriers, facilitating the use of medical oxygen aboard aircraft by disabled passengers, and improving accommodations for deaf and hard of hearing passengers.
- Continue work on a comprehensive aviation consumer protection rulemaking proposing to enhance protections for the traveling public through a rule requiring airlines to have contingency plans for extended tarmac delays, requiring carriers to adopt customer commitment plans, incorporate those plans into their contract of carriage and audit compliance with the plans, prohibiting chronically delayed flights as an unfair practice, and requiring carriers to provide enhanced information on flight delays and to respond to consumer complaints.
- Complete work on the Secretary's Tarmac Delay Task Force with the publication of a tarmac delay model contingency planning document for the use of airlines, airports, and appropriate Federal agencies to ensure that consumers are properly cared for during extended tarmac delays and with the dissemination of the document to airline and airport associations requesting its implementation.
- Conduct on-site and other investigations of air carriers regarding compliance with consumer protection requirements such as rules covering refunds, deceptive advertising, and denied boarding compensation.
- Continue to ensure that every Federal dollar is well spent and that program operations and processes are efficient and streamlined, by providing legal advice and representation on financial, budget, and contractual matters including the new headquarters building project, Working Capital Fund operations, OST major acquisitions, OSDBU's loan guarantee program, innovative surface transportation financing programs, such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) and the Railroad Rehabilitation and

Improvement Financing (RRIF) program, DOT's \$15 billion Private Activity Bond Program, and DOT's Investment Review Board.

- Continue to promote an ethical workplace by providing ethics training, counseling, and financial disclosure programs, for approximately 620 employees in the Office of the Secretary. Continue to oversee the ethics programs of ten DOT operating administrations including their ethics training, counseling, and financial disclosure programs.
- Counsel approximately 100 departing political appointees on negotiating for future employment, recusals during employment negotiations, and post employment restrictions; and collected and processed approximately 100 financial disclosure reports for departing appointees.
- Work with incoming political appointees requiring Senate confirmation, and with the Office of White House Counsel, the Office of Government Ethics, the Transition Team, and DOT management, to prepare and submit nominee financial disclosure reports, ethics agreements, and Senate questionnaires in connection with Presidential nominations and appointments.
- Continue to oversee the Department's response to Office of Special Counsel Whistleblower disclosure referrals concerning aircraft operation and maintenance as well as operational errors and air traffic control flow patterns.
- Continue to address major privacy and information sharing concerns related to anti-terrorist and cyber-security programs.
- Continue to advise on airport economic issues, including airport competition plans, alleged airport revenue diversion, and airport rates and charges.
- Undertake the preparation and clearance of multi-year surface transportation, aviation and maritime authorizations for DOT Operating Administrations.
- Provide legal support and facilitate the Department's international program goals, including transportation negotiations with foreign countries, by handling over 300 international work items and approximately 15 rounds of international negotiations.
- Defend the Department in judicial challenges to the Department's transportation decisions, regulations, and policies and present the Department's views in proceedings before independent regulatory agencies.
- Oversee the rulemaking and enforcement process by engaging in 100-125 significant rulemaking projects.

FY 2010 Budget Request:

For FY 2010, the Office of the General Counsel is requesting \$20.359 million and 106 FTE including \$2.5 million to fund the enhanced aviation enforcement and consumer protection activities begun in FY 2008. The FY 2010 request represents a small funding increase over the FY 2009 enacted level to annualize the cost of the 2009 pay raise, to fund a 2010 two percent civilian pay raise, and to fund a .5 percent inflation adjustment in FY 2010. In addition, funding is requested for increased costs associated with use of the Federal Dockets Management System developed and managed by the Environmental Protection Agency pursuant to an e-Gov initiative. A more detailed breakdown of the FY 2010 request can be found in the Object Class Detail by Office exhibit.

Detailed Justification for the Office of the Assistant Secretary for Governmental Affairs

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>	Difference From FY 2009 <u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	1,937	2,115	2,214	99
Travel	133	115	116	1
Other Costs	313	170	174	4
TOTAL	2,383	2,400	2,504	104
<u>STAFFING</u>				
Direct Positions	24	24	24	0
Reimbursable Positions	0	0	0	0
Direct FTE	16.40	18	18	0
Reimbursable FTE	0	0	0	0

Office of the Assistant Secretary for Governmental Affairs	FY 2010 Request: \$2,504
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Overview:

The Assistant Secretary for Governmental Affairs is the principal advisor to the Secretary on all Congressional and Intergovernmental activities and on all of the Department legislative initiatives and other relationships with Members of Congress. Other responsibilities include promoting effective communication with other Federal agencies and regional Department officials, and state and local governments and national organizations for development of Departmental programs; and ensuring that consumer preferences, awareness, and needs are brought into the decision-making process.

FY 2009 Base:

The Office of the Assistant Secretary for Governmental Affairs will operate within the enacted budget amount and FTE level to accomplish the elements of the Organizational Excellence strategic goal.

FY 2010 Budget Request:

The Office of the Assistant Secretary for Governmental Affairs is requesting \$2.504 million and 18 FTE in FY 2010 to accomplish the mission outlined above. The FY 2010 request represents a small funding increase over its FY 2009 enacted level to fund the annualization of the 2009 pay raise, the 2010 estimated two percent civilian pay increase, and a .5 percent inflation adjustment in FY 2010. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

Detailed Justification for the Assistant Secretary for Budget and Programs/Chief Financial Officer

(In thousands of dollars)

	FY 2008	FY 2009	FY 2010	Difference From FY 2009
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	<u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	6,434	8,032	8,376	344
Travel	24	15	15	0
Other Costs	2,959	2,153	2,168	15
TOTAL	9,417	10,200	10,559	359
<u>STAFFING</u>				
Direct Positions	54	54	54	0
Reimbursable Positions	1	1	1	0
Direct FTE	42.30	52	54	0
Reimbursable FTE	1	1	1	0

Assistant Secretary Budget and Programs/Chief Financial Officer	FY 2010 Request: \$10,559
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Overview:

The Assistant Secretary for Budget and Programs is the principal staff advisor to the Secretary on the development, review, and presentation of the Department's budget resource requirements, and on the evaluation and oversight of the Department's programs. The funding level requested will ensure this office continues advancing the performance integration and financial performance goals. This will be achieved through the effective preparation and presentation of sound and adequate budget estimates for the Department, consistent application of the Department's budget execution action with the action of the Congress and the Office of Management and Budget, evaluation of program proposals for consistency with the Secretary's stated objectives, advise to the Secretary on program and legislative changes necessary to improve program effectiveness, and coordination of strategic planning activities within DOT. The Assistant Secretary for Budget and Programs is also the Chief Financial Officer for the Department of Transportation. This function is responsible for accounting and financial activities of DOT with primary emphasis on ensuring that DOT receives an unqualified audit opinion on its financial statements and that the Department's financial performance goals are achieved.

FY 2009 Base:

The Office of the Assistant Secretary for Budget and Programs/CFO will operate within the enacted budget amount and FTE level to accomplish the elements of the Organizational Excellence performance goal.

FY 2010 Budget Request:

The Office of the Assistant Secretary for Budget and Programs/CFO is requesting \$10.559 million and 54 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request includes an increase above the FY 2009 enacted level to annualize the 2009 pay raise, fund a 2010 two percent civilian pay raise, fund a .5 percent inflation adjustment in FY 2010, and fully fund the 54 FTE authorized for this office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

Detailed Justification for the Office of Assistant Secretary for Administration

	(In thousands of dollars)			Difference
	FY 2008	FY 2009	FY 2010	From
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	<u>FY 2009</u> <u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	4,755	7,843	8,076	233
Travel	22	67	67	0
Other Costs	18,973	18,090	17,377	-713 ^{1/}
TOTAL	23,750	26,000	25,520	-480
<u>STAFFING</u>				
Direct Postions	66	66	66	0
Reimbursable Positions	20	20	20	0
Direct FTE	36.1	59	59	0
Reimbursable FTE	19	19	19	0

The FY2008 enacted funding level allowed for the restoration of a few critical FTES, thereby starting the process of returning staffing to the level needed for core functionality. The FY 2009 enacted level completed the process of restoring FTES to a level that can accomplish the critical mission requirements of the Office.

^{1/} The net \$713,000 reduction in FY 2010 Other Costs reflects the Department's proposal to fund the FY 2010 cost of the Executive Protection Program in the OST Office of Intelligence, Security and Emergency Response with Salaries and Expenses funding rather than through the Working Capital Fund where it has been funded in the past. This proposal results in a \$745,000 reduction in the Office of the Assistant Secretary for Administration's Working Capital Fund contribution in FY 2010, which is offset by \$32,000 inflationary increase for a net decrease of \$713,000. See Section 5, Additional Justifications, for a complete description of the financial impact on the Office of Intelligence, Security and Emergency Response, the Office of the Assistant Secretary for Administration and the Working Capital Fund.

Office of Assistant Secretary for Administration	FY 2010 Request: \$ 25,520
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Overview:

The Office of the Assistant Secretary for Administration (OASA) administers funds for the Working Capital Fund, receives an appropriation for Salaries and Expenses for non-WCF functions, and administers Reimbursable Programs. Information and descriptions of the total funds the Office of the Assistant Secretary for Administration administers are located in Section 5, "Additional Justification for OASA/OCIO Program Resources". The following discussion focuses on the OASA appropriation request for Salaries and Expenses.

The Assistant Secretary for Administration serves as the principal advisor to the

Secretary and Deputy Secretary on department-wide administrative matters. Responsibilities include leadership of such major programs as acquisition reform, emergency preparedness, human capital, and oversight of a transit benefits program with Government-wide scope.

The Assistant Secretary is the Department's Chief Human Capital Officer (CHCO), with statutory responsibility for developing and reviewing policies and programs to ensure that high-quality, diverse talent is both continuously available and properly deployed to support DOT objectives. This role has been further expanded and defined through a number of other specific laws, rules, and policies which mandate a wide range of initiatives, investments, and reports. Reforms mandated by the Service Acquisition Reform Act (P.L. 108-16) have also significantly enlarged the responsibilities of the Assistant Secretary, who is the Deputy Chief Acquisition Officer.

The funding level requested will enable the Assistant Secretary to acquire, support, and maintain necessary investments in the technology and human talent that are critical to human resource and procurement accomplishment to support department priorities. The major programs include:

Human Capital Management

Funding is requested to comply with Office of Personnel Management (OPM) final regulations to implement certain provisions of the Chief Human Capital Officers (CHCO) Act, which set forth new OPM and agency responsibilities to enhance and improve the strategic management of the Federal Government's civilian workforce.

The Departmental Office of Human Resource Management will maintain and institutionalize ongoing Human Capital programs while integrating Human Capital practices, technologies, and programs in order to contribute to organizational mission accomplishment. The focus will be on the American Recovery and Reinvestment Act of 2009, acquisition human capital initiatives, closing competency gaps in the department's mission critical occupations; as well as improving hiring times for all employees through use of electronic systems and efficient use of human resources. The focus will also be on creating a performance culture where DOT's Operating Administrations have performance appraisal and awards systems, which are linked to agency mission, goals, and outcomes. In addition, training will continue in the OA's use of the Civilian Forecasting System, which provides forward-looking analytical data and seven-year projections based on five years of historical data. The forecasting tool includes personnel target data, projections for accession requirements and separations (by type), and optimizes to target levels. As a workforce-planning tool, the OA's can determine projected vacancies by occupation, grade, organizations units, or geographic location.

In addition, funds will support necessary training, record-keeping, and travel in connection with the newly established self-accountability program, and support required employee survey administration. In addition, funds will support departmental leadership development programs. Each of these programs, in addition to meeting extensive

compliance and reporting requirements of law and/or administration policy, serves a vital role in ensuring that DOT finds, acquires, develops, engages, evaluates, and retains the right talent at the right time in support of critical department initiatives and goals.

The Departmental Office of Human Resource Management now also plays a key role in the Department's response to emergencies such as national disasters and possible pandemics. This funding level is necessary so that staff will be able to accomplish the following: track employee locations; identify impacted employees; develop and implement systems to track leave usage; and respond to congressional inquiries.

Acquisition and Grants Risk Management and Oversight

The Office of the Senior Procurement Executive (OSPE) executes the responsibilities of the Chief Acquisition Officer (CAO) and oversees the DOT acquisition system that expends \$5 billion in contracts and \$80 billion in grants funds annually through the Office of the Secretary and the Operating Administrations.

The Administration is taking a new direction with some federal procurement policies. On March 4, 2009, President Obama issued a memorandum entitled "Government Contracting" to Executive Departments and Agencies. Changes are anticipated in the areas of contract review processes, acquisition workforce, in-sourcing, commercial services management, and the definition of inherently governmental activities, to name a few. The American public is demanding greater accountability and transparency in acquisition which resulted in legislation such as the Federal Funding Accountability and Transparency Act of 2006. The goal of this statute is to give the public greater insight into how procurement and grants funds are being spent. In addition, after a decade of reforms which encouraged the acquisition community to be creative, both the Government Accountability Office and the DOT Office of the Inspector General (IG) are more focused on acquisition oversight than ever before. This is evident in the GAO's issuance of the GAO Framework for Assessing the Acquisition Function in Federal Agencies, the IG's focus on the need to improve acquisition and contracting in their *Top Ten Management Challenges* and the many on-going audit engagements in the Department that focus on acquisition and grants management (e.g., oversight of cost type contracts, use of award fee contracts, use of DCAA audit services). These mandates have made due diligence by agency CAO's an imperative. Therefore, the OSPE is requesting contractor support to:

- Implement strategic risk management strategies throughout the Department;
- Develop enhanced capabilities to collect, review and analyze procurement and grants data;
- Implement OMB initiatives, such as performance based acquisition, enhanced competition, and improved internal controls through evaluation of agency acquisition functions using the GAO framework,
- Improve departmental acquisition processes and performance outcomes on DOT's major acquisition programs.

- Strengthen audit oversight and tracking to ensure audits (pre award, cost incurred and close-out) are being obtained when needed, that a departmental audit plan is negotiated with the OA's annually, and that responses to audit findings are prepared in a timely manner.
- Work with the OA's to establish enterprise-wide contracts based on current spend. Contractor support will perform spend analysis and work with commodity councils to ensure the success of the DOT Strategic Sourcing Program.

The Office of the Senior Procurement Executive provides expert advice and direction to Operating Administrations to ensure that the over \$85 billion in taxpayer dollars spent annually through DOT's acquisition and grants business processes achieve the performance outcomes required to accomplish DOT's mission. OSPE is responsible for ensuring a balanced approach to managing DOT's business processes which emphasizes performance, integrity and public policy requirements.

OST Payments to Departmental Office of Human Resource Systems Services

The requested funding of \$200,000 will provide support for the OST share of Electronic Learning Management Systems (eLMS), Federal Personnel and Payroll Systems (FPPS), and the Enterprise Human Resources Integration electronic Official Personnel Folder (EHRI/eOPF). The funds requested for eLMS will provide OST system support for the delivery of on-line learning, learner registration, learner training completion, the delivery and recording of assessments, and the reporting of eHRI data to OPM. FPPS is an integrated HR and payroll system which provides system support, general payroll office support and payroll processing. FPPS will provide OST the necessary means for submitting requests for personnel actions and processing of personnel actions; the FPPS suite of services also includes the Datamart for management reporting of HR and payroll data and support for interfaces to numerous external systems. EHRI/eOPF will allow for secure access to official employee Human Resources (HR) records for employees and HR staff.

OST Payment to the Working Capital Fund

\$7,271,421 is requested for payments for centralized administrative and support services for all OST offices. Technical and administrative services include building security, personnel operations, facilities management, parking management, printing and graphics, mail operation and dockets management operations, building security, utilities and building maintenance, voice, cable and wireless communications, Disability Resource Center, substance abuse awareness and testing, and procurement and acquisition services. This consolidation of services allows OST to achieve economies of scale and critical safety and health operation for OST employees.

The requested FY 2010 OST payment to the Working Capital fund reflects a \$745,000 reduction stemming from the Department's proposal to fund the Executive Protection Program with the Office of Intelligence, Security and Emergency Response Salaries and Expenses funding rather than through the Working Capital Fund. The \$745,000 savings

reflects OST's share of the cost of the Executive Protection Program when it was funded through the Working Capital Fund. (See Section 5, Additional Justifications, for a complete description of the financial impact on the Office of Intelligence, Security and Emergency Response, the Office of the Assistant Secretary for Administration, and the Working Capital Fund.)

Rental Payments to GSA

Consolidated payments for GSA rental expenses for all OST offices will total \$8.820 million in FY 2010. In addition to the rented space OST will pay for and occupy at the Southeast Federal Center new headquarters building, funding will also be required for rental payments in; College Park, GA; Des Plaines, IL; and San Francisco, CA.

Rental Locations	FY 2009 Rental Payments	FY 2010 Rental Payments	Net Increase/Decrease
Southeast Federal Center, WDC	\$ 8,221,854	\$ 8,654,000	\$ 432,146
College Park, GA	\$ 51,450	\$ 49,980	\$ (1,470)
Des Plaines, IL	\$ 55,769	\$ 57,734	\$ 1,965
San Francisco, CA	\$ 13,927	\$ 13,927	\$ -
Operations and Maintenance	\$ -	\$ 44,359	\$ 44,359
Total:	\$ 8,343,000	\$ 8,820,000	\$ 477,000

Energy/Environment/Fleet/Occupational Safety/Common Identification Standard Management

Funding is requested to comply with Executive Orders and new legislation to maintain and/or establish programs to develop policy and implement department-wide requirements to save energy, protect employees' health and environment, and provide secure identification for Federal and contractor employees.

Executive Order (EO) 13148, Greening the Government through Leadership in Environmental Management, requires Federal agencies to manage its environmental affairs and issues, most notably those areas where the entity interacts with or affects the environment. EMS implementation reflects accepted quality management principles based on the "Plan, Do, Check, Act," model using a standard process to identify goals, implement them, determine progress, and make continual improvements.

Executive Order (EO) 13123, Greening the Government through Efficient Energy Management, requires agencies to increase use of renewable energy sources and reduced use of petroleum and water.

Energy Policy Act of 2005 (“EPACT”) contains several major provisions affecting Federal energy management policies and programs. Program responsibilities require such items as goals including annual energy reduction of two percent from FY 2006 to FY 2015 and provisions that change the reporting baseline from 1985 to 2003, and an annual report to the President and Congress on agencies progress and compliance. Other requirements include measurement and accounting goals for electric metering in Federal buildings by 2012 and establishment of performance standards to ensure energy efficiency.

Executive Order 13101, Greening the Government Through Waste Prevention, Recycling and Federal Acquisition, requires each executive agency to have a program to promote cost-effective waste prevention and recycling of reusable material.

Environmental Compliance Improvement Initiatives ensure Federal agency compliance with all environmental laws and regulations. The initiative contains recommendations which must be implemented at the administration level, agency level, operating administration level and facility level. Some of these recommendations include tracking and auditing of environmental data and training employees on proper procedures.

All Federal Agencies are required to meet the sustainability requirements for Federal buildings stipulated in E.O 13423 and the Energy Independence and Security Act of 2007 (EISA). These requirements encompass the areas of: integrated planning, energy efficiency and alternative energy implementation; water conservation; indoor air quality; and environmentally preferable material usage and disposal.

All Departments are required to maintain an automated system to track its Federal Fleet. The system gives Fleet Managers and Program Managers the ability to capture and track fleet inventory, billing, fuel, accident and waiver information as well as locations for alternative fueling locations. The program will assist managers with FAST and EPAct reporting requirements as well as other Ad-hoc reporting requirements.

Homeland Security Presidential Directive 12 (HSPD-12) Policy for a Common Identification Standard for Federal Employees and Contractors (1) requires a Government-wide standard for secure and reliable forms of identification for Federal Government and contractor employees, (2) requires agencies to have programs and policies in place to ensure that the identification they issue meets the standard, and (3) requires agencies, to the maximum extent practicable, to use identification meeting the standard for physical access to Federally-controlled facilities and logical access to Federally-controlled information systems.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

- **Integrated e-Government Concepts-** We will continue to use e-Government as a tool to leverage DOT’s buying power and achieve DOT’s goals. Implementing innovative strategies and technologies such as strategic sourcing, spend analysis, and

performance based acquisition, will enable the Department to use existing funding more effectively with greater potential benefit to the Department's programs serving the taxpayer.

- **Human Capital Management** – Our focus will include improving hiring times for all employees through use of electronic systems and efficient use of human resources, creating a performance culture where DOT's Operating Administrations have performance appraisal and awards systems which are linked to agency mission, goals and outcomes, training OA's on their use to answer sophisticated questions about the workforce or specific demographics within it, and to forecast future trends and needs that improve the linkage between the corporate recruitment program and workforce planning.
- **Acquisitions and Grants Best Business Solutions** – We will continue to provide expert advice and direction to ensure that taxpayer dollars spent annually through DOT's acquisition and grants programs achieve the performance outcomes required to accomplish DOT's mission while emphasizing performance, integrity and public policy requirements.
- **Policy leadership and advice** – We will continue to provide policy leadership to the Office of the Secretary and departmental elements on laws, regulations, government wide policies, and executive direction related to achieving efficiencies in resource utilization and ensuring full compliance with legal and regulatory requirements.
- **Environmental management systems (EMS)** will be implemented at all appropriate DOT facilities. Policies will be written, environmental management programs will be documented and audited, and results reported.
- **Leadership** will be exercised in the in the reduction of petroleum consumption through the use of alternative fuel vehicles (AFV), alternative fuels, and through improvements of fleet efficiency.

FY 2009 Base:

The Office of the Assistant Secretary for Administration will operate within the FY 2009 enacted funding level to accomplish the elements of Organizational Excellence strategic goals.

FY 2010 Budget Request:

The Office of the Assistant Secretary for Administration is requesting \$25.520 million and 59 FTE. This request includes a funding increase over the FY 2009 enacted level to annualize the 2009 pay raise, and to fund a 2010 two percent raise and a .5 percent inflation adjustment in FY 2010. The increase in rental payments is offset by a decrease in contractual services. In addition, the OST payment to the Working Capital Fund costs is reduced by \$745,000, reflecting the Department's proposal to fund the FY 2010 cost of the Executive Protection Program with the Office of Intelligence, Security and

Emergency Response Salaries and Expenses funding rather than through the Working Capital Fund. (See Section 5, Additional Justifications, for a complete description of the financial impact on the Office of Intelligence, Security and Emergency Response, the Office of the Assistant Secretary for Administration, and the Working Capital Fund.) A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

Detailed Justification for the Office of Public Affairs

(In thousands of dollars)

	FY 2008	FY 2009	FY 2010	Difference
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	From
				FY 2009
				<u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	1,571	1,845	1,919	74
Travel	81	54	80	26
Other Costs	334	121	124	3
TOTAL	1,986	2,020	2,123	103
<u>STAFFING</u>				
Direct Positions	19	19	19	0
Reimbursable Positions	2	2	1	-1
Direct FTE	12.49	16	16	0
Reimbursable FTE	2	2	1	-1

Office of Public Affairs	FY 2010 Request: \$2,123
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Overview:

The Director of Public Affairs is the principal advisor to the Secretary and other senior Department officials and news media on public affairs questions. The office issues news releases, articles, facts sheets, briefing materials, publications and audiovisual materials. It also provides information to the Secretary on opinions and reactions of the public and news media on programs and transportation issues. It arranges news conferences and provides speeches, talking points and byline articles for the Secretary and other senior Department officials, and arranges the Secretary's scheduling.

FY 2009 Base:

The Office of Public Affairs will operate within the enacted budget amount and FTE level to accomplish the elements of the Organizational Excellence strategic goal.

FY 2010 Budget Request:

The Office of the Assistant Secretary for Public Affairs is requesting \$2.123 million and 16 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request represents a small funding increase over the FY 2009 enacted level to fund the annualization of the 2009 pay raise, the 2010 estimated two percent civilian pay increase, a .5 percent inflation adjustment in FY 2010, and additional travel requirements. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES & EXPENSES

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code		FY 2008	FY 2009	FY 2010
69-0102-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
Obligations by program activity:				
00.01	Direct program activity	88,230	100,249	103,184
00.02	SCASDP Grants	16,533	10,962	0
09.01	Reimbursable program	21,619	27,440	27,835
10.00	Total new obligations	126,382	138,651	131,019
Budgetary resources available for obligations:				
21.40	Unobligated Balance carried forward BOY	11,133	4,963	0
22.00	New budget authority (gross)	124,804	133,688	131,019
22.10	Resources available from recoveries of prior year obligations	11	0	0
23.90	Total budgetary resources available for obligation	135,948	138,651	131,019
23.95	Total new obligations	-126,382	-138,651	-131,019
23.98	Unobligated balance expiring or withdrawn	-4,603	0	0
24.40	Unobligated Balance carried forward EOY	4,963	0	0
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	91,782	98,248	103,184
40.26	Appropriation (trust fund)	1	0	0
41.00	Transfers to other accounts	0	0	0
43.00	Appropriation (total)	91,783	98,248	103,184
Discretionary: Spending authority from offsetting collections:				
58.00	Offsetting collections (cash)	32,708	35,440	27,835
58.10	Change in uncollected customer payments from Federal sources	313	0	0
58.90	Spending authority from offsetting collections (total)	33,021	35,440	27,835
70.00	Total new budget authority (gross)	124,804	133,688	131,019
Change in obligated balances:				
72.40	Obligated balance, start of year	-16,480	29,691	9,825
73.10	Total new obligations	126,382	138,651	131,019
73.20	Total outlays (gross)	-105,069	-158,517	-130,525
73.40	Adjustments in expired accounts (net)	-4,473	0	0
73.45	Adjustments in unexpired accounts (net)	-11	0	0
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-313	0	0
74.10	Change in uncollected customer payments from Federal sources (expired)	29,655	0	0
74.40	Obligated balance, end of year	29,691	9,825	10,319
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	95,521	123,863	120,700
86.93	Outlays from discretionary balances	9,548	34,654	9,825
87.00	Total outlays (gross)	105,069	158,517	130,525
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	60,288	33,951	26,301
88.40	Non-Federal sources	1,446	1,489	1,534
88.90	Total offsetting collections (cash)	61,734	35,440	27,835
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	313	0	0
88.96	Portion of offsetting collections (cash) credited to expired accounts	-29,027	0	0
Net budget authority and outlays:				
89.00	Budget authority (net)	91,783	98,248	103,184
90.00	Outlays (net)	43,335	123,077	102,690
95.02	Unpaid obligations, end of year	39,423	0	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES & EXPENSES

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-0102-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
Personnel compensation:			
11.1	34,680	42,405	46,073
11.3	3,885	3,911	3,978
11.5	<u>1,054</u>	<u>992</u>	<u>1,204</u>
11.9	39,619	47,315	51,255
12.1	8,983	12,667	13,492
21.0	1,127	2,520	1,784
23.1	9,469	8,343	8,820
23.3	75	5	6
24.0	304	1,214	1,220
25.2	28,904	27,127	25,521
26.0	472	307	323
31.0	331	751	763
41.00	15,475	10,962	0
42.00	3	0	0
99.0	104,763	111,211	103,184
99.0	<u>21,612</u>	<u>27,440</u>	<u>27,835</u>
99.9	126,382	138,651	131,019

PERSONNEL SUMMARY

Identification Code	FY 2008	FY 2009	FY 2010
69-0102-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
1001			
Total compensable workyears:			
Full-time equivalent employment	353.44	431	457
2001			
Reimbursable workyears:			
Full-time equivalent employment	23.2	33	32

**SALARIES AND EXPENSE APPROPRIATION
FY 2009 ENACTED
OBJECT CLASS DETAIL BY OFFICE**

(In thousands of dollars)

	OFFICE OF THE SECRETARY	OFFICE OF THE DEP. SEC	OFFICE OF THE EX SEC	UNDER SEC OF TRANSP POLICY	OFFICE OF SDBM	OFFICE OF INTEL & SEC. AND EMERG. RES.	OFFICE OF THE CFO	ASSIST SEC FOR GOVT AFFRS	GENERAL COUNSEL	ASSIST SEC FOR BUDGET	ASSIST SEC FOR ADMIN	OFFICE OF PUBLIC AFFAIRS	TOTAL
a. PC&B COSTS													
PERSONNEL COMP. & BENEFITS													
(1) FTP COSTS	815.474	198.131	1,249.519	6,887.891	941.313	3,967.481	2,797.307	918.207	11,830.464	5,859.217	6,040.690	899.395	42,405.089
(2) OTFTP COSTS	787.200	354.300	7.000	622.100	0.000	105.700	92.600	682.500	390.600	342.200	11.100	515.400	3,910.700
(3) OTHER COMPENSATION	5.151	2.000	5.000	160.300	45.000	235.376	56.021	15.500	264.421	200.000	0.000	10.500	999.269
SUBTOTAL COMPENSATION	1,607.825	554.431	1,261.519	7,670.291	986.313	4,308.557	2,945.928	1,616.207	12,485.485	6,401.417	6,051.790	1,425.295	47,315.058
b. PERSONNEL BENEFITS	457.423	167.360	300.812	1,812.524	270.455	1,003.221	756.469	488.880	3,558.680	1,630.583	1,790.907	419.480	12,666.794
SUBTOTAL, PC&B	2,065.248	721.791	1,562.331	9,482.815	1,256.768	5,311.778	3,702.397	2,115.087	16,044.165	8,032.000	7,842.697	1,844.775	59,981.852
2. TRAVEL & TRANS. OF PERS.	229.379	21.000	0.000	206.000	0.000	400.000	25.000	115.000	387.961	15.200	66.801	54.000	1,520.341
3. RENTAL PAYMENTS TO GSA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8,343.000	0.000	8,343.000
4. COMM., UTIL., & MISC.	0.000	2.287	2.902	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.189
5. PRINTING & REPRODUCTION	0.000	0.500	0.000	6.000	0.372	0.000	0.000	0.000	1,207.265	0.000	0.000	0.000	1,214.137
6. OTHER SERVICES	88.056	12.422	28.767	343.735	111.860	2,251.392	9,129.818	92.413	2,086.121	2,147.800	9,732.002	101.225	26,125.611
7. SUPPLIES & MATERIALS	17.317	1.000	1.000	24.000	0.000	23.230	20.000	77.500	112.488	5.000	15.500	10.000	307.035
8. EQUIPMENT	0.000	0.000	0.000	44.450	0.000	688.600	7.785	0.000	0.000	0.000	0.000	10.000	750.835
SUBTOTAL, OTHER COSTS	334.752	37.209	32.669	624.185	112.232	3,363.222	9,182.603	284.913	3,793.835	2,168.000	18,157.303	175.225	38,266.148
TOTAL	2,400.000	759.000	1,595.000	10,107.000	1,369.000	8,675.000	12,885.000	2,400.000	19,838.000	10,200.000	26,000.000	2,020.000	98,248.000
STAFFING													
DIRECT													
POSITIONS	15.00	7.00	15.00	122.00	9.00	37.00	25.00	24.00	106.00	54.00	66.00	19.00	499.00
FTE	14.00	5.00	14.00	78.00	8.00	37.00	25.00	18.00	105.00	52.00	59.00	16.00	431.00
REIMBURSABLE													
POSITIONS	7.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	1.00	20.00	2.00	34.00
FTE	7.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	1.00	19.00	2.00	33.00

**SALARIES AND EXPENSE APPROPRIATION
FY 2010 REQUESTED BUDGET
OBJECT CLASS DETAIL BY OFFICE**

(In thousands of dollars)

	OFFICE OF THE SECRETARY	OFFICE OF THE DEP. SEC	OFFICE OF THE EX SEC	UNDER SEC OF TRANSP POLICY	OFFICE OF SDBU	OFFICE OF INTEL & SEC. AND EMERG. RES.	OFFICE OF THE IQ	ASSIST SEC FOR GOVT AFFRS	GENERAL COUNSEL	ASSIST SEC FOR BUDGET	ASSIST SEC FOR ADMIN	OFFICE OF PUBLIC AFFAIRS	TOTAL
a. PC&B COSTS													
PERSONNEL COMP. & BENEFITS													
(1) FTP COSTS	982.096	377.905	1,342.363	7,665.855	1,045.413	5,222.008	2,844.566	981.459	12,283.142	6,149.266	6,234.806	943.813	46,072.692
(2) OTFTP COSTS	800.741	360.282	7.105	632.799	0.000	107.519	94.189	694.238	397.326	348.066	11.300	524.264	3,977.829
(3) OTHER COMPENSATION	5.151	2.000	5.000	161.005	45.000	439.765	56.021	15.500	264.421	200.000	0.000	10.500	1,204.363
SUBTOTAL COMPENSATION	1,787.988	740.187	1,354.468	8,459.659	1,090.413	5,769.292	2,994.776	1,691.197	12,944.889	6,697.332	6,246.106	1,478.577	51,254.884
b. PERSONNEL BENEFITS	505.546	208.256	323.320	2,009.462	295.414	1,394.659	776.735	523.264	3,506.351	1,678.243	1,830.374	440.135	13,491.759
SUBTOTAL, PC&B	2,293.534	948.443	1,677.788	10,469.121	1,385.827	7,163.951	3,771.511	2,214.461	16,451.240	8,375.575	8,076.480	1,918.712	64,746.643
2. TRAVEL & TRANS. OF PERS.	230.526	21.105	0.000	207.030	0.000	632.794	25.125	115.575	389.900	15.276	67.135	79.970	1,784.436
4. RENTAL PAYMENTS TO GSA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8,820.015	0.000	8,820.015
5. COMM., UTIL., & MISC.	0.000	2.298	2.917	0.000	0.000	1.047	0.000	0.000	0.000	0.000	0.000	0.000	6.262
6. PRINTING & REPRODUCTION	0.000	0.503	0.000	6.030	0.374	0.000	0.000	0.000	1,213.301	0.000	0.000	0.000	1,220.208
7. OTHER SERVICES	89.051	12.642	29.398	349.250	112.840	2,392.431	9,438.413	96.204	2,191.658	2,163.316	8,540.613	104.446	25,520.262
8. SUPPLIES & MATERIALS	17.404	1.005	1.005	24.120	0.000	37.695	20.100	77.888	113.051	5.025	15.578	10.050	322.921
9. EQUIPMENT	0.000	0.000	0.000	44.672	0.000	700.604	7.824	0.000	0.000	0.000	0.000	10.050	763.150
SUBTOTAL, OTHER COSTS	336.981	37.553	33.320	631.102	113.214	3,764.571	9,491.462	289.667	3,907.910	2,183.617	17,443.341	204.516	38,497.254
TOTAL	2,630.515	985.996	1,711.108	11,100.223	1,499.041	10,928.522	13,262.973	2,504.128	20,359.150	10,559.192	25,519.821	2,123.228	103,183.697
STAFFING													
DIRECT													
POSITIONS	15.00	7.00	15.00	122.00	9.00	49.00	25.00	24.00	106.00	54.00	66.00	19.00	511.00
FTE	15.00	7.00	15.00	84.00	9.00	49.00	25.00	18.00	106.00	54.00	59.00	16.00	457.00
REIMBURSABLE													
POSITIONS	7.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	1.00	20.00	1.00	33.00
FTE	7.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	1.00	19.00	1.00	32.00

EXHIBIT III-2

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligations, Limitations, and Exempt Obligations
 (\$000)

Item	Total	
	(\$000s)	FTE
FY 2009 Base (Enacted)	\$18,300	31.0
Adjustments to Base:		
Annualization of 2009 Comparability Pay Increase	64	
2010 Comparability Pay Increase	80	
Inflation	65	
WCF	8	
Internal Base Changes		
Subtotal, Adjustments to Base	<u>217</u>	<u>-</u>
Total, FY 2010 Baseline Estimates	\$18,517	31.0
Change in Program Level (+/-)		
Research & Development	1,598	
Reduction of Earmarks	(9,882)	
Subtotal, New or Expanded Programs	<u>-8,284</u>	<u>0</u>
Total FY 2010 Request	\$ 10,233	31.0

Detailed Justification for Transportation Planning, Research and Development

(In thousands of dollars)

	FY 2008	FY 2009	FY 2010	Difference
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	<u>From</u>
				<u>FY 2009</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	4,173	5,361	5,511	150
Travel	208	151	152	1
Other Costs	9,502	12,788	4,570	-8,218
TOTAL	13,884	18,300	10,233	-8,067
<u>STAFFING</u>				
Direct Positions	31	31	31	0
Reimbursable Positions	0	0	0	0
Direct FTE	26.69	31	31	0
Reimbursable FTE	0	0	0	0

Transportation Planning, Research and Development	FY 2010 Request: \$10,233
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Overview:

The Transportation Planning, Research and Development (TPRD) appropriation finances research activities and studies concerned with planning, analysis, and information development needed to support the Secretary's responsibilities in the formulation of national transportation policies.

The activities support the development of transportation policy; coordination of national level transportation planning; analysis of methods of increasing the economic efficiency of transportation; regulatory modernization; energy conservation; freight movement; environmental and safety impacts of transportation; aviation economic policy; and international transportation issues. The research in support of these activities is conducted by six offices within the Under Secretary for Policy.

Office of Economic & Strategic Analysis

Analyzes the economic implications of public and private transportation policy issues. Analyzes methods of increasing the economic efficiency of transportation, including congestion pricing, benefit-cost analysis, and greater use of Intelligent Transportation Systems. Informs management on the financial viability and changing structure of transportation firms and

industries in various modes. Provides guidance to the operating administrations on procedures and economic assumptions to use in forecasting and economic analysis. Supports the Under Secretary of Transportation for Policy in developing recommendations for the Office of General Counsel regarding the economic evaluation of significant regulations prepared in the department. Provides analysis of issues involving the financing of transportation infrastructure projects, including new institutional or financial arrangements. Conducts or reviews analyses on the economic and financial viability of new transportation technologies and program proposals.

Office of Safety, Energy & Environment

Formulates and recommends departmental policies, plans and guidelines to enhance public health and safety. Formulates and recommends departmental policies, plans and guidelines related to the natural and human environment, including, but are not limited to, policy advice and activities on air quality, water quality, ecosystem management, noise, state and local quality of life, historic preservation and bicycle and pedestrian transportation. Formulates and recommends departmental policies, plans and guidelines related to energy, energy transportation interactions, greenhouse gas emission reduction, energy infrastructure safety, and new transportation technologies.

Office of Aviation Analysis (OAA)

Serves as an independent source of analytical input into the Department's aviation and international affairs policy making function; exercises the Department's economic oversight of the domestic and international aviation industries; administers the Essential Air Service, Small Community Air Service Development, and Air Carrier Economic Fitness Programs; and, establishes international and Alaskan mail rates as required by law. OAA has the responsibility to analyze and support the Department's decision makers on major airline issues, including airline mergers and acquisitions, domestic and international code-share alliances, immunized international alliances between U.S. and foreign carriers, airline distribution practices, airline strike and bankruptcy issues, and airline service at rural communities.

Office of International Transportation and Trade

Provides Departmental leadership, direction, and coordination on international surface and inter-modal transportation and trade policies and programs, including trade facilitation, technical assistance and cooperation programs, trade promotion and advocacy, multimodal transportation issues, and international diplomatic and protocol activities; to lead and coordinate Departmental representation in global transportation and trade organizations.

Office of Infrastructure, Finance and Innovation

The Office of Infrastructure Finance and Innovation develops, implements, and promotes fiscally innovative policies to improve transportation infrastructure. The Office provides support and leadership on economic and fiscal issues and on legislative and regulatory matters.

FY 2010 Budget Request:

The Transportation Planning, Research and Development appropriation is requesting \$10.233 million and 31 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request

consists of \$6.35 million for operating expenses and \$3.88 million for the following proposed research and development projects and programs.

Safety Strategic Goal:

Senior Mobility.....\$75,000
Building on action to address the White House on Aging recommendation that identified Transportation as NO. 3 of the top 50, this study will examine policy gaps and identify strategies to address them. This supports the safety goal.

Safety Program Innovation.....\$500,000
Highway fatalities in the U.S. have totaled over 40,000 annually for the past decade. While there are numerous aggressive efforts underway by many partners to reduce these fatalities, the number of highway deaths each year remains unacceptably high. The fatality rate is currently at the lowest in our Nation’s history, 1.37 fatalities per 100M VMT in 2007, but there has yet to be a drop below the 40,000-fatality threshold. This study informs policy efforts by exploring analytical approaches that would achieve a better understanding of options for restructuring DOT’S surface safety programs that will most likely achieve significant reductions in the number of highway fatalities, injuries and crashes in the time frame from 2010 to 2020. This supports the safety goal.

Maintaining Older Transportation Operator Performance.....\$100,000
This research project will develop and evaluate the effectiveness of policies to maintain safety across modes that employ aging transportation sector operators. As they mature, the operators in the nation’s private and commercial transportation systems gain valuable experience, but also undergo age-related changes in their abilities. Departmental policies need to be developed and evaluated based on a common understanding of human aging effects on operator performance, including an operator’s psychomotor, sensory, and cognitive function. Such an approach will help assure that the science of aging will guide policies and solutions applicable to all modes that keep operator performance within appropriate safety margins. This supports the safety goal.

Proposed Research Study:

- Phase I: Identification and prioritization of older operator safety problems.
- Phase II: Operator Analysis -- Based on the problems identified in Phase I determine the age-dependent knowledge, skills and abilities for the operation of transportation systems.
- Phase III: Policy Summary -- The relevant modal policies and initiatives that address older operator safety shall be summarized, including such items as: training, operator aids, system automation, equipment design, and cessation from duty.
- Phase IV: Research Summary -- Existing literature, technologies (i.e., automation) and safety data shall be presented to provide support and recommendations for the various strategies that could be used to address the safety problems discovered in Phase I.

Expected Outcomes and Impact:

The research would generate:

- A summary of DOT older operator policies, policy justifications, and knowledge gaps,
- A common modal understanding of older operator transportation-related abilities, limitations and needs, and
- An improved ability to evaluate policies relating to older operators.

Reduced Congestion Strategic Goal:

The National Freight Policy Framework.....\$500,000

To provide funding in support of the National Freight Policy Framework’s objectives of:

- Improve the operations of the existing freight transportation system.
- Add physical capacity to the freight transportation system in places where investment makes economic sense.
- Use pricing to better align all costs and benefits between users and owners of the freight system and to encourage deployment of productivity-enhancing technologies.
- Reduce or remove statutory, regulatory, and institutional barriers to improved freight transportation performance.
- Proactively identify and address emerging transportation needs.
- Maximize the safety and security of the freight transportation system.
- Mitigate and better manage the environmental, health, and community impacts of freight transportation.

This program supports the Reduced Impediments to the Efficient Movement of Freight Over the Transportation Network, Especially at Key Freight Gateways performance goal and the Secretarial priorities of Congestion Relief and Freight and Port Capacity.

The “Freightway”\$500,000

To provide funding to address freight congestion at the nation’s busiest “Freightway”: the seaport complex that includes the Ports of Los Angeles and Long Beach. In May 2006, a National Strategy to Reduce Congestion on America’s Transportation Network was announced. This National Strategy provides a comprehensive blueprint for Federal, state and local officials to follow to reduce traffic jams and relieve bottlenecks at American ports and on the nation’s roads, rails, and runways. One key initiative within the National Strategy is the establishment of an action team to specifically address freight congestion at the nation’s busiest. The goal of this team is to secure the commitment of major Southern California freight-related stakeholders to a Memorandum of Agreement that establishes a consensus target for 2020 freight capacity through the combined ports, identifies projects required to meet that capacity, and details the steps that respective parties must take to get these projects completed. This project supports the Reduced Impediments to the Efficient Movement of Freight Over the Transportation Network, Especially at Key Freight Gateways performance goal and the Secretarial priorities of Congestion Relief and Freight and Port Capacity.

Aggregate Costs and Benefits of Surface and Aviation Transportation Infrastructure Investment Programs.....\$150,000

To improve analysis of the aggregate costs and benefits of surface and aviation infrastructure investment programs enabling better decision-making when these programs are up for reauthorization. This program supports the Reduction in Urban Congestion performance goal and the Secretarial priority of Assessing the Impacts of Congestion.

Estimating the Costs of Congestion.....\$125,000

To provide funding to develop estimates of the costs of congestion that are not included in currently available estimates, including costs relating to lost productivity, reduced reliability,

shipment delays, reduced safety, and increased environmental emissions. This project supports the Reduction in Urban Congestion performance goal and the Secretarial priority of assessing the Impacts of Congestion.

Mobility Management\$120,700

While a few small, start-up efforts are currently underway to develop and test various aspects of mobility management (the concept of getting people to the transportation services they need while reducing congestion by expanding the use of van pools, ride-sharing, and links between fixed route and employment/shopping centers), there is no single, coordinated effort to pull all the pieces together and develop a national policy with guidelines. This proposed 1 year project would pull all of these separate efforts together into a single, comprehensive strategy that expands access to transportation services and options for all users while reducing congestion. It would disseminate this strategy and make recommendations to assist those community and business organizations wishing to initiate mobility management services. This project supports the Reduction in Urban Congestion performance goal and the Secretarial priority of Congestion Relief.

Transportation Productivity\$100,000

To provide funding to develop multi-factor productivity estimates for aviation. This work will advance our joint research program with the Research and Innovative Technology Administration to develop multifactor productivity estimates for aviation, which in turn will allow analysis of the contribution of improved airport and air traffic control infrastructure to increasing productivity. This project supports the Reduction in Urban Congestion performance goal and the Secretarial priorities of Congestion Relief and Next Generation Air Transportation/Joint Planning and Development Office.

Economic Impact of Intelligent Transportation Systems.....\$50,000

To provide funding to improve our knowledge of the economic impact of Intelligent Transportation Systems (ITS) technology, allowing more informed decisions about how much to invest in various ITS technologies. This project supports the Reduction in Urban Congestion and Increased use of Integrated Intelligent Transportation System (ITS) Networks performance goals and the Secretarial priority of Congestion Relief.

Infrastructure Finance – Advance the Understanding of Barriers to Public/Private Partnerships and Other Innovative Financing Techniques\$50,000

This project will estimate cost savings and performance improvements associated with private-sector finance of transportation infrastructure and identify key public sector interests that need to be protected in public-private partnerships and other innovative financing techniques. Specifically, the project will estimate cost savings and performance improvements associated with private-sector finance of transportation infrastructure and identify key public sector interests that need to be protected in public-private partnerships and other innovative financing techniques. This project supports the Increased Number of States that Enable Public-Private Transportation Investment Partnerships performance goal and the Secretarial priority of Congestion Relief.

Environmental Stewardship Strategic Goal:

Policy Issues & Environmental Implications of New Energy and Emissions Reductions Technologies and Fund Contribution to DOT Climate Change Center.....\$200,000

The proposed study would address the policy issues and environmental implications of new energy and emissions reduction technologies, including policy related to emerging clean vehicle technologies and fuels. This funding includes the Policy office contribution to the DOT intermodal Climate Change Center, which provides a focal point for DOT’s research and technical expertise on transportation and climate change. Policy support would assist the Center in promoting comprehensive multimodal approaches to reduce green house gas (GHG) emissions from transportation, making data collection more uniform across transportation, and integrate climate change into other environmental policy research. The proposed research would support additional phases of the Center's research on the Impacts of Climate Change on Transportation, one of the 21 high profile synthesis and assessment projects of the President’s Climate Change Research Initiative (CCRI). This program supports the environmental stewardship Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal.

Policy Instruments to Reduce Environmental Impacts of Transportation\$100,000

This study would continue work to examine policy instruments that can be used to help manage environmental impacts of transportation. The study would analyze the effectiveness of policy tools and congestion management strategies in all modes of transportation in reducing congestion, reducing environmental impacts, and enhancing mobility. Strategies such as terminal pricing, lane pricing, and peak spreading incentives would be evaluated. It would also examine areawide mitigation approaches, such as ecosystem mitigation strategies. This project supports the Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal.

Impact of More Stringent Ozone National Ambient Air Quality Standard (NAAQS) on Transportation and Mitigation of Air Quality Impacts\$50,000

In response to anticipated Environmental Protection Agency (EPA) promulgation of a revised ozone NAAQS, the study will investigate the effects on transportation of a new standard and policy issues related to implementation. The study would evaluate challenges facing transportation agencies as implementation policies for the new standard are put in place. The study would examine differences in ozone precursor emissions among different modes of transportation. The study would explore mitigation to address local air quality impacts of ports, airports, freight terminals and examine appropriate transportation control measures for consideration in transportation planning for passenger and freight infrastructure. This project supports the Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal.

Alternative Fuels Infrastructure.....\$150,000

The Energy Independence and Security Act of 2007 is consistent with the President’s “Twenty in Ten” proposal, calls for a major expansion in alternative and renewable fuels production. DOT will undertake a long-term study of the multi-modal freight infrastructure necessary to support high levels of alternative transportation fuels usage, identifying long-run bottlenecks and

opportunities for mode shifting and intermodal facilities. This project supports DOT’s congestion reduction and environmental stewardship performance goals in the freight sector.

Global Connectivity Goal:

Aviation Data Modernization\$945,300

To establish an updated and enhanced airline traffic and financial data collection system that is mission-critical to national aviation infrastructure planning and development. The requested funding will be used to design and construct a computer system to implement the redesign of the traffic and financial data collected by the Department from the airlines as required by statute, based on industry consensus developed through the rulemaking process. The Data Modernization Program will provide the appropriate data required to administer statutorily mandated aviation programs. It seeks to reduce the reporting burden on the airline industry that also uses this data intensively in planning its business, while enhancing the quality, utility, and accessibility of the data. This project supports the Safer, More Efficient and Cost Effective Movement of Passengers and Cargo Throughout International and Domestic Transportation Systems, Including U.S. Ports of Entry, Modal and Intermodal Supply Chains performance goal, the President’s Second Term Priority of the International Trade Data System, and the Secretarial priorities of International Transportation Liberalization and the Next Generation Air Transportation/Joint Planning and Development Office.

Updated Study of Passenger Demand for Air Travel\$100,000

To study passenger demand for air travel. Previously, DOT conducted an internal study to examine how demand for air travel had changed in recent years, incorporating the industry downturn and identifying differences in passenger responses at different price levels. This study expanded the depth of understanding by exploring changes at different points (e.g. price ranges) along the demand curve. It also expanded the breadth (e.g. range of actual and potential demand) of understanding by considering demand that was unmet because prices were too high for the consumer. Together, these approaches tracked how the relationship between price and quantity had changed over time at different points on the curve for different market types and passenger segments. We seek funding for an update of this study, including access to updated, relevant, non-U.S. DOT data. This project supports the Safer, More Efficient and Cost Effective Movement of Passengers and Cargo Throughout International and Domestic Transportation Systems, Including U.S. Ports of Entry, Modal and Intermodal Supply Chains performance goal and the Secretarial priority of the Next Generation Air Transportation/Joint Planning and Development Office.

Maintenance and Calibration of the Planet Airline Network Analysis Model\$65,000

This project provides for the maintenance and calibration of a sophisticated airline network computer evaluation model previously purchased and currently being used by DOT analysts. The annual costs cover maintenance, training, support, upgrades, calibration, and remote hosting. The model has a broad range of applications for providing critical assessments of the evolving competitiveness of domestic and international aviation markets, rational economic bases for carrier selection decisions, forecasts on the effects on competition of proposed mergers and alliances, and assessments of airport improvement funding requirements. This project supports the Enhanced Competitiveness of U.S. Transport Providers and Manufacturers, in the Global

Marketplace performance goal and the Secretarial priority of International Transportation Liberalization.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-0142-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Obligations by program activity:			
Direct program:			
00.01			
Transportation policy and planning	13,476	25,397	10,233
00.02			
Safe Skies	2,587	1,221	0
00.03			
New Building	<u>4,004</u>	<u>4,896</u>	<u>0</u>
01.00			
Total, direct program	20,067	31,514	10,233
09.00			
Reimbursable program	0	1,000	1,000
10.00			
Total new obligations	20,067	32,514	11,233
Budgetary resources available for obligations:			
21.40			
Unobligated balance carried forward, start of year	15,343	13,214	0
22.00			
New budget authority (gross)	13,160	19,300	11,233
22.10			
Resources available from recoveries of prior year obligations	1,331	0	0
22.22			
Unobligated balance transferred from other accounts (72-1037)	2,000	0	0
22.30			
Expired unobligated balance transfer to unexpired account	<u>1,470</u>	<u>0</u>	<u>0</u>
23.90			
Total budgetary resources available for obligations	33,303	32,514	11,233
23.95			
Total new obligations	-20,067	-32,514	-11,233
23.98			
Unobligated balance expiring or withdrawn	-22		
24.40			
Unobligated balance carried forward, end of year	13,214	0	0
New budget authority (gross), detail:			
Discretionary:			
40.00			
Appropriation	13,884	18,300	10,233
Discretionary: Spending authority from offsetting collections:			
58.00			
Offsetting collections (cash)	37	1,000	1,000
58.10			
Change in uncollected customer payments from Federal sources	<u>-761</u>	<u>0</u>	<u>0</u>
58.90			
Spending authority from offsetting collections (total)	-724	1,000	1,000
70.00			
Total new budget authority (gross)	13,160	19,300	11,233
Change in obligated balances:			
72.40			
Obligated balance, start of year	21,346	23,842	13,757
73.10			
Total new obligations	20,067	32,514	11,233
73.20			
Total outlays (gross)	-15,921	-42,599	-15,190
73.40			
Adjustments in expired account (net)	-1,080	0	0
73.45			
Recoveries of prior year obligations	-1,331	0	0
74.00			
Change in uncollected customer payments from Federal sources (unexpired)	<u>761</u>	<u>0</u>	<u>0</u>
74.40			
Obligated balance, end of year	23,842	13,757	9,800
Outlays (gross), detail:			
86.90			
Outlays from new discretionary authority	9,014	8,320	5,093
86.93			
Outlays from discretionary balances	<u>6,907</u>	<u>34,279</u>	<u>10,097</u>
87.00			
Total outlays (gross)	15,921	42,599	15,190
Offsets:			
Against gross budget authority and outlays:			
88.00			
Offsetting collections (cash)	64	1,000	1,000
Against gross budget authority only:			
88.95			
Change in uncollected customer payments from Federal sources (unexpired)	-761	0	0
88.96			
Portion of offsetting collections (cash) credited to expired accounts	28	0	0
Net budget authority and outlays:			
89.00			
Budget authority (net)	13,829	18,300	10,233
90.00			
Outlays (net)	15,857	41,599	14,190
95.02			
Unpaid obligation, end of year	23,842		

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-0142-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	\$3,272	\$4,182	\$4,294
11.3 Other than full-time permanent	\$66	\$148	\$152
11.5 Other personnel compensation	<u>\$113</u>	<u>\$60</u>	<u>\$62</u>
11.9 Total personnel compensation	\$3,451	\$4,390	\$4,508
12.1 Civilian personnel benefits	\$723	\$971	\$1,003
13.0 Benefit for former personnel			
21.0 Travel and transportation of person	\$359	\$151	\$152
23.0 Rent and Comm, Util	\$30	\$1	
24.0 Printing		\$19	\$19
25.0 Other services	\$15,438	\$25,947	\$4,515
26.0 Supplies and materials	\$56	\$20	\$20
31.0 Equipment	<u>\$10</u>	<u>\$15</u>	<u>\$15</u>
	<u>\$165</u>	<u>\$0</u>	<u>\$0</u>
99.0 Subtotal, direct obligations	\$20,067	\$31,514	\$10,233
99.0 Reimbursable obligations	<u>\$0</u>	<u>\$1,000</u>	<u>\$1,000</u>
99.9 Total obligations	\$20,067	\$32,514	\$11,233

PERSONNEL SUMMARY

Identification Code	FY 2008	FY 2009	FY 2009
69-0142-0-1-407	ESTIMATE	ESTIMATE	ESTIMATE
1001 Total compensable workyears:	26.69	31	31
Full-time equivalent employment			

EXHIBIT III-2

OFFICE OF CIVIL RIGHTS

SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)

Item	Total (\$000s)	FTE
FY 2009 Base (Enacted)	9,384	55
Adjustments to Base:		
Annualization of 2009 Comparability Pay Increase	82	
2010 Comparability Pay Increase	103	
Inflation	13	
Working Capital Fund/Worker's Comp/Rent	17	
Subtotal, Adjustments to Base	215	-
Total, FY 2010 Baseline Estimates	9,599	55
Change in Program Level (+/-)		
CPA Support Contract for DBE Appeals Review Process	68	
Subtotal, New or Expanded Programs	68	0
Total FY 2010 Request	\$ 9,667	55.0

Detailed Justification for Office of Civil Rights

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>	Difference From FY 2009 <u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	5,353	6,853	7,061	208
Travel	59	54	54	0
Other Costs	3,729	2,447	2,552	105
TOTAL	9,141	9,354	9,667	313
<u>STAFFING</u>				
Direct Postions	64	64	64	0
Reimbursable Positions	0	0	0	0
Direct FTE	42.05	55	55	0
Reimbursable FTE	0	0	0	0

Departmental Office of Civil Rights	FY 2010 Request: \$9,667
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Overview:

The Departmental Office of Civil Rights (DOCR) is responsible for advising the Secretary and Departmental Executive Management on equity issues in transportation, and enforcing laws and regulations that prohibit discrimination in federally operated and assisted transportation programs.

DOCR offers oversight and guidance through services that include alternative dispute resolutions, final agency decision-writing, disadvantaged business enterprise certification appeals, internal and external policy development, education and quality control, and Equal Employment Opportunity (EEO) compliance and complaint investigations. DOCR also provides its customers with business operation and information technology services that support informed and timely civil rights decision making.

DOCR operates the Department of Transportation's (DOT) national civil rights program from its Washington, DC, headquarters, and five regional offices (Cambridge, MA; Washington, DC; Atlanta, GA; Chicago, IL; and Fort Worth, TX). The headquarters personnel provide leadership, policy guidance, and support to the Office of the Secretary (OST) and to the Department's ten Operating Administrations (OAs) that partner with

DOCR to deliver an effective, consistent and compliant internal and external civil rights program. DOCR's regional personnel provide Title VII, Civil Rights Act 1964 assistance by investigating complaints filed by current and former employees, or individuals applying for positions within DOT.

DOT's organizational structure is aligned to Federal and Departmental civil right strategies and expected outcomes supporting the organization's ability to: 1) foster a positive civil rights climate at DOT and within the Transportation community; 2) prevent discrimination to reduce civil rights related complaints filed against DOT and recipients of federal transportation funding; 3) process civil rights related complaints in a timely, efficient and cost effective manner; and 4) provide effective outreach programs to ensure equal and timely access to DOT programs and services to all customers.

FY 2009 Base:

The Departmental Office of Civil Rights will operate within the enacted budget amount to accomplish the elements of the Departmental Organizational Excellence strategic goal.

Anticipated FY 2009 Accomplishments:

- DOCR will continue to focus on prevention, early intervention, and effective resolution of internal and external conflicts and complaints, ultimately reducing the need for formal complaint processing. DOCR will augment its EEO programs through Departmental initiatives that are designed to encourage resolution, address and resolve disputes prior to the formal complaint stage, reduce complaint processing times, and establish/maintain quality and accurate EEO information. DOCR will further its steps to standardize EEO/civil rights-related training throughout the Department and ensure that statutory training requirements are met.
- DOCR will expand its delivery of DOCR's services in the areas of the Disadvantaged Business Enterprise program, Limited English Proficiency policy, external discrimination complaint processing, and disability rights. DOCR will provide training on these and other external civil rights policy matters to recipients of DOT funds and the OAs. DOCR will also continue its leadership in maintaining a DOT-wide Limited English Proficiency Workgroup, and its collaborative efforts with the Department of Justice and other Federal agencies.
- DOCR will process appeals filed by businesses that were denied certification as a Disadvantaged Business Enterprise (DBE) by a highway, transit, or aviation recipient. Although the number of appeals filed has increased dramatically and is expected to increase even more with the anticipated increase in transportation infrastructure projects, DOCR will continue to issue final agency decisions within the timelines specified in the Department's regulations through allocating additional resources to support the DBE program.
- DOCR will continue the expansion of the office's role and interface with internal stakeholders involved in Emergency Transportation planning, training,

coordination and response involving Special Needs Populations, including persons with disabilities, transit dependent persons at or below poverty levels, and other individuals with limited mobility. DOCR serves as a technical advisor on Special Needs Population and Persons With Targeted Disabilities to the Department's Emergency Transportation Work Group and represents the Department on the Department of Homeland Security's Interagency Coordinating Council on Emergency Response and Individuals with Disabilities and Department of Labor's Disability Executive Committee.

- DOCR will continue meeting on a tri-annual basis with the DOT senior leaders to discuss each organization's progress and compliance with civil rights laws and the department's policies. These meetings will continue to serve as regular and timely forums for DOT's leadership to share initiatives, strategies and successful programs and actions for diversifying its internal personnel recruitment and employee leadership practices. The meetings will also encourage DOT's leaders to support and comply with civil rights obligations while providing program oversight to customers seeking external transportation services.
- DOCR will refine its civil rights information on-line repository so that customers may easily request and receive Disadvantaged Business Enterprise appeal decisions, external civil rights policy guidance, and other civil rights information. The implementation of this repository will begin the final stage of the organization's goal to establish timely, quality and accurate automated civil rights services.

FY 2010 Budget Request:

DOCR is requesting \$9.67 million and 55 FTE to continue the mission outlined above. The FY 2010 request represents a small increase over the FY 2009 request. This increase will fund the annualization of the 2009 pay raise, the 2010 estimated two percent civilian pay raise, a .5 percent inflation adjustment in FY 2010, and a small increase in other services. The following activities will be funded within the FY 2010 request:

- **\$68 thousand for licensed certified public accountant services.** DOCR will establish a contract for certified public accounting services. These services will require the contractor to provide ongoing advice and counsel (on an as-needed basis) regarding accounting, tax, and personal net worth DBE appeal certification requirements. By regulation, DOCR processes appeals filed by businesses that were denied certification as a DBE by a highway, transit, aviation recipients, or other departmental entities. Only disadvantaged persons having a personal net worth (PNW) of less than \$750,000 can potentially qualify for the program. In determining a firm's eligibility for the program, recipients analyze tax returns, personal net worth statements of assets and liabilities, financial account statements and documents, and other material submitted by the applicant. This includes information concerning their personal property, trusts, retirement investments, stocks and bonds, real estate holdings and mortgages, business interests and debts, insurance policies, and other financial documentation to

support their PNW calculation. Persons with high personal net worth who wish to enter or continue in the DBE program are using various arrangements to remain within the \$750,000 threshold. The calculations resulting from these arrangements may not reflect a true and accurate picture of the person's net worth, even though they may be consistent with IRS guidelines. The contractor will research issues and questions provided by DOCR after reviewing applicable DBE appeal records, tax laws, and Federal regulations and offer recommendations and guidance to DOCR that can be used to appropriately make a decision on the appeal.

- **\$650 thousand for equal employment opportunity counseling, investigations and final agency decision contractual services.** These essential services will enable DOCR to utilize contract civil rights experts to assist the organization with reducing EEO complaint processing times by maintaining an EEO complaint processing steady state consistent with the timeline established in 29 C.F.R. §1614. DOT's emphasis is placed on the EEO processing stages that support the issuance of timely reports of investigations. DOCR also has the responsibility for providing EEO counseling services to the Office of the Secretary. Periodically, DOCR augments staff resources by providing contractual counseling services. In addition, DOCR reviews, analyzes, and prepares final agency decisions (FADs) in discrimination complaints filed against DOT. Increased caseload, along with the reduction of full-time adjudicators results in increasing FAD processing times that exceed the regulatory timeframes. Use of contract services to supplement in-house adjudicators will enable DOCR to reduce average FAD processing times to within the regulatory timeframes.
- **\$475 thousand for IT infrastructure, applications and databases.** These products and services will enhance the organization's ability to provide timely and quality civil rights services and products to its partners and customers. Inter/intra agency agreements and contracts are established to support infrastructure requirements that provide the organization's regional personnel with secure automated business environments. The applications and databases provide DOT's civil rights community with an enterprise solution for collecting and disseminating information for its civil rights programs consistent with annual reporting requirements supporting the Civil Rights Act (1964) e.g. EEOC Form 462, DOJ 12250 and the No FEAR Act. DOCR will also implement a reasonable accommodation tracking system to capture and maintain accommodation requests Department-wide. The system is necessary to ensure compliance with the DOT Order on Reasonable Accommodation and general guidance from the Equal Employment Opportunity Commission.
- **\$50 thousand for alternative dispute resolution (ADR) and related services.** ADR services will be provided for internal and external customers seeking to prevent or resolve conflicts. ADR services currently provide customers with additional methods for addressing personal and professional differences that hinder the organization's ability to provide and oversee its transportation related mission and programs. The ADR services are integral to effective conflict

management, reducing formal internal and external complaints filed against the Department.

- **\$50 thousand for civil rights related education, compliance and oversight services.** Civil rights education and training standards will be developed as technical assistance for DOT employees and key stakeholders responsible for administering DOT's civil rights programs, employees who oversee federally funded transportation and emergency preparedness related programs and services. Federal law requires training for EEO personnel responsible for issuing reports of investigations. DOCR is also responsible for overseeing implementation of DOT's No FEAR training program for all employees to ensure compliance. DOCR will secure necessary expertise to support these initiatives
- **\$822 thousand to reimburse WCF for business operation services.** The working capital fund enables DOCR to purchase shared goods and services (fee-for-service components and administrative support), i.e., building security, copy centers, Departmental initiatives, the Disability Resource Center, DOT's work life/wellness initiatives, and other proportional charges that are expended for common services.
- **\$50 thousand for civil rights program evaluations.** The Federal Code of Regulations, Title 49, Volume 1, §1.70 delegates to DOCR the responsibility for assessing, evaluating, and measuring the effectiveness of DOT's civil rights programs, which are decentralized throughout DOT operating administrations and regional offices.
- **\$275 thousand for intra agency service agreements and contracts.** DOCR uses reimbursable agreements and contracts to support the organization's regional offices. DOCR provides facilities and services, consistent with those supporting employees in its headquarters location, to regional employees located in Cambridge, MA; Atlanta, GA; Chicago, IL; and Dallas, TX. These financial agreements provide services for telecommunication, IT support, and administrative support, including mail service, physical and cyber security and employee transit benefits.
- **\$112 thousand to implement and maintain secure and comprehensive electronic civil rights records.** DOCR will harness the power of technology by capturing, storing and organizing physical and unstructured electronic civil rights information. The use of technology makes information more accessible to the organization's customer base and allows it to be used to support more informed and timely decision making. Legal and compliance issues drive the need for a comprehensive records management strategy. Federal and state requirements have become more stringent with respect to Federal information. Federal Rules of Civil Procedure (FRCP), Sarbanes-Oxley, and other recent regulations mandate how electronically stored information (ESI) such as contracts, spreadsheets and

email are handled internally, and more importantly produced to the courts when required.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 ESTIMATE
69-0118-0-1-407			
Obligations by program activity:			
0.01 General Administration	8,413	9,384	9,667
0.91 Total direct program	8,413	9,384	9,667
9.01 Reimbursable program	0	2,000	0
10.00 Total obligations	8,413	11,384	9,667
Budgetary resources available for obligation			
21.40 Unobligated balance available, start of year	0	0	0
22.00 New budget authority (gross)	9,141	11,384	9,667
22.10 Resources available from recoveries of prior year obligations	0	0	0
22.22 Unobligated balance transferred from other accounts	0	0	0
23.90 Total budgetary resources available for obligation	9,141	11,384	9,667
23.95 New obligations	-8,413	-11,384	-9,667
23.98 Unobligated balance expiring or withdrawn	-727	0	0
24.40 Unobligated Balance carried forward EOY	0	0	0
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation (definite)	9,141	9,384	9,667
40.35 Appropriation permanently reduced	0	0	0
41.00 Transfers to other accounts	0	0	0
42.00 Transfers from other accounts	0	0	0
43.00 Appropriation (total)	9,141	9,384	9,667
Discretionary spending authority from offsetting collections:			
58.00 Offsetting collections (cash) (unexpired only)	0	2,000	0
58.10 Change in uncollected cust paymts fm Fed sources (unexp)	0	0	0
58.90 Spending authority fm offsetting collections (total)	0	2,000	0
70.00 Total new budget authority (gross)	9,141	11,384	9,667
Change in obligated balances:			
72.40 Obligated balance, start of year	2,096	1,745	939
73.10 New obligations	8,413	11,384	9,667
73.20 Total outlays (gross)	-8,382	-12,190	-9,639
73.32 Obligated balance transferred from other acct	0	0	0
73.40 Adjustments in expired accounts (net)	-478	0	0
73.45 Recoveries of prior year obligations	0	0	0
74.00 Chg in Uncollected cust orders fm Fed Sources (unexpired)	0	0	0
74.10 Chg in Uncollected cust orders fm Fed Sources (expired)	96	0	0
74.40 Obligated balance end of year	1,745	939	967
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	6,980	10,446	8,700
86.93 Outlays from discretionary balances	1,402	1,744	938
87.00 Total outlays (gross)	8,382	12,190	9,639
Offsets:			
<i>Against gross budget authority and outlays</i>			
Offsetting collections (cash) from:			
88.00 Federal sources	10	2,000	0
88.95 Portion of offsetting collection credited to unexpired accounts	0	0	0
88.96 Portion of offsetting collection credited to expired accounts	-10	0	0
Net budget authority and outlays:			
89.00 Budget authority (net)	9,141	9,384	9,667
90.00 Outlays (net)	8,372	10,190	9,639
95.02 Unpaid Obligations, EOY	1,918		

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code		FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 ESTIMATE
69-0118-0-1-407				
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	4,139	5,014	5,150
11.3	Other than full-time permanent	54	36	36
11.5	Other personnel compensation	<u>195</u>	<u>100</u>	<u>103</u>
11.9	Total personnel compensation	4,388	5,149	5,289
12.1	Civilian personnel benefits	967	1,704	1,772
21.0	Travel and transportation of persons	59	54	54
22.0	Transportation of things	0	0	0
23.1	Rent Payments to GSA	121	250	251
23.3	Communications, utilities and misc.	5	77	77
24.0	Printing	0	2	2
25.2	Other services	2,763	2,118	2,192
26.0	Supplies and materials	29	20	20
31.0	Equipment	79	10	10
99.0	Subtotal, direct obligations	8,413	9,384	9,667
99.0	Reimbursable obligations	<u>0</u>	<u>2,000</u>	<u>0</u>
99.9	Total obligations	8,413	11,384	9,667

PERSONNEL SUMMARY

Identification Code		FY 2008 ESTIMATE	FY 2008 ESTIMATE	FY 2008 ESTIMATE
69-0118-0-1-407				
1001	Total compensable workyears:	42	55	55
	Full-time equivalent employment			

EXHIBIT III-2

MINORITY BUSINESS OUTREACH

**SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

Item	Total	
	(\$000s)	FTE
FY 2009 Base (Enacted)	\$3,056	1.0
Adjustments to Base:		
Annualization of 2009 Comparability Pay Increase	2	
2010 Comparability Pay Increase	2	
WCF	2	
Inflation	12	
Internal Base Changes	-	
Subtotal, Adjustments to Base	<u>18</u>	<u>-</u>
Total, FY 2010 Baseline Estimates	\$3,074	1.0
Change in Program Level (+/-)	0	
Subtotal, Change in Program Level:	<u>0</u>	<u>0</u>
Total FY 2010 Request	\$ 3,074	1.0

Detailed Justification for the Minority Business Outreach

(In thousands of dollars)

	FY 2008	FY 2009	FY 2010	Difference
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	From
				FY 2009
				<u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	70	130	135	5
Travel	122	123	124	1
Other Costs	2,778	2,803	2,815	12
TOTAL	2,970	3,056	3,074	18
<u>STAFFING</u>				
Direct Positions	1	1	1	0
Reimbursable Positions	0	0	0	0
Direct FTE	0.53	1	1	0
Reimbursable FTE	0	0	0	0
Minority Business Outreach			FY 2010 Request: \$ 3,074	

Overview:

The Minority Business Outreach (MBO) program provides contractual support to the small and small and disadvantaged business community to provide information dissemination, technical assistance and financial assistance services to empower them to compete for and obtain contract opportunities with DOT and DOT-funded contracts or grants for transportation-related projects throughout the country.

In this capacity, the MBO operates regional Small Business Transportation Resource Centers (SBTRCs) under Title 49, subtitle 1, chapter 3, subchapter II, Sec. 332. Through partnerships with chambers of commerce, trade associations, community organizations, and financial institutions, the SBTRCs are a delivery system targeted to all small and small and disadvantaged business, including Disadvantaged Business Enterprises (DBEs) and women-owned businesses, to assist them to become successful transportation contractors. The SBTRCs reach out to small and small and disadvantaged businesses to identify transportation-related opportunities, disseminate information on financing sources, and provide technical assistance and business training programs.

In addition to the SBTRCs, the MBO program operates the National Information Clearinghouse (NIC). The NIC publishes and distributes information on: (1) DOT contracting opportunities, its procurement practices, and how to market to DOT; (2) DOT-assisted contracting opportunities, through contracts and grants, to state and local transportation projects; (3) DOT financial assistance programs; and (4) market research through print media, the OSDBU web-site and the toll-free number. The NIC also provides statistical and program feedback on OSDBU lending, technical assistance and procurement programs.

FY 2009 Base:

Minority Business Outreach will operate within the enacted budget amount to accomplish the elements of the Global Connectivity strategic goal.

Anticipated FY 2009 Accomplishments:

The SBTRC program will provide assistance to the small business community through an array of services during FY 2009. The SBTRC services will include: business counseling, business analysis, collaboration with their Regional Planning Committees in each of the nine SBTRC locations.

Technical Assistance will also be provided to assist small businesses with certifications, such as DBE, 8(a), HubZone, women-owned small businesses and service disabled veteran owned small businesses. The SBTRC program will plan and present Short Term Lending Program workshops for small businesses, and have local banks participating in the sessions.

FY 2010 Budget Request:

The MBO program is requesting \$3.074 million in FY 2010 and 1 FTE for outreach to the small and disadvantaged business community to encourage participation in DOT-funded contracting opportunities, empower them to compete for and obtain those opportunities and expand the community of successful small and small and disadvantaged transportation contractors. The FY 2010 request includes a small funding increase over the FY 2009 enacted level to fund annualization of the 2009 pay raise, a 2010 two percent civilian pay raise, and a .5 percent inflation adjustment in FY 2010.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS OUTREACH

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-0119	<u>ACTUAL</u>	<u>ESTIMATE</u>	<u>ESTIMATE</u>
Obligations by program activity:			
0.01 General Administration	2,312	4,429	3,065
0.02 Bonding Assistance	0	6,216	0
9.01 Reimbursable program	0	0	0
10.00 Total obligations	2,312	10,645	3,065
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	9,123	9,116	1,527
22.00 New budget authority (gross)	2,970	3,056	3,074
22.10 Resources available from recoveries of prior year obligations	0	0	0
22.22 Unobligated balance transferred from other accounts	0	0	0
23.90 Total budgetary resources available for obligation	12,093	12,172	4,601
23.95 New obligations	-2,312	-10,645	-3,065
23.98 Unobligated balance expiring or withdrawn	-665	0	0
24.40 Unobligated balance available, end of year	9,116	1,527	1,536
New budget authority (gross), detail:			
<i>Discretionary:</i>			
40.00 Appropriation (definite)	2,970	3,056	3,074
40.35 Appropriation permanently reduced	0	0	0
41.00 Transfers to other accounts	0	0	0
42.00 Transfers from other accounts	0	0	0
43.00 Appropriation (total)	2,970	3,056	3,074
Discretionary spending authority from offsetting collections:			
58.00 Offsetting collections (cash) (unexpired only)	0	0	0
58.10 Change in uncollected cust paymts fm Fed sources (unexp)	0	0	0
58.90 Spending authority fm offsetting collections (total)	0	0	0
70.00 Total new budget authority (gross)	2,970	3,056	3,074
Change in obligated balances:			
72.40 Obligated balance, start of year	3,930	4,535	-1,223
73.10 New obligations	2,312	10,645	3,065
73.20 Total outlays (gross)	-1,497	-16,403	-3,073
73.32 Obligated balance transferred from other acct	0	0	0
73.40 Adjustments in expired accounts (net)	-210	0	0
73.45 Recoveries of prior year obligations	0	0	0
74.00 Chg in Uncollected cust orders fm Fed Sources (unexpired)	0	0	0
74.10 Chg in Uncollected cust orders fm Fed Sources (expired)	0	0	0
74.40 Obligated balance end of year	4,535	-1,223	-1,231
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	81	2,750	2,767
86.93 Outlays from discretionary balances	1,416	13,653	306
87.00 Total outlays (gross)	1,497	16,403	3,073
Offsets:			
<i>Against gross budget authority and outlays</i>			
Offsetting collections (cash) from:			
88.00 Federal sources	0	0	0
88.95 Portion of offsetting collection credited to unexpired accounts	0	0	0
88.96 Portion of offsetting collection credited to expired accounts	0	0	0
Net budget authority and outlays:			
89.00 Budget authority (net)	2,970	3,056	3,074
90.00 Outlays (net)	1,497	16,403	3,073
95.02 Unpaid Obligations, EOY	4,535		

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
MINORITY BUSINESS OUTREACH

OBJECT CLASSIFICATION
(In Thousands)

Identification Code		FY 2008	FY 2009	FY 2010
69-0119-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
	Direct obligations:			
11.0	Personnel compensation	58	104	106
12.1	Civilian benefits	12	26	29
21.0	Travel and transportation of persons	122	123	124
22.0	Transportation of Things	6	0	0
23.0	Rent, Communications & Utilities	1	0	0
25.2	Other Services	872	8,836	1,253
26.0	Supplies & Materials	38	5	5
41.0	Grants, subsidies and contributions	<u>1,203</u>	<u>1,551</u>	<u>1,557</u>
99.9	Total obligations	2,312	10,645	3,074

PERSONNEL SUMMARY

Identification Code		FY 2008	FY 2009	FY 2009
69-0119-0-1-407		ESTIMATE	ESTIMATE	ESTIMATE
	Direct:			
1001	Total compensable workyears: Full-time equivalent employment	1	1	1
	Reimbursable:			
2001	Total compensable workyears: Full-time equivalent employment	0	0	0

EXHIBIT III-2

MINORITY BUSINESS RESOURCE CENTER

SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)

Item	Total (\$000s)	FTE
FY 2009 Base (Enacted)	\$912	1.0
Adjustments to Base:		
Annualization of 2009 Comparability Pay Increase	2	
2010 Comparability Pay Increase	2	
WCF	-	
Inflation	-	
Redirection of Resources	(4)	
Subtotal, Adjustments to Base	-	-
Total, FY 2010 Baseline Estimates	\$912	1.0
Subtotal, Change in Program Level:	0	0
Total FY 2010 Request	\$ 912	1.0

Detailed Justification for the Minority Business Resource Center Program

(In thousands of dollars)

	FY 2008	FY 2009	FY 2010	Difference From FY2009
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	<u>Enacted</u>
<u>FUNDING LEVELS</u>				
Guaranteed Loan Subsidy	370	353	342	-11
Administrative Expenses	523	559	570	11
TOTAL	893	912	912	0
<u>STAFFING</u>				
Direct Positions	1	1	1	0
Reimbursable Positions	0	0	0	0
Direct FTE	1	1	1	0
Reimbursable FTE	0	0	0	0

Minority Business Resource Center Program Account	FY 2010 Request: \$912
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Overview:

The Short Term Lending Program (STLP) offers certified small businesses, including disadvantaged business enterprises (DBEs) and women-owned businesses, the opportunity to obtain short-term working capital at a reasonable interest rate for DOT and DOT-funded transportation-related contracts. The program guarantees revolving lines of credit to finance accounts receivable arising from DOT-funded transportation-related contracts. The primary collateral is the proceeds of the contracts. Access to the lines of credit allows the small business to meet short-term operating costs that it would otherwise be unable to finance and results in increased participation in DOT-funded transportation-related projects. Lines of credit are \$750,000 or less, and DOT guarantees up to 75 percent of the loan. This program is a vital tool to empower certified small business to participate in DOT procurement opportunities and contribute to DOT's achievement of its small business procurement goals.

FY 2009 Base:

The Short-Term Lending Program will operate within the enacted funding levels for subsidy and administrative costs to accomplish the mission outlined above.

Anticipated FY 2009 Accomplishments:

In FY 2009, priority will continue to be placed on broadening participation in the program through more focused outreach efforts and increasing both the number of and the geographic distribution of participating lenders, while maintaining or reducing the historically low default rate.

FY 2010 Budget Request:

The Minority Business Resource Center (MBRC) is requesting \$912,000 in FY 2010 for the STLP, the same as the enacted level in FY 2009. Of this, \$342,000 is requested for the guaranteed loan subsidy, and \$570,000 is requested for the program's administrative expenses, including the annualization of the 2009 pay raise and a 2010 two percent civilian pay raise and a .5 percent inflation adjustment in FY 2010. With this funding, the MBRC will be able to guarantee revolving lines of credit totaling \$18.367 million.

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs and administrative expenses of the Short Term Lending Program.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER
PROGRAM ACCOUNT

PROGRAM AND FINANCING
(In thousands of dollars)

Identification code	FY 2008	FY 2009	FY 2010
69-0155-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Program by activities:			
00.02 Guaranteed loan subsidy	53	353	342
00.07 Reestimate of guaranteed loan subsidy	28	2	0
00.08 Interest on reestimate of guaranteed loan subsidy	2	1	0
00.09 Administrative expenses	<u>445</u>	<u>559</u>	<u>570</u>
10.00 Total obligations	<u>529</u>	<u>915</u>	<u>912</u>
Budget resources available for obligation:			
22.00 New budget authority (gross)	923	915	912
23.95 New obligations	<u>-529</u>	<u>-915</u>	<u>-912</u>
23.98 Unobligated balance expiring	394	0	0
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	893	912	912
40.33 Appropriation Permanently Reduced	0	0	0
40.35 Appropriation Permanently Reduced	<u>0</u>	<u>0</u>	<u>0</u>
43.00 Total new budget authority	893	912	912
Mandatory:			
60.00 Appropriation	<u>30</u>	<u>3</u>	<u>0</u>
70.00 Total new budget authority (gross)	<u>923</u>	<u>915</u>	<u>912</u>
Change in unpaid unobligation			
72.40 Obligated balance, start of year	361	337	0
73.10 New obligations	529	915	912
73.20 Total outlays (gross)	-410	-1,252	-912
73.40 Adjustments in expired accounts (net)	<u>-143</u>	<u>0</u>	<u>0</u>
74.40 Unpaid obligations, end of year	337	0	0
74.99 Obligated balance, end of year	<u>337</u>	<u>0</u>	<u>0</u>
Outlays (gross) detail:			
86.90 Outlays from new discretionary authority	301	912	912
86.93 Outlays from discretionary balances	78	337	0
86.97 Outlays from mandatory authority	<u>30</u>	<u>3</u>	<u>0</u>
87.00 Total outlays (gross)	<u>410</u>	<u>1,252</u>	<u>912</u>
Net budget authority and outlays:			
89.00 Budget authority	923	915	912
90.00 Outlays	410	1,252	912
95.02 Obligated balance, end of year	337	0	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER
PROGRAM ACCOUNT

SUMMARY OF LOAN LEVELS, SUBSIDY BA AND OUTLAYS BY PROGRAM
(In thousands of dollars)

Identification code	FY 2008	FY 2009	FY 2010
69-0155-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	2,600	18,367	18,367
2159 Total loan guarantee levels	2,600	18,367	18,367
2320 Subsidy rate	2.03	1.86	1.86
2329 Weighed average subsidy rate	2.03	1.86	1.86
2330 Subsidy BA	53	353	342
2339 Total subsidy BA	53	353	342
2340 Subsidy outlays	53	370	342
2349 Total subsidy outlays	53	370	342
2350 Upward reestimate	30	3	0
2370 Downward reestimate	183	67	0
3510 Administrative expense BA	445	559	570
3580 Administrative expense outlays from balances	8	337	0
3590 Administrative expense outlays from new authority	249	559	570

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification code	FY 2008	FY 2009	FY 2010
69-0155-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
99.50 Below reporting threshold	529	915	912

PERSONNEL SUMMARY
(In thousands of dollars)

Identification code	FY 2008	FY 2009	FY 2010
69-0155-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct:			
Total compensable workyears: Civilian full-time			
1001 equivalent employments	1	1	1

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER
GUARANTEED LOAN FINANCING ACCOUNT

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code 69-4082-0-3-407	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 ESTIMATE
Program by activities:			
00.01 Default claims	0	367	367
00.02 Payment of interest to Treasury	1	0	0
08.02 Downward subsidy reestimate	145	61	0
08.04 Interest on downward subsidy reestimate	<u>38</u>	<u>6</u>	<u>0</u>
10.00 Total obligations	184	434	367
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	247	121	74
22.00 New financing authority (gross)	57	388	382
23.90 Total budgetary resources available for obligation	304	508	456
23.95 Total new obligations	<u>-184</u>	<u>-434</u>	<u>-367</u>
24.40 Unobligated balance carried forward, end of year	121	74	89
New financing authority (gross), detail:			
Spending authority from offsetting collections			
Mandatory			
67.10 Borrowing authority	0	0	0
69.00 Offsetting collections (cash)	88	388	382
69.10 Change in uncollected customer payments from Federal sources	0	0	0
69.47 Portion applied to repay debt	<u>-30</u>	<u>0</u>	<u>0</u>
69.90 Spending authority from offsetting collections (total)	58	388	382
Change in obligated balances:			
72.40 Obligated balance, start of year	4	0	0
73.10 Total new obligations	184	434	367
73.20 Total financing disbursements (gross)	-188	-434	-367
74.00 Change in uncollected customer payments from Federal sources	<u>0</u>	<u>0</u>	<u>0</u>
74.40 Obligated balance, end of year	0	0	0
Outlays (gross), detail			
87.00 Total financing disbursements (gross)	188	434	367
Offsets			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from : Federal sources (subsidy)	-53	-353	-342
88.00 Offsetting collections (cash) from : Federal sources (upward reestimate)	-30	-3	0
88.25 Interest on uninvested funds	-5	-32	-40
88.90 Total offsetting collections (cash)	-88	-388	-382
88.95 Change in uncollected customer payments from Federal sources	<u>0</u>	<u>0</u>	<u>0</u>
Net financing authority and financing disbursements			
89.00 Financing authority	145	775	764
90.00 Financing disbursements	<u>100</u>	<u>47</u>	<u>-15</u>

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER
GUARANTEED LOAN FINANCING ACCOUNT

STATUS OF GUARANTEED LOANS
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-4082-0-3-407	ACTUAL	ESTIMATE	ESTIMATE
Position with respect to appropriations act limitation on commitments			
2111	18,367	18,367	18,367
2142	-15,767	0	0
2150	2,600	18,367	18,367
2199	1,950	13,775	13,775
Cumulative balance of guaranteed loans outstanding:			
2210	4,415	3,350	18,367
2231	2,600	18,367	18,367
2251	-3,665	-2,983	-18,000
2263	0	-367	-367
2264	0		
2290	3,350	18,367	18,367
Memorandum:			
2299	2,513	13,775	13,775
6300	100	47	-15

MINORITY BUSINESS RESOURCE CENTER
 - GUARANTEED LOAN FINANCING ACCOUNT

BALANCE SHEET
 (In thousands of dollars)

Identification Code	FY 2008
69-4082-0-3-407	ACTUAL
ASSETS:	
Federal assets:	
1101 Fund balances with Treasury	121
1106 Receivables, Net	0
1999 Total assets	121
LIABILITIES:	
2103 Debt	0
2104 Resources payable to Treasury	0
2204 Non-Federal liabilities: Liabilities for loan guarantees	121
2999 Total liabilities	121
NET POSITION:	
3999 Total net position	
4999 Total liabilities and net position	121

FINANCIAL MANAGEMENT CAPITAL

SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)

Item	Total (\$000s)	FTE
FY 2009 Base (Enacted)	5,000	0
Adjustments to Base:		
Annualization of 2009 Comparability Pay Increase	-	
2010 Comparability Pay Increase	-	
Non-pay inflation	-	
Subtotal, Adjustments to Base	-	-
Total, FY 2010 Baseline Estimates	5,000	
Change in Program Level (+/-)		
Subtotal, New or Expanded Programs	0	0
Total FY 2010 Request	\$ 5,000	\$ -

Detailed Justification for Financial Management Capital

(In thousands of dollars)

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Difference From FY 2009</u>
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	<u>Enacted</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	0	0	0	0
Travel	0	0	0	0
Other Costs	0	5,000	5,000	0
TOTAL	0	5,000	5,000	0
<u>STAFFING</u>				
Direct Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Direct FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

Financial Management Capital	FY 2010 Request: \$5,000
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FY 2010 Budget Request:

In FY 2010, \$5 million dollars is requested for a multi-year project to upgrade DOT's financial systems and processes as part of the Financial Management Business Transformation (FMBT) initiative. In addition, DOT Operating Administrations (OAs) will be contributing \$4 million dollars in FY 2010 to the FMBT and details for the intended use of the \$9 million dollars of total funding are detailed below:

\$9 Million for Improving Financial Management

Project Management (\$1.7M).

The Project Management Office is an integral component of the FMBT initiative's future success and the same level of support will be required in FY 2010 as in FY 2009. The PMO provides the tools, templates, plans, and methodologies for each of the five FMBT teams and manages the complex project plan for the entire initiative, including risk management, quality control, management reporting, milestone tracking, and stakeholder communications and engagement. The PMO team is responsible for assisting with the translation of business process reengineering results into business requirements for the future systems and this work will be significant in both the FY 2009 and 2010 timeframe.

Business Process Transformation (\$2.6M).

DOT began business process reengineering in FY 2009 as part of the FMBT initiative. In FY 2010 these efforts will accelerate and culminate in detailed process requirements that will be used by the Financial Management Business system team in FY 2011 and FY 2012 for a future migration to Oracle Core Financials Release 12. DOT has begun the process of documenting the business process framework, which outlines the scope of each major financial management process and subprocess for business transformation initiative purposes. The plan is to move forward with the analysis of the current state, the identification of short and long-term transformation opportunities, definition of future state and system business requirements, and the development and modification of policies and procedures. The team will continue critical business process reengineering efforts for the budget, procure-to-pay, cost accounting, and grants (grants payment process) business processes, as well as begin work on Property, Plant, and Equipment (PP&E), Federal agreements (reimbursable agreements), financial reporting, and receivables management. Benefits of these efforts are:

- Elimination of redundancies in business processes, systems and overhead costs
- Gain operational and systematic efficiencies
- Minimization of errors and customized solutions as DOT move to a single solution to complex processes and sub-processes
- Improvement of project management and help achieving objectives of earned value management (EVM)
- Improvement in process-based training, communications, and documentation

Information Management (\$1.2M).

The implementation of the Common Government-wide Accounting Code (CGAC) will be a major undertaking for the Department based on the varied accounting classification structures (ACS) currently being managed for different OAs. In FY 2009, the Information Management team is addressing a comprehensive analysis and documentation of the current classification structures. In FY 2010, the team will develop the Department's CGAC model and crosswalk the current classification structures to CGAC. The current financial reporting inventory will be finalized also, so that work can begin in FY 2010 on future reporting requirements and specifications. Benefits of these efforts are:

- Standardization of accounting classification structures for management and external reporting and analysis
- Minimization of data-related errors
- Reduction in and standardization of financial reports

Current and Future Systems (\$3.0M).

In FY 2009, DOT is undertaking a focused effort on discovery and education of the Department's future financial management system (Oracle Release 12iFSIO product line). Additionally, the current system's functionality is being analyzed to identify immediate opportunities for process reengineering, reporting, and data management success. In FY 2010 experts will begin to apply this knowledge to planning new system design activities and will demonstrate system capabilities through proof of concept sessions. This will be a highly collaborative effort with the OA subject matter experts and other stakeholders to ensure results are meeting anticipated expectations prior to the build phases of the new financial system's layout for future implementation. Additionally, in FY 2010 emerging technology research will

be used to pilot product line opportunities to further enhance current systems (for the interim period prior to migration to the new system) and the future system. For example, the team anticipates introducing a business intelligence solution as a tool to better meet managerial needs and requirements. Benefits of these efforts are:

- Improve Reporting on a Departmental level
- Provide a consolidated Departmental financial statement process
- Enhance data integrity to continue to support clean audit opinions
- Improve efficiencies through automated solutions

Change Management and Learning (\$0.5M).

Change management will be a critical component of this business process reengineering effort, as the team seeks to minimize the inherent risks of process changes by preparing the stakeholder community for these changes, what they mean to them, and how the changes will be implemented through the FMBT effort. For the Change Management and Learning team, FY 2010 will involve a transition from strategic planning to execution, particularly in the area of business process reengineering launch activities (communications, training, and leadership briefings) and Oracle R 12 training.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code		FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 ESTIMATE
69-0116-0-1-407				
	Obligations by program activity:			
00.01	Direct program activity	0	5,000	5,000
10.00	Total new obligations	0	5,000	5,000
	Budgetary resources available for obligations:			
22.00	New budget authority (gross)	0	5,000	5,000
23.95	Total new obligations	0	-5,000	-5,000
24.40	Unobligated Balance carried forward EOY	0	0	0
	New budget authority (gross), detail:			
	Discretionary:			
40.00	Appropriation	0	5,000	5,000
43.00	Appropriation (total)	0	5,000	5,000
	Change in obligated balances:			
73.10	Total new obligations	0	5,000	5,000
73.20	Total outlays (gross)	0	-4,000	-5,000
74.40	Obligated balance, end of year	0	1,000	1,000
	Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	0	4,000	4,000
86.93	Outlays from discretionary balances			1,000
87.00	Total outlays (gross)			5,000
	Net budget authority and outlays:			
89.00	Budget authority (net)	0	5,000	5,000
90.00	Outlays (net)	0	4,000	5,000

Section 3 - FY 2010 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-0116-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
25.2 Other services	0	5,000	5,000

EXHIBIT III-2

PAYMENTS TO AIR CARRIERS

SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)

Item	Total (\$000s)	FTE
FY 2009 Base (Enacted)	\$73,013	0.0
Adjustments to Base:		
Annualization of 2009 Comparability Pay Increase		
2010 Comparability Pay Increase		
Inflation		
Internal Base Changes		
Subtotal, Adjustments to Base	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Total, FY 2010 Baseline Estimates	\$73,013	0.0
Change in Program Level (+/-)		
Essential Air Subsidies	51,987	
Subtotal, New or Expanded Programs	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Total FY 2010 Request	\$ 125,000	0.0

Detailed Justification for Essential Air Service (EAS) Program

(In thousands of dollars)

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>	<u>Difference</u> <u>From</u> <u>FY 2009</u> <u>Enacted</u>
<u>FUNDING LEVELS</u>				
Payments to Air Carriers (Trust Fund) - Discretionary Budget Authority				
Essential Air Service	60,000	73,013	125,000	51,987
<i>Essential Air Service (Overflight Fees) - Mandatory Budget Authority</i>				
<i>Personnel Compensation and Benefits</i>	1,218	1,345	2,018	673
<i>Travel</i>	2	11	11	0
<i>Other Costs</i>	169	218	216	-2
<i>Essential Air Service</i>	48,780	25,713	47,755	22,043
<i>EAS subsidies funded through SOY</i>				
<i>unobligated balance carried forward</i>	<u>0</u>	<u>[22,714]</u>	<u>0</u>	<u>0</u>
<i>Subtotal - Mandatory Budget Authority</i>	50,169	27,286	50,000	22,714
TOTAL - Discretionary & Mandatory	110,169	100,299	175,000	74,701
P.L. 109-171 Funds from Sale of Spectrum	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL Program Funding	125,169	100,299	175,000	74,701
<u>STAFFING</u>				
Direct Positions	10	14	14	0
Reimbursable Positions	0	0	0	0
Direct FTE	9	10	14	4
Reimbursable FTE	0	0	0	0

Essential Air Service**FY 2010 Request: \$ 175,000****Overview:**

The EAS program provides subsidies for air transportation service to communities that received schedule air service prior to airline deregulation, but could not otherwise support such service under deregulation.

FY 2009 Base:

In FY 2009, funding for the EAS program is comprised of \$50 million of overflight fees collected by the Federal Aviation Administration, and \$73 million from the Airport and Airway Trust Fund.

Anticipated FY 2009 Accomplishments:

In FY 2009, the Essential Air Service program will maintain continuous scheduled air service at all eligible communities by paying commuter and regional airlines (under 49 U.S.C. 41731 *et. seq.*) to provide service that otherwise would not be provided. During FY 2008, four major EAS providers went out of business leaving 36 previously subsidized communities with no air service. An emergency Request for Proposals was issued and new contracts have now been issued for all 36 communities. However because one airline assumed most of the defunct carriers' routes, it is not able to expand rapidly enough to backfill instantly. There are currently only seven communities of the original 36 without air service and one is expected to start up service on April 7. In the meantime, the airline is working to obtain additional aircraft necessary to bring the remaining six communities on line.

FY 2010 Budget Request:

For FY 2010, the Department requests for the EAS program \$125 million for the Payment to Air Carrier account to supplement the \$50 million of overflight fees collected by the Federal Aviation Administration. Funds will be used to connect eligible communities to the national air transportation network in the most cost-effective way available. Reforms to restructure the program in order to improve program and cost effectiveness will be proposed.

The EAS program was established as a ten-year transition program following airline deregulation in 1978. The Airport and Airway Safety and Capacity Expansion Act of 1987 extended the program through September 30, 1998. Subsequently, as part of the Federal Aviation Reauthorization Act of 1996, Congress passed the Rural Air Service Survival Act. That Act mandates the collection of user fees – commonly known as overflight fees – for flights operated by other than U.S. airlines that fly over, but do not take-off from or land in, the United States.

Beginning in FY 1998, the first \$50 million of each year's overflight fees were legislated to go directly to carry out the EAS program. Because no overflight fees were collected in FYs 1998, 1999, or 2000, the \$50 million required for EAS was funded from the FAA Operations and the FAA Facilities and Equipment appropriations. In FY 2001 and FY 2002, almost \$30 million was collected in overflight fees each year, but could not be made available for the EAS program pending resolution of litigation; therefore, EAS was again funded from other FAA accounts. In FY 2003, the litigation continued and the program was funded from other FAA accounts. In FY 2004, no overflight fees were collected, the overflight fee litigation was settled, and the EAS program was funded from balances in the overflight fee account. In FY 2005, the program was funded with overflight fees and an additional \$52 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In FY 2006, the program was funded with overflight fees and an additional \$59.4 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In FY 2007, the program was funded with overflight fees and an additional \$59.4 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account.

Section 3 – FY 2010 Budget Request by Appropriation

In FY 2008, the program was funded with overflight fees and an additional \$60 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In addition, in FY 2008, \$15 million from the sale of spectrum was available to fund the program. In FY 2009, the program is being funded with overflight fees and \$73 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account.

History of EAS Funding Sources
(In thousands of dollars)

	<u>FAA Operations</u>	<u>FAA F&E</u>	<u>P.L. 109- 171</u>	<u>Overflight Fees</u>	<u>Payments to Air Carriers (A&ATF)</u>
FY 1998	\$50,000	.....		.....	.....
FY 1999	.....	\$48,000		.....	.....
FY 2000	\$50,000	.....		.....	.....
FY 2001	\$50,000	.....		.....	.....
FY 2002	.....	\$50,000		.....	\$62,952
FY 2003	.....	\$50,000		.....	\$51,761
FY 2004	.....	.....		/1	\$51,662
FY 2005	.....	.....		\$50,000	\$51,549
FY 2006 Enacted	.....	.....		\$50,000	\$59,400
FY 2007 CR Rate				\$50,000	\$59,400
FY 2008 Enacted		\$8,464	\$15,000 ²	\$41,566	\$60,000
FY 2009 Enacted				\$27,286 ³	\$73,013
FY 2010 Request				\$50,000	\$125,000

¹ In FY 2004, \$50,000 was funded from unobligated balances of overflight fees.

² P.L. 109-171 provides funds from the sale of spectrum.

³ An additional \$22.714 million of overflight fees were transferred by FAA as an unobligated balance at the start of FY 2009 for a total of \$50 million of mandatory funding available during FY 2009.

For FY 2010, the Department proposes a \$175 million budget made up of \$50 million of overflight fees collected by the Federal Aviation Administration, and \$125 million appropriated from the Airport and Airway Trust Fund. In addition, the Administration plans to propose reforms to improve program and cost effectiveness. As a result the Department will continue to explore common sense reform that would result in a more efficiently run program.

In FY 2010, \$2.2 million, an increase of \$0.7 million, will be used to pay salaries and administrative costs for staff to administer this program. The FY 2010 request for salaries and administrative costs includes an increase to annualize the 2009 pay raise, to fund increases for the 2010 estimated civilian pay raise of 2.0 percent and an inflation adjustment of 0.5 percent in FY 2010, and to fund an additional 4 FTEs to fill Transportation Industry Analyst positions. Due

to program growth and increasing program complexity, the 4 additional FTEs will be tasked with such mission-critical functions as implementing program requirements to support the additional communities expected to require subsidy due to the worldwide economic slowdown; addressing community and congressional questions over passenger-cap issues, program retention, and service complaints; and performing program impact analyses necessitated by the widespread reductions in service affecting smaller communities and the financial condition of the airline industry.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-5423-0-2-402	ACTUAL	ESTIMATE	ESTIMATE
Obligations by program activity:			
00.01 Essential Air Service	49,943	50,000	50,000
00.02 Essential Air Service Borrowing from 13-5398-X	15,000	.	
00.03 Essential Air Service PY Balance (Canceled)	8,643		
00.04 Essential Air Service PY Balance (Expired but not Canceled)	<u>22,261</u>	<u>0</u>	<u>0</u>
Total Direct obligations	<u>95,847</u>	<u>50,000</u>	<u>50,000</u>
Reimbursable obligations			
10.00 Total new obligations	<u>95,847</u>	<u>50,000</u>	<u>50,000</u>
Budgetary resources available for obligations:			
21.40 Unobligated balance carried forward, start of year	36,721	13,779	13,779
21.45 Adjustment to unobligated balance carried forward, start of year		3,400	
22.00 New budget authority (gross)	65,000	42,286	50,000
22.10 Resources available from recoveries of prior year obligations	11,306	0	0
22.22 Unobligated balance transferred from other accounts [69-5422]	0	22,714	0
22.60 Portion applied to repay debt	<u>0</u>	<u>-15,000</u>	<u>0</u>
23.90 Total budgetary resources available for obligations	113,026	67,179	63,779
23.95 Total new obligations	-95,847	-50,000	-50,000
23.98 Unobligated balance expiring or withdrawn (but not executed in FY)	-3,400	0	<u>0</u>
23.98 Unobligated balance expiring or withdrawn	<u>0</u>	<u>-3,400</u>	<u>0</u>
24.40 Unobligated balance carried forward, end of year	13,779	13,779	13,779
New budget authority (gross), detail:			
Mandatory			
62.00 Transferred from FAA overflight fees [69-5422]	41,566	27,286	50,000
67.10 Authority to borrow	<u>15,000</u>		
Discretionary: Spending authority from offsetting collections:			
69.00 Offsetting collections (cash)	<u>8,434</u>	<u>15,000</u>	<u>0</u>
70.00 Total new budget authority (gross)	65,000	42,286	50,000
Change in obligated balances:			
72.40 Obligated balance, start of year	38,396	25,570	5,000
73.10 Total new obligations	95,847	50,000	50,000
73.20 Total outlays (gross)	-97,367	-70,570	-50,000
73.45 Recoveries of prior year obligations	<u>-11,306</u>	<u>0</u>	<u>0</u>
74.40 Obligated balance, end of year	25,570	5,000	5,000
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	53,608	31,372	30,000
86.98 Outlays from mandatory balances	<u>43,759</u>	<u>39,198</u>	<u>20,000</u>
87.00 Total outlays (gross)	97,367	70,570	50,000
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	8,434	15,000	0
New budget authority and outlays:			
89.00 Budget authority (net)	56,566	27,286	50,000
90.00 Outlays (net)	88,933	55,570	50,000
95.02 Unpaid obligation, end of year	25,570		

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-5423-0-2-402	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	959	1,036	1,541
11.5 Other personnel compensation	<u>40</u>	<u>20</u>	<u>21</u>
11.9 Total personnel compensation	999	1,056	1,561
12.1 Civilian personnel benefits	219	289	456
21.0 Travel and transportation of persons	2	11	11
23.0 Communication and utilities	7	29	29
25.0 Other services	161	181	179
26.0 Supplies and materials	1	3	3
31.0 Equipment	0	5	5
41.0 Grants, subsidies, and contributions	<u>94,458</u>	<u>48,427</u>	<u>47,755</u>
99.0 Subtotal, direct obligations	95,847	50,000	50,000
99.0 Reimbursable obligations	<u>0</u>	<u>0</u>	<u>0</u>
99.9 Total obligations	95,847	50,000	50,000

PERSONNEL SUMMARY

Identification Code	FY 2008	FY 2009	FY 2009
69-5423-0-2-402	ESTIMATE	ESTIMATE	ESTIMATE
1001 Total compensable workyears: Full-time equivalent employment	8.81	10	14

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

PAYMENT TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code		FY 2008	FY 2009	FY 2010
69-8304-0-7-402		ACTUAL	ESTIMATE	ESTIMATE
Obligations by program activity:				
00.01	Essential Air Service Subsidies	<u>51,215</u>	<u>86,853</u>	<u>125,000</u>
01.00	Total, direct program	51,215	86,853	125,000
09.01	Reimbursable program	<u>0</u>	<u>3,426</u>	<u>0</u>
10.00	Total new obligations	51,215	90,279	125,000
Budgetary resources available for obligations:				
21.40	Unobligated balance carried forward, start of year	425	13,840	0
22.00	New budget authority (gross)	60,000	76,439	125,000
22.10	Resources available from recoveries of prior year obligations	<u>4,630</u>	<u>0</u>	<u>0</u>
23.90	Total budgetary resources available for obligations	65,055	90,279	125,000
23.95	Total new obligations	-51,215	-90,279	-125,000
24.40	Unobligated balance carried forward, end of year	13,840	0	0
New budget authority (gross), detail:				
Discretionary:				
40.26	Appropriation (trust fund)	60,000	73,013	125,000
Discretionary: Spending authority from offsetting collections:				
58.00	Offsetting collections (cash)	0	3,426	0
70.00	Total new budget authority (gross)	60,000	76,439	125,000
Change in obligated balances:				
72.40	Obligated balance, start of year	8,046	14,036	29,203
73.10	Total new obligations	51,215	90,279	125,000
73.20	Total outlays (gross)	-40,595	-75,112	-104,205
73.45	Recoveries of prior year obligations	<u>-4,630</u>	<u>0</u>	<u>0</u>
74.40	Obligated balance, end of year	14,036	29,203	49,998
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	40,416	47,234	75,000
86.93	Outlays from discretionary balances	<u>179</u>	<u>27,878</u>	<u>29,205</u>
87.00	Total outlays (gross)	40,595	75,112	104,205
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash)	0	3,426	0
Net budget authority and outlays:				
89.00	Budget authority (net)	60,000	73,013	125,000
90.00	Outlays (net)	40,595	71,686	104,205
95.02	Unpaid obligation, end of year	14,036		

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

PAYMENT TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-8304-0-7-402	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
41.0 Grants, subsidies and contributions	<u>51,215</u>	<u>90,279</u>	<u>125,000</u>
99.9 Total obligations	51,215	90,279	125,000

EXHIBIT III-2

**ESSENTIAL AIR SERVICE
Mandatory Funding**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

Item	Total (\$000s)	FTE
FY 2009 Base (Enacted)	\$50,000	10.0
Adjustments to Base:		
Annualization of 2009 Comparability Pay Increase	16	
2010 Comparability Pay Increase	20	
Inflation	243	
WCF	(1)	
Internal Base Changes		
Subtotal, Adjustments to Base	278	-
Total, FY 2010 Baseline Estimates	\$50,278	10.0
Change in Program Level (+/-)		
Additional FTE	635	4
Essential Air Subsidies:		
Reduction to Fund FTE	(635)	
Reduction to Fund Base Adjustments	(278)	
Subtotal, New or Expanded Programs	-278	4
Total FY 2010 Request	\$ 50,000	14.0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

COMPENSATION FOR GENERAL AVIATION OPERATIONS

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-0156-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Obligations by program activity:			
00.01 Compensation for General Aviation Operations	<u>13,404</u>	<u>3,426</u>	<u>0</u>
10.00 Total new obligations (object class 41.0)	13,404	3,426	0
Budgetary resources available for obligations:			
21.40 Unobligated balance carried forward, start of year	16,830	3,426	0
22.00 New budget authority (gross)	<u>0</u>	<u>0</u>	<u>0</u>
23.90 Total budgetary resources available for obligations	16,830	3,426	0
23.95 Total new obligations	<u>-13,404</u>	<u>-3,426</u>	<u>0</u>
24.40 Unobligated balance carried forward, end of year	3,426	0	0
Change in obligated balances:			
72.40 Obligated balance, start of year	0	0	0
73.10 Total new obligations	13,404	3,426	0
73.20 Total outlays (gross)	<u>-13,404</u>	<u>-3,426</u>	<u>0</u>
74.40 Obligated balance, end of year	0	0	0
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	0	0	0
86.93 Outlays from discretionary balances	<u>13,404</u>	<u>3,426</u>	<u>0</u>
87.00 Total outlays (gross)	13,404	3,426	0
Net budget authority and outlays:			
89.00 Budget authority (net)	0	0	0
90.00 Outlays (net)	13,404	3,426	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

COMPENSATION FOR GENERAL AVIATION OPERATIONS

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-0156-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
41.0 Grants, subsidies and contributions	<u>13,404</u>	<u>3,426</u>	<u>0</u>
99.9 Total obligations	13,404	3,426	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

COMPENSATION FOR AIR CARRIERS

PROGRAM AND FINANCING

(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-0111-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Obligations by program activity:			
00.01 Compensation for Air Carriers	0	1	0
10.00 Total new obligations (object class 41.0)	0	1	0
Budgetary resources available for obligations:			
21.40 Unobligated balance carried forward, start of year	22,849	849	0
22.00 New budget authority (gross)	-22,000	-848	0
22.10 Resources available from recoveries of prior year obligations	0	0	0
23.90 Total budgetary resources available for obligations	849	1	0
23.95 Total new obligations	0	-1	0
24.40 Unobligated balance carried forward, end of year	849	0	0
New budget authority (gross), detail:			
Discretionary:			
40.36 Unobligated balance permanently reduced	0	0	0
Spending Authority from Offsetting Collections			
58.00 Offsetting collections (cash)	0	0	0
Mandatory:			
60.36 Unobligated balance rescinded	-22,000	-848	0
70.00 Total new budget authority (gross)	-22,000	-848	0
Change in obligated balances:			
72.40 Obligated balance, start of year	0	0	0
73.10 Total new obligations	0	1	0
73.20 Total outlays (gross)	0	-1	0
74.40 Obligated balance, end of year	0	0	0
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	0	0	0
86.98 Outlays from mandatory balances	0	0	0
87.00 Total outlays (gross)	0	1	0
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	0	0	0
88.90 Total offsetting collections (cash)	0	0	0
Net budget authority and outlays:			
89.00 Budget authority (net)	-22,000	-848	0
90.00 Outlays (net)	0	1	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

COMPENSATION FOR AIR CARRIERS

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-0111-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
41.0 Grants, subsidies and contributions	0	1	0
99.9 Total obligations	0	1	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NEW HEADQUARTERS BUILDING

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code		FY 2008	FY 2009	FY 2010
69-0147-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
Obligations by program activity:				
00.01	Direct program activity	6,301	1,552	0
09.01	Reimbursable program			
10.00	Total new obligations	6,301	1,552	0
Budgetary resources available for obligations:				
21.40	Unobligated balance carried forward BOY	6,223	1,552	0
22.00	New budget authority (gross)	0	0	0
22.10	Resources available from recoveries of prior year obligations	1,630	0	0
23.90	Total budgetary resources available for obligation	7,853	1,552	0
23.95	Total new obligations	-6,301	-1,552	0
24.40	Unobligated balance, carried forward, end of year	1,552	0	0
New budget authority (gross), detail:				
Discretionary:				
40.00	Appropriation	0	0	0
43.00	Appropriation (total)	0	0	0
Discretionary: Spending authority from offsetting collections:				
70.00	Total new budget authority (gross)	0	0	0
Change in obligated balances:				
72.40	Obligated balance, start of year	32,216	7,445	0
73.10	Total new obligations	6,301	1,552	0
73.20	Total outlays (gross)	-29,442	-8,997	0
73.45	Recoveries of prior year obligations	-1,630	0	0
74.40	Obligated balance, end of year	7,445	0	0
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	0	0	0
86.93	Outlays from discretionary balances	29,442	8,997	0
87.00	Total outlays (gross)	29,442	8,997	0
Net budget authority and outlays:				
89.00	Budget authority (net)	0	0	0
90.00	Outlays (net)	29,442	8,997	0
95.02	Unpaid obligations, end of year	7445	0	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NEW HEADQUARTERS BUILDING

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code		FY 2008	FY 2009	FY 2010
69-0147-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
	Direct obligations:			
25.2	Other services	<u>6,301</u>	<u>1,552</u>	<u>0</u>
99.0	Subtotal, direct obligations	6,301	1,552	0
99.9	Total obligations	6,301	1,552	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE TRANSPORTATION SYSTEM
(RECOVERY ACT)

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 ESTIMATE
69-0106-0			
Obligations by program activity:			
00.01 Discretionary Grants	0	0	1,498,500
00.02 Administrative Costs	<u>0</u>	<u>0</u>	<u>1,500</u>
01.00 Total, direct program	0	0	1,500,000
09.01 Reimbursable program	<u>0</u>	<u>0</u>	<u>0</u>
10.00 Total new obligations	0	0	1,500,000
Budgetary resources available for obligations:			
21.40 Unobligated balance carried forward, start of year	0	0	1,500,000
22.00 New budget authority (gross)	0	1,500,000	0
22.10 Resources available from recoveries of prior year obligations	<u>0</u>	<u>0</u>	<u>0</u>
23.90 Total budgetary resources available for obligations	0	1,500,000	1,500,000
23.95 Total new obligations	0	0	-1,500,000
24.40 Unobligated balance carried forward, end of year	0	1,500,000	0
New budget authority (gross), detail:			
Discretionary:			
40.01 Appropriation, Recovery Act	0	1,500,000	0
Discretionary: Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	0	0	0
70.00 Total new budget authority (gross)	0	1,500,000	0
Change in obligated balances:			
72.40 Obligated balance, start of year	0	0	0
73.10 Total new obligations	0	0	1,500,000
73.20 Total outlays (gross)	0	0	-180,000
73.45 Recoveries of prior year obligations	<u>0</u>	<u>0</u>	<u>0</u>
74.40 Obligated balance, end of year	0	0	1,320,000
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	0	0	0
86.93 Outlays from discretionary balances	<u>0</u>	<u>0</u>	<u>180,000</u>
87.00 Total outlays (gross)	0	0	180,000
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash)	0	0	0
Net budget authority and outlays:			
89.00 Budget authority (net)	0	1,500,000	0
90.00 Outlays (net)	0	0	180,000
95.02 Unpaid obligation, end of year	0		

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE
TRANSPORTATION SYSTEM
(RECOVERY ACT)

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-0106-0	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	0	0	1,250
11.5 Other personnel compensation	<u>0</u>	<u>0</u>	<u>0</u>
11.9 Total personnel compensation	0	0	1,250
12.1 Civilian personnel benefits	0	0	250
21.0 Travel and transportation of persons	0	0	0
23.0 Communication and utilities	0	0	0
25.0 Other services	0	0	0
26.0 Supplies and materials	0	0	0
31.0 Equipment	0	0	0
41.0 Grants, subsidies, and contributions	<u>0</u>	<u>0</u>	<u>1,498,500</u>
99.0 Subtotal, direct obligations	0	0	1,500,000
99.0 Reimbursable obligations	<u>0</u>	<u>0</u>	<u>0</u>
99.9 Total obligations	0	0	1,500,000

PERSONNEL SUMMARY

Identification Code	FY 2008	FY 2009	FY 2010
69-0106-0	ESTIMATE	ESTIMATE	ESTIMATE
1001 Total compensable workyears:			
Full-time equivalent employment	0	0	3

**DETAILED JUSTIFICATION FOR THE WORKING CAPITAL
FUND
FY 2010 BUDGET ESTIMATE
(In thousands of dollars)**

<u>Program</u>	<u>FY 2008 Actual^{1/}</u>	<u>FY 2009 Enacted^{1/}</u>	<u>FY 2010 Estimate^{1/}</u>
WCF DOT Activities	128,094	128,094	147,596
WCF Non-DOT Activities	244,732	349,424	438,953
Total	\$ 372,826	\$ 477,518	\$ 586,549
 <u>Staffing</u>			
Reimbursable Positions	219	219	213
Reimbursable FTE	172	219	213

^{1/}Refer to Section 5 – Additional Justifications for a “Transparency Paper: Total Program Resources for Office of the Assistant Secretary for Administration and Office of the Chief Information Officer” for a complete description of total funds managed by those offices.

Overview:

The WCF, through the Office of the Assistant Secretary for Administration (OASA) and the Office of the Chief Information Officer (OCIO), provides a wide range of technical and administrative services including personnel operations, facilities management, parking management, transit benefit programs, printing and graphics, mail operation, library and dockets management operations, building security, IT security and infrastructure, telecommunications, and procurement and acquisitions services. The fund’s services are delivered to customers through an organizational structure of individual business lines providing related services or products. This consolidation of services allows the WCF to achieve economies of scale, eliminate redundancies, promote consistency in service, and reduce administrative costs across the Department.

The WCF is a fee-for-service operation which receives no direct appropriations. Instead, the WCF is a fully self-sustaining organization and must achieve full cost recovery which includes an equitable distribution of overhead and indirect costs. During the budget formulation stage, the WCF provides cost estimates to the WCF customers based on historical data and projected demand and service levels. During the year of execution, customers are billed for actual use of common services.

The WCF continues to enhance utilization of performance based metrics and expand management control plans. Documentation and testing is performed for the new internal controls over financial reporting as required by the Sarbanes-Oxley Act and the Federal Managers Financial Integrity Act. The WCF has documented and performed testing on all key areas of the financial statements.

The WCF continues to balance mission priorities with customer needs and available resources while building upon a sound administrative infrastructure that consolidates services for common Department-wide functions throughout the Operating Administrations. WCF services are financed through customer reimbursements based on actual customer usage. Customers are provided with estimates based on historical usage and detailed discussions occur to determine new and changing requirements. Billings, however, are based on actual usage of common services.

The WCF facilitates efficiencies by:

- placing policy offices and service providers together in the same organization;
- making the best use of employee expertise, increasing communication, and reducing costs to the taxpayers;
- identifying and eliminating redundancies and reducing organizational layers;
- providing best value to the government through compliance with OMB and Congressional directives to consolidate and deliver services more efficiently; and
- consolidating Operating Administrations' infrastructures into a single Departmental infrastructure to improve service delivery, increase security, and reduce costs.

To promote greater efficiencies, it is necessary for the fund to be flexible and responsive. The WCF maintains an operational reserve of 4% of annual income. This reserve protects the fund from exceeding the amounts authorized and adds an acceptable margin for both flexibility and responsiveness.

The two secretarial offices providing WCF services are:

The Office of the Assistant Secretary for Administration administers the financial management for the WCF and provides Departmental services in human resources, security, acquisition and grants, information services, transportation and facilities, and space management. In the transit benefits area, the OASA manages the program for over 100 agencies nationwide. The OASA continues to meet the challenge to respond to customer needs by thinking more globally and strategically defining what should be done in order to best prioritize and deploy resources.

The Office of the Chief Information Officer (OCIO) delivers information technology services to customers through the operation of an IT infrastructure that includes e-mail services, a backbone network and help desk support. Operating administrations contract with the OCIO for services and reimburse the OCIO for the cost of those services.

The following table displays the FY 2010 WCF business line information:

FY 2010 ESTIMATE
WCF DOT AND NON-DOT OBLIGATIONS
BY BUSINESS LINE
(\$000)

<u>Description</u>	<u>DOT</u> <u>Obligations</u>	<u>Non-DOT</u> <u>Obligations</u>	<u>2010 Total</u>
Assistant Secretary for Admin			
Acquisition & Procurement Operations	5,001	0	5,001
Building Security	14,547	0	14,547
Commercial Services Management	538	0	538
Consolidated Federal Funds	132	0	132
Copier, Printing & Multimedia	7,959	51	8,010
Disability Resource Center	1,630	453	2,082
Dockets Management and Operations	2,596	202	2,798
Facilities Services & Utilities	9,275	371	9,645
Federal Laboratory Consortium	21	0	21
FEMA COOP Facility	1,075	0	1,075
Financial Mgmt, Accting & Admin	6,867	0	6,867
Flexible Spending Account	415	0	415
Grants Information System	527	0	527
Human Resource Services	4,443	41	4,484
Library & Information Services	2,110	0	2,110
Mail Services & Postage	3,081	81	3,162
Publications Distribution	128	115	242
Rent & Space Management	7,413	0	7,413
Security Operations	4,547	0	4,547
Substance Abuse Awareness & Testing	1,458	3,742	5,200
Transit Benefits & Parking	4,411	433,227	437,638
Unemployment Compensation	2,107	75	2,182
Warehouse	698	60	758
Assistant Secretary for Admin Subtotal:	80,978	438,418	519,396
Chief Information Office			
Campus Area Network	4,227	0	4,227
Desktop Services	27,567	0	27,567
Information Assurance & Privacy	15,121	0	15,121
Server & Messaging Services	9,582	0	9,582
Voice, Cable & Wireless	10,122	535	10,657
Chief Information Office Subtotal:	66,618	535	67,153
Grand Total:	147,596	438,953	586,549

Note: Numbers may not add due to rounding

Anticipated FY 2009 Accomplishments:

Focusing on accountability, integration, and efficiency, the WCF continues to enhance the Department's common services in human resources, security, procurement, consolidating redundant Information Technology operating administrative infrastructures, shared common IT operating environments and other essential administrative services.

The WCF will focus on new efficiencies as a result of the departmental move and continue to build on a consolidated infrastructure for common services provided to all the Operating Administrations.

The Office of the Assistant Secretary for Administration will build upon the Department's culture to reflect its commitment of being citizen-centered, results-oriented, and market-based by managing the Strategic Management of Human Capital and Commercial Services Management.

FY 2010 Budget Request:

The FY 2010 budget request was developed based on assumptions of the new DOT headquarters operations and one year of historical usage. As historical operations become more predictable, estimates will stabilize and the WCF can begin taking advantage of any economies of scale that can be realized.

The WCF estimates a total obligation level of \$586.5 million for FY 2010. This represents an increase of 22.8% or \$109 million more than the FY 2009 estimate levels.

\$95.7 million relates to the P.L. 111-5 American Recovery and Reinvestment Act of 2009 that increased Transit Benefit subsidies up to \$230 per person. Transportation Services (TRANServe) delivers transit benefit services to DOT operating administrations; delivers transit benefit services to Non-DOT agencies; and provides parking management services to DOT employees.

An increase of \$3.1 million is requested for One DOT PRISM Management - this program supports the Department-wide strategy of migrating to a standard consolidated procurement system that is integrated with DOT's Delphi Financial System. Consolidation of the multiple DOT procurement systems that now exist will significantly enhance Department-wide spend analysis and reporting capabilities while reducing the cost of software maintenance, application support and system hosting obligations. Integration of the procurement system with Delphi will enhance the financial reconciliation and management reports provided to Congress, the Office of the Secretary, the Inspector General, the general public, other departmental Offices and other Federal Agencies, streamline business processes, eliminate duplicate data entry into multiple systems and support commitment accounting.

FY 2010 will be the first full year of the One DOT PRISM program being supported via the WCF. The operating administrations are currently paying for their own instances of PRISM directly (i.e. outside of the Working Capital Fund). The associated costs include contract costs for licenses, maintenance, training, support, and staffing (7-FTEs) to support program management, database administration, and help-desk support.

The billing methodology will be based on an allocated process. The allocation will be based upon the annual number of transactions from the PRISM data. The numbers will be pulled each annual budget cycle and applied to the upcoming Request budget estimates.

An increase of \$.797 million is requested for the Rental Payments to GSA. This increase is required as a result of the dramatic increase in property taxes and a slight increase in square footage occupied by the WCF in the new DOT headquarters building.

An increase in Copier, Printing and Multimedia Services of \$1.1 million is requested. The FY 2009 estimate originally projected for Multi Functional Printers (MFPs) is well below the current reality. The FY 2009 estimate was based on the Satellite Copier Program fleet in the Nassif Building. At the time of the FY 2009 projection, orders for the larger, upgraded and networked fleet were still in flux.

The MFP program provides upgraded equipment which copies, faxes, prints, and scans. The program currently has 259 machines in active use connected to the Department's network; the previous fleet was only 33% networked. Two on-site technicians make repairs and provide maintenance.

A \$.376 million increase has been requested for Utilities. The move from the Nassif Building to the new building at 1200 New Jersey Avenue has caused difficulty in estimating utilities as FY 2008 was the first full year of operation. There is little historical data, the building is undergoing final system commissioning, and the process of working through operational and comfort issues is still underway. Thus each budget request incorporates the latest information available to estimate what future utilities expenses will be.

A \$1.2 million increase is being requested for Dockets Operations. The Department migrated to the Federal Docket Management System (FDMS) and decommissioned its legacy system in FY 2008. This migration is expected to increase efficiency by centralizing the rulemaking and adjudicatory dockets, improve docket access through minimized search and retrieval times, and enhance customer service.

With the implementation of the consolidated service, the Department started to pay operational costs through the Working Capital Fund as opposed to e-Rulemaking contributions. These costs were previously paid by the operating administrations thru interagency agreements administered by the Office of the Chief Information Officer. The Departmental program must maintain a support staff to meet the needs of the Department but has reduced contractor support and miscellaneous supplies and equipment to help off-set the increase in user fees.

The Office of the Chief Information Officer's (CIO) request includes \$15M in Desktop Services to accommodate the migration of desktop support from the field to the Common Operating Environment. The affected modes are currently paying for this support directly (i.e. outside of the Working Capital Fund). In FY 2010 the support will be provided by IT Services and funded by the modes through the Fund.

If field offices are not consolidated into the Common Operating environment:

- The Department will not meet the Office of Management and Budget's mandate to reduce the number of Trusted Internet Connections
- The Department will not be able to achieve efficiencies of scale since procurement and support will be fragmented.
- Security vulnerabilities due to a fragmented network will continue and compliance with Federal Information Security Management Act requirements will be at risk.

These increases total \$117.3 million, however some of the increases have been offset by savings in the WCF overhead program (\$.4 million) and Space Management Services (\$.3 million). The CIS/GIS program has been reduced by (\$.9 million) because the plan for DOT and HUD to form a consortium to be a service provider of back-end grants processing services to other Federal agencies under OMB's Grants Management Line of Business (GMLOB) initiative was not approved. Another \$1.1 million was saved through program efficiencies in the Library (\$.45 million), Publications Distribution (\$.38 million), Security Operations (\$.15 million), and Human Resource Services (\$.13 million). A decrease of \$4.7 million is attributed to the refinement of workload requirements in Information Assurance & Privacy and the Campus Area Network Business Lines. Other minor decreases (\$.9 million), which are the result of shifts in customer demand for services, have been incorporated in various programs and will be reflected in our revenue estimates to our customers, but are not discussed in this narrative. As a result the net increase is \$109 million.

**OFFICE OF THE ASSISTANT SECRETARY FOR
ADMINISTRATION
WORKING CAPITAL FUND
FY 2010 BUDGET ESTIMATE
(In thousands of dollars)**

<u>Program</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Estimate</u>
DOT Activities	75,467	73,791	80,978
Non-DOT Activities	244,226	348,788	438,418
Total	<u>\$319,693</u>	<u>\$422,579</u>	<u>\$519,396</u>

Staffing

Reimbursable Positions	198	198	192
Reimbursable FTE	155	198	192

The Office of the Assistant Secretary for Administration continues to meet the challenge to think more globally, respond to customer needs, anticipate and plan for future impacts of services offered, and strategically define what should be done in order to best prioritize and deploy resources. Impacts on services include the move into the new headquarters building. This action changed the business environment and has helped the WCF achieve greater efficiencies through acquisition of new capital assets that serve the DOT Operating Administrations.

MISSION/VISION/VALUES

The OASA provides the Department with a competitively priced, comprehensive range of administrative services while continuously improving administrative activities to ensure effective performance through the use of best practices. The Office provides expertise to the Department on human resource management policies, administrative and internal security management, leadership for the headquarters building and space management programs, procurement and grants management while ensuring administrative support services are responsive to limitations and DOT strategic policy direction.

The OASA staff plans, develops, evaluates, and provides support programs in the areas of: security; personnel; procurement; employee wellness; occupational health and safety; personal property; mail and copy management; motor pool; parking and transit benefits; graphics; printing, photography, warehousing, distribution, and library services; and space management. The staff consists of experienced government FTE and contractors who oversee the technical and business operations.

FY 2010 BUSINESS LINES BY PROGRAM

Acquisitions & Procurement Operations

\$5,001 thousand

Acquisition Services administers two sources of funding in performing its various roles in support of DOT. The funding directly tracks to the four areas of Acquisition responsibility:

- Working Capital Fund (WCF) cost reimbursements for providing and supporting the DOT Procurement Operations, and Contract Information System (CIS)/Grants Information System (GIS) programs.
- Credit Card rebates provide cost reimbursement to the Purchase Card program.

The Procurement Operations Program provides the full range of procurement functions from acquisition planning through contract closeout including pre-award contract and grant services, post award contract and grant services, simplified acquisition services, and purchase card administration and oversight. This program acts as the servicing procurement office for the Office of the Secretary (OST), Research Information Technology Agency, Office of the Inspector General, and Surface Transportation Board and does limited procurement work for other customers as requested. Acquisition Services awards between \$150 million and \$400 million in new obligations annually processing over 500 transactions per year. At any one time, Acquisition Services is managing over \$500 million in existing contracts and grants. Acquisition Services also manages DOT's \$200 million per year purchase card program. Contracts meet all applicable Federal Government procurement regulations and supports customer needs on a timely basis.

Building Security

\$14,547 thousand

The Building Security program provides security for the DOT Headquarters buildings and FAA's FOBs 10A and 10B. The program provides security services for these buildings on a 24-hour per day basis. Building security functions include providing both security guard services for these buildings and updated security equipment within the buildings and on their perimeters, ensuring a safe and secure work environment for employees, contractors, and visitors.

At all DOT Headquarters buildings, contract security guards perform entry control functions for both pedestrians and vehicles. They are the first responders for security and life safety incidents. In addition, they provide escort services for special visitors (VIPs) when enhanced security is required. They also serve as escorts for employees and contractor employees who are being dismissed from employment and/or from the building, in situations where it is necessary to monitor a person's actions until he/she leaves the building.

The security guards monitor alarms (fire, intrusion, and duress) and the closed-circuit television system (security cameras) at all of the buildings.

Building Security – SE Federal Center

A new guard contract will be awarded in FY 2009 and it is anticipated it will result in significantly higher costs due to inflation, the Department of Labor's health and welfare cost increase, and the additional expenses to cover the cost of recruiting, pre-employment screening, uniforms, footwear, weapons, overtime, and training of the guard force.

The guard force requirements have increased by two-thirds as the result of DOT's move to the Southeast Federal Center -- a headquarters facility consisting of two buildings. While new physical security equipment and vehicle barriers provide a more thorough screening of personnel and vehicles entering the buildings, they also require an increased number of guards to operate them.

Building Security – Orville Wright (FOB 10A) and Wilbur Wright (FOB 10B)

A new guard contract will be awarded in FY 2009. It is anticipated it will result in significantly higher costs, as explained above.

Commercial Services Management

\$538 thousand

The Commercial Services Management Program provides an infrastructure that institutionalizes the culture of competition within the agency. One of DOT's goals for Commercial Services Management is to deliberately link human capital and Commercial Services Management programs to ensure Commercial Services Management supports achievement of DOT's human capital strategy.

Since 2005, Office of Commercial Services Management and its contractor staff have supported OST's Human Resources Management staff in conducting strategic alignment and human capital assessments of mission critical occupations and this effort will continue beyond 2009 and into the future. The intended outcome of this workforce analyses endeavor is to leverage Commercial Services Management and other human capital tools to achieve savings and performance improvements in mission critical occupational areas. Competitions resulting from workforce analyses are required by OMB and Congress to undergo post-competition accountability reviews and independent validations of savings, which will be performed by Office staff and contractors. Future costs include continuing support for Commercial Services Management activities and workforce analysis and solutions implementation for all 53 occupations in DOT's Top 10 Mission Critical Occupational categories (for which the Office of Personnel Management expects staffing and skill gap closure by 2009).

Ongoing Office of Commercial Services Management program functions include: fund and oversee support contractor staffs who assist Office staff in program planning and operations; coordinate and provide oversight in managing and reporting competitions' progress for all OAs to departmental and OMB staffs; assisting OAs to identify and manage contractor support requirements to ensure proper competitions execution; consolidate and analyze workforce and FAIR Act inventory data provided by OAs to identify opportunities for cross-cutting competition efforts; validating the estimated \$2.3B savings from 23 completed competitions by performing and overseeing analyses of contracts and/or MEO performance; prepare the annual Congressional report on competitive sourcing; and, provide technical guidance to assist OAs to ensure consistent policy and procedure interpretation and implementation. The outcome of these actions culminate in a well-managed departmental Commercial Services Management program that accurately reports savings and performance improvements achieved to Congress annually.

Consolidated Federal Funds**\$132 thousand**

Consolidated Federal Funds business line provides centralized billing services. This program processes payments to the Census Bureau to cover the cost of preparing the Consolidated Federal Funds Report and the Federal Assistance Award Data System (FAADS) maintenance. The Census Bureau is the executive agent for the Office of Management and Budget for this effort and requires a single point of contact for billing purposes. Department of Commerce bills the Department of Transportation yearly for their participation in this program. The costs are distributed to the appropriate operating administrations.

Copier, Printing & Multimedia**\$8,010 thousand****Contract Printing and Graphics:**

The Contract Printing and Graphics Program utilizes the Government Printing Office's (GPO) Simplified Purchase Agreement Program (SPA), and Direct Deal Contracts to procure both printing and graphic services. This allows faster processing time by going directly to the vendors, plus receiving top quality with volume prices. The SPA program offers Graphics access to five-hundred vendors to obtain competitive pricing, faster processing time and quick turnaround deliveries. Contract Printing is approved to the Maximum \$10,000 limit for the SPA program. Direct Deal Term Contracts allows DOT to write contracts that fit DOT's specific needs for print, and graphic design procurement. These contracts allow DOT to deal directly with the vendor and submit paperwork to GPO. This provides the staff the ability to calculate the final price before the job is released; jobs are processed faster, and with knowledgeable print buyers, cost savings when used properly. Graphics provides expert consultation including design specifications, multi-media presentations, and CD-ROM layout services, web pages, publications, posters, plaques, and certificates. Contract Printing, through GPO's access to over 15,000 printing contractors nationwide, offers a complete range of printing, binding and finishing services with volume pricing. Contract Printing will evaluate job requests to be produced in the Digital Document Center as a first option before sending jobs out through the GPO procurement methods. With the acquisition of variable data software future plans are to implement personalization and processing of small self mailer jobs internally.

Additional improvements planned for the program include:

- Increase Direct Deal Term Contracts by riding existing contracts or writing new ones that fit DOT needs.
- Utilize GPO Regional offices to reduce the time it takes to award jobs.
- Pursue alternate vehicles for print procurement authorized under Title 50.
- Market expertise to the Modes through seminars and training.
- Procure more work through the Digital Document Center.

Digital Document Center:

The Digital Document Center (DDC) provides on-site, state-of-the-art, high-speed digital copying and document automation and conversion. It provides basic office documents and reports, multi-colored digital copying and the conversion of "hard copy" documents to a variety of digital file formats. The center also provides finishing services such as drilling, collating, perfect binding, spiral/comb-binding and saddle stitching. Future plans for the DDC include

implementing consistent front end fiery systems to improve color uniformity and allow editing of PDF to reduce color copy cost to customers.

The DDC revamped its operation by improving the printing equipment to include in-line finishing capabilities to increase production and reduce printing costs for the operation and DOT customers. The DDC is carefully analyzing large production jobs and color rates to ensure the prices are competitive to industry costs.

Improvements planned for the program include: Implementing a Document Advisor Program

Multi-Media & Photography Services:

Multi-Media Center (MMC) & Photography Services provides on-demand multi-media services to the Secretary of Transportation, and the DOT operating administrations. These services produce results that meet the communication objectives of the diverse DOT customer base through technical support and execution of press conferences, live and prerecorded press interviews and teleprompter presentations, web casting, on site and on location presentation/meeting video documentation, video teleconferencing support, satellite uplink programming, and satellite downlinks. MMC and Photography are in-house resources that provide digital prints and creation of audiovisual and video programs, which are distributed via tape, CD, DVD and the internet.

The photographers interpret programs and situations and use innovative and improvised techniques and methods to achieve high quality photographs using digital technology, producing prints of a professional, technical, and artistic standard. The photographers photograph the Secretary and other members of the highest offices of the government, and foreign dignitaries while quickly commanding the subject's confidence in their technical and aesthetic capabilities.

Multi-functional Printers:

This program provides 259 black/white and color multi-functional printers (MFPs) to OAs, resulting in excess of 35 million clicks annually. [The term "clicks" is used for any MFP action. It would include making a copy, receiving a fax, or printing a document from an electronic file.] Centralizing this service opens the door to many advantages for the WCF customers and the Department. For example, individual offices are relieved of the burden to procure and maintain individual desktop printers, faxes, copiers, and scanners. The program allows the Department to procure units in large quantities to obtain volume discounts that enables DOT to be cost-effective. The program also provides on-site maintenance technicians through a centralized location to provide prompt service to customers when any troubleshooting is needed. Training is available to customers so they may utilize all the benefits and features the equipment has to offer. All supplies including paper are included in the program and delivered directly to each office on a regular basis.

Disability Resource Center

\$2,082 thousand

The DOT Disability Resource Center (DRC) was established as a centralized resource to provide reasonable accommodation, technical assistance, training and outreach to all modal employees and job applicants under DOT. Program costs are allocated based on national

population and with adjustments made to exclude certain position series (i.e., Air Traffic Controller-2152).

The DOT DRC continues to provide valuable services and support to agencies throughout DOT including regional and field offices. The services can be divided into three main categories:

- Accommodations Support – these are the core of what DRC provides;
- Technical Assistance – consultation, explaining the accommodation process, information on products and services;
- Customer Outreach/Selective Placement – including disability awareness, and information and support for hiring, retention and promotion of individuals with disabilities.

DRC also assists agencies in understanding accessibility and Section 508 compliance issues related to training, video and multimedia presentations.

In addition to direct costs, DRC provides the staff time required in supporting the assessment, identification and procurement of the products and/or services and the follow-up conducted to ensure products/services are provided and are fulfilling the customers' needs. This relieves the programs employing people with disabilities not only of the costs for products/services needed, but the indirect costs to manage contracts, locate qualified providers, monitor costs, and consistently manage performance and activities in accordance with various procurement and HR regulations.

Docket Services

\$2,798 thousand

The Dockets Operations Program uses image-based technology to provide the public with on-line access to DOT rulemaking and adjudicatory docketed material. Members of the public can electronically submit comments to the DOT Docket. The OA's docket offices have been consolidated into Docket Operations, which processes all DOT-generated material and public comments into the docket, provides docketing support to all DOT Counsel Offices, and conducts research assistance. Additionally, the system includes the Data Quality and Peer Review initiatives for the OCIO.

The Department transitioned to the new Federal Docket Management System (FDMS) managed by EPA. FDMS serves as a central, electronic repository for all Federal rulemaking dockets, which include Federal Register notices, materials such as scientific or economic analyses, and public comments as well as non-rulemaking dockets. It empowers and encourages all segments of the public to participate in the rulemaking process while achieving significant costs savings by eliminating redundant regulatory information technology systems across the Federal Government.

Facilities Services & Utilities

\$9,645 thousand

Transportation & Facility Services entails managing a diversified and complex, mission-essential building management program for the DOT Headquarters facilities totaling over 1,350,000 square feet of space which houses the Secretary of Transportation and over 5,500

employees. This line item is also responsible for paying the Department's \$4 million in utility expenses. The following program responsibilities are carried out by the office:

Facility Services:

The Facilities Office is the first point of contact for all facilities support. The office receives and tracks all customer requests for service. This office is also responsible for lease management of the DOT leased facility. This effort entails conducting periodic inspections to ensure compliance with lease terms, maintaining a record of all complaints and their resolutions and written notification to the lessor to take corrective action on items which are included in the lease. The Facilities Office monitors building custodial services ensuring that the lessor provides custodial services in accordance with the terms in the lease agreement. The office conducts daily inspections to ensure that the facilities are clean, healthful and present an attractive environment. The office also coordinates with the Operating Administrations for special cleaning services not included in the lease, coordinates concession activities such as facilities operated by the blind under the Randolph-Sheppard Act, and provides oversight responsibility for the contracted cafeteria. As such, the Facilities Office oversees functional management reviews and performs analytical duties related to food service management. It formulates, develops, and implements nutritional awareness, menu initiatives, and equipment requirements. The office identifies, installs, and maintains signage throughout DOT HQ facilities ensuring office suites, utility rooms and common areas are easily identified making the DOT HQ facility understandable and welcoming for all employees and visitors. The Facilities Office is responsible for handling all customer requests for special events. Requests for audio visual services and equipment are received from the customers. Facilities also manages and operates the Central Receiving Office and is responsible for the receipt for all deliveries to the DOT Headquarters facility.

Building Maintenance and Utilities:

The Facilities Office is responsible for managing the DOT Headquarters annual energy budget and the electrical and steam distribution infrastructure required to light, heat and cool the facilities. The office ensures that maintenance and recurring repairs are completed on electrical transformers and other electrical and mechanical systems. This office is also responsible for implementing the National Energy Conservation Program requirements in the DOT headquarters building. The office ensures all Government-maintained mechanical, electrical and utility systems are operated in accordance with energy conservation guidelines contained in the Federal Property Management Regulation (FPMR) 101-20-107. The office maintains an energy management and conservation plan in accordance with the lease and coordinates overtime utility services for DOT customers. The office is responsible for payment of utility and fuel bills, retains all copies of utility bills and makes them available to GSA upon request. The office maintains an established preventive maintenance program for the building operating systems. Such a program requires a complete inventory of the equipment to be maintained, with identification of maintenance to be performed and frequencies.

Special Facility Services:

The office is responsible for managing all tenant renovation and alteration projects including, installing or removing walls, and configuring/reconfiguring system furniture. This effort entails maintaining a record of all projects and financial reports of completed alteration projects, and updating all as-built drawings showing all changes made to the building as a result of the completed work. The office manages and coordinates all major construction and improvement

projects required under the building lease renewals and ensures that all work is completed in accordance with the lease specifications; schedules phases of work with contractors and develops sketches and diagrams to be included as part of contract specifications; and reviews work requests and consults with requesting organizations to ascertain specific requirements, time schedules, special materials, manpower requirements, labor costs, material costs, and other factors.

Contract Labor Support:

The Facilities Office provides labor support to the DOT workforce. Such support is generally requested to assist in event planning, setting up conference rooms, moving equipment and or furniture, hanging/removing photos and portraits and other special requests.

Motor Pool:

The office provides transportation/fleet management support to the DOT headquarters through the operation of an executive vehicle service program, U-drive vehicle service, and courier service. The Motor Pool program provides professional, cost effective, dependable motor vehicle service and support to the Operating Administrations (OAs) within the Headquarters Department of Transportation. The program implements Departmental administrative policy for motor vehicle operations; maintains a physical environment which supports the needs of the OAs; and provides innovative fleet solutions ensuring safe, dependable, transportation utilizing cost effect fleet strategies and efficient repair and replacement methods. The office manages the vehicle lease agreement with GSA; prepares the monthly billing report, and ensures vehicle accidents, abuses, and damages are investigated; serves as a liaison to GSA Fleet Management Center (FMC)/Fleet Management Offices (FMO) for vehicle matters; reviews vehicle lease requirements annually to ensure a vehicle lease does not expire without making appropriate arrangements to retain vehicles; and manages the U-Drive fleet of vehicles.

Personal Property/Records Management:

This program provides personal property, asset (acquisition, use and disposal), and inventory management, shipping and receiving, storage, transporting materiel, property repair and rehabilitation, computer donation to schools, and records management. The office conducts comprehensive reviews and evaluations on departmental programs, systems and procedures ensuring procedures are consistent with governmental laws and regulations, and applicable industry standards and practices. As the Department's representative to external groups such as Central Managing Agencies, General Services Administration, and Government Accountability Office, the office negotiates, and defends DOT on matters related to personal property policies, programs, systems and procedures. The office manages the development, implementation and maintenance of an automated property management system for the Department, maintaining a data base of all personal property and equipment (minus IT equipment). The office conducts a 100% physical inventory annually of all accountable property and ensures property records accurately reflect on-hand quantities. Additional services provided include:

- Manage Reports of Survey for property which is destroyed, lost, or damaged.
- Manages the Utilization/Surplus Personal Property and Exchange/Sale Transaction Program.
- Develops, recommends, and implements standardized electronic record retrieval and disposal processes.
- Manages the Department's loan agreements for art work on loan to the Office of the Secretary of Transportation from National Galleries.

Occupational Safety and Health/Emergency Preparedness:

This program is responsible for maintaining a viable safety program for the DOT HQ which includes ensuring alarm monitoring systems are adequately maintained and reporting all incidents resulting in personal injury related to building design to the proper authorities. This program conducts periodic fire, safety and health inspections and air quality inspections. Provide employees with a comprehensive occupational safety and health program which includes evaluating, assessing and monitoring the facility to reduce operational risks to employees, thereby providing a safe and healthful workplace. It also provides DOT Headquarters employees with the basic emergency preparedness procedures to include evacuation of the building and sheltering-in-place drills.

Fitness Center:

The DOT Health and Fitness Program develops and promotes Department-wide employee health and fitness policy and guidelines thereby improving employee's ability to enhance their work performance. The core programs offered by the DOT Fitness Center are well-rounded and are designed to address physical fitness, weight management, specialized wellness and lifestyle behaviors, nutrition education, stress reduction, and other programs that are appropriate to the prevention of disease and other health conditions. The Center conducts health appraisals, lifestyle and physical risk factor assessments; including better ways to incorporate healthy strategies and approaches for improved intervention in Body Mass Index, pulse, blood pressure, aerobic strength and flexibility levels; which are vital to optimal health. These strategies provide employees with increased knowledge in handling self care and thereby may decrease absenteeism and health care costs. The Center plans to conduct an annual survey of members to determine from their perspective how much the Center contributes to their productivity, decreased absenteeism, improved health, their ability to manage stress, and retention. Almost 24% of DOT Headquarters employees are members of the DOT Fitness Center. Funding for the program is primarily membership driven; with almost two-thirds of the Fitness Center budget supported by DOT employee membership fees and the other one-third supported by the DOT Operating Administrations (OA).

Federal Laboratory Consortium

\$21 thousand

The Federal Laboratory Consortium Program provides centralized billing services. This program processes payments to the National Institute of Standards and Technology for the support of the Federal Laboratory Consortium. The Federal Laboratory Consortium provides a linkage between Governmental agencies and industry in order to promote the transfer of Federal technology to improve the domestic economy. This transfer of funds is required by statute Title 15 U.S.C. Section 3710. The National Institute of Standards and Technology requires a central billing point of contact in each cabinet level office for these costs. Funds are provided to the National Institute of Standards and Technology according to Title 15 U.S.C. Section 3710 (7)(A) at the rate of "An amount equal to .008% of the budget of each Federal Agency from any federal source, including related overhead, that is to be utilized by or on behalf of the laboratories of such agency". Distribution is based on the National Science Foundation's *Federal Obligations for Total Research and Development By Agency and Performer* report for each fiscal year.

FEMA COOP Facility

\$1,075 thousand

This program provides centralized billing services for the Federal Emergency Management Agency (FEMA) Continuity of Operations (COOP) facility utilized by DOT leadership. This program reimburses FEMA for costs associated with leasing the COOP relocation site at FEMA's Mt. Weather Emergency Assistance Center, and provides funding for equipment necessary for the operation of the facility. FEMA bills the Department of Transportation yearly for participation in this program.

Financial Management, Accounting & Administration

\$6,867 thousand

Office of Financial Management:

The Office of Financial Management (OFM) provides financial administration, guidance and support to the OASA and the program offices within the WCF to include the WCF programs within the Office of the Chief Information Officer. It manages budget formulation and execution; provides financial management and accounting services; and manages the overall financial operations of the WCF. The OFM is an overhead function within the WCF.

The OFM funds all of the accounting service functions performed by a shared service provider, including the preparation and issuance of WCF financial statements and reports. The OFM ensures that a sound system of financial management controls exist in all programs, organizations, and functions and meets the objectives and requirements of the Federal Managers' Financial Integrity Act and OMB Circular A-123, Management's Responsibility for Internal Control. The OFM provides monthly financial reports to program managers; manages customer agreements and performs billings; identifies and resolves overdue balances and charge backs; manages invoice processing to maintain minimal interest penalties; and develops and distributes monthly performance indicator charts.

The OFM provides services to approximately 130 DOT and non-DOT customers and has an established agreement for each. The OFM meets periodically with all the DOT Operating Administrations (OAs) to discuss the WCF revenue estimates and ongoing services. The OFM conducts the WCF Steering Committee meetings that provide oversight to the fund and ensures that WCF goods and services are provided to all DOT OAs in the most cost-effective and efficient manner. Specific functions and activities of the Committee include: recommending goods and services that comprise the WCF; approving all WCF funding levels; evaluating the WCF performance in meeting service plans; and evaluation and approval of capital asset purchases in excess of \$50,000.

Office of the Deputy Assistant Secretary for Administration:

The Office of the Deputy Assistant Secretary for Administration is responsible for planning, coordinating and implementing cross-organizational and Departmental objectives, especially those supporting DOT's Strategic Plan. Objectives include communication strategies, program reviews, and ad-hoc strategic project support. The customer base is the entire Office of the Assistant Secretary for Administration organization as well as senior management across the Department.

Flexible Spending Account

\$415 thousand

This program provides centralized billing services for the Flexible Spending Account fees. The Flexible Spending Account (FSA) program resulted from the National Defense Authorization Act for Fiscal Year 2004, Public Law 108-136. It requires all executive branch agencies, which provide the FSA program to its employees to cover the administrative fees on behalf of their employees. The FSA program is administered government-wide, through a contract held by the Office of Personnel Management (OPM). OPM determined that each Department must appoint a single point of contact for billing and payment of planned administrative costs. The WCF was appointed as the Departmental point of contact for these payments. The costs are distributed to the OAs based on actual usage information provided by OPM.

Grants Information System

\$527 thousand

The Acquisition and Grants Management Program consists of the Grants Management System (GIS) which is a database that records awards of grants and other Federal financial assistance actions and transmits information to the FAADS system managed by the Census Bureau. The Performance Management Assessment Tool (PMAT) is a survey tool used to provide customer feedback on the quality of procurement services to the DOT Chiefs of Contracting Offices. This program also includes contracting for program management support for e-Grants. This initiative will also enable DOT to comply with the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107) which requires all Federal grant-making agencies to work collaboratively in streamlining and simplifying Federal grant processes and policies.

The Federal Funding Accountability and Transparency Act was signed in September 2006. The Act requires Federal agencies to make available to the public information about obligations of Federal funds by contracts or grants awards. The Office of the Senior Procurement Executive manages the department-wide system, known as the Grants Information System (GIS) that collects and reports this information. Based upon interface requirements to the government-wide system that are currently being developed, there is a need to make substantial modifications to GIS. Following this system upgrade, another certification and accreditation of the system will have to be performed. GIS reports upwards of 100,000 actions and over \$50 billion in grants annually.

The Office of Management and Budget, Office of Federal Procurement Policy (OFPP) recently issued a memorandum highlighting the importance of reporting accurate and timely procurement data to comply with the Transparency Act. The memo mandates that each Chief Acquisition Officer establish an agency-wide requirement for routine, statistically-valid data verification and validation. To accomplish such a review would require not only review of data reported to the Federal Procurement Data System, but also comparison of those records with contract files to verify accuracy. The memorandum further requires that the review be conducted by an organization or person that did not award the contracts being reviewed.

This requirement was discussed at the DOT Procurement Management Council and the Operating Administration Chiefs of the Contracting Office indicated it would be more efficient to take a corporate approach to comply with this mandate by having the WCF award a contract for independent validation and verification of procurement data. The initial estimate for this

contract support is \$150K; however, the actual amount could be higher once OFPP further defines the requirement. This will be an on-going requirement to support annual certification of procurement data by the Senior Procurement Executive. DOT processes over 65,000 actions and awards over \$5 billion annually through the procurement process.

Human Resource Services

\$4,484 thousand

Personnel Operations:

The Personnel Operations Program provides human resource services to the Office of the Secretary (OST) and the Research and Innovative Technology Administration (RITA) Headquarters (HQ). This program provides human resource services that include recruitment, skill and competence assessment; payroll support and time-and-attendance administration; workforce and succession planning; employee recognition and performance management; employee relations, benefits; labor management; workers compensation and unemployment compensation assistance; and management of the automated human resources personnel systems; In addition, evaluate human resources management activities; adherence to merit principles and prevention of prohibited personnel practices. Plan, develop, and coordinate activities for executive management and develop human resource programs for managers and employees.

Human Capital Planning & Solutions Program:

In compliance with 5 CFR Part 250 and in support of the DOT Strategic Plan, the Human Capital Planning & Solutions Program focuses on human capital goals, continuous learning, and leadership development; and ensures objectives are achieved. In addition, this program supports the department's succession planning effort. The department's program uses a wide variety of methods including formal training and mentoring. Specifically, OST provides the DOT-wide *Leaders for Tomorrow* mentoring program, SES Forums, leadership training, and the DOT-wide pre-supervisory program, "So You Want to be a Leader". Furthermore, the department develops solutions in response to competency gaps identified in government-wide assessments for HR, IT, leadership, and acquisition, as well as DOT's Mission Critical Occupations; the results are published in the annual update to the Workforce Plan.

Departmental Programs:

The Departmental Special Programs Office provides centralized coordination of programs that cross all DOT operating administrations, Departmental offices, and the Surface Transportation Board (STB). The program is responsible for establishing policies and procedures, setting guidelines, working with OAs and other Departmental components to improve the effectiveness and efficiency of these programs. Program responsibilities include: Secretary's Annual Awards Program, Combined Federal Campaign, Incentive Awards Program, various OPM Performance Management Awards Program, Public Service Recognition Week, Blood Donor Program, Volunteer Program, and Voting Assistance Program.

Employment and Executive Resources Program:

The Employment and Executive Resources Program coordinates DOT participation in the Presidential Management Fellows Program and the Transportation Career Residency Program. The program works with OAs to identify positions and develop Department-wide recruitment strategies to hire a diverse workforce.

This program provides advisory services to the Secretary's White House Liaison and Chief of Staff for all Departmental political appointees including case processing for all Departmental political hires; advises OAs on the full range of technical and procedural requirements for all political actions; serves as liaison to OPM for all human resources matters pertaining to the Department's political workforce; serves as liaison to the White House Clerk's Office and the Department of State for matters pertaining to Presidential appointees confirmed by the Senate; prepares comprehensive reports on each political position; and prepares for Presidential/senior leadership transitions.

The Executive and Political Resources Program coordinates Departmental approvals for SES actions including providing support to the DOT Executive Resources Review Committee; manages Departmental SES allocations; assists OAs in position establishment and classification; advises OAs on the full range of technical and procedural requirements involving performance management, bonuses and awards, staffing, adverse and performance-based actions.

Outcomes from this program include increased accountability of executives, increased diversity and outreach among the SES recruitment and hires, SES performance Management system certification, maintaining a high level of Qualifications Review Board approvals and improvement in the time it takes to hire an SES member.

DOT Work-life Program:

The Work-Life Program provides vast information, resources and referral support to employees nationwide on a wide range of issues including, but not limited to, life transitions, wellness, telecommuting, time management, effective communication, financial health, parenting, child care, elder care, and long-term care planning. Support is provided over the phone, by e-mail, and via one-on-one work-life coaching consultations under the guidance of a work-life professional.

Additional services include facilitated discussion groups and the delivery of customized seminar topics designed to address employees' most commonly identified needs and interests that also complement Operating Administration (OA) initiatives. An average of about four seminars are provided each month; such as, "Thriving in the Midst of Change", "Effective Communication", and "Building a Successful Retirement." To expand the reach of educational seminars and address employees' request for greater ease in participating in seminars, the Work-Life Program is working to offer more teleconferenced seminars. In addition to monthly seminars, monthly work-life newsletters are developed for employees, granting relevant information on topics of interest. Employees are also provided with a comprehensive lending library of supportive materials covering a wide range of work-life issues that employees face. The Work-Life program also facilitates the use of an on-site lactation room at DOT's headquarters. Additional support services continue to develop as new needs are identified, i.e., elder care and new mothers support groups.

The Child Care Advisor, a component of the Work-Life Program provides DOT child care centers with training for their boards of directors, directors, teachers, and family resource coordinators. Topics include developmentally appropriate practice, brain development, multi-age grouping and curriculum planning, discipline and guidance, emergent curriculum (train-the-trainer model), etc. In addition to the training, the Child Care Advisor performs on-site visits,

which include observations of classrooms, mentor teaching in classrooms, and accreditation preparation. The Advisor is also available to work one on one with child care coordinators and directors on program design, evaluation of RFP's, and assist with needs assessment and interpretation of new accreditation guidelines.

Library & Information Services

\$2,110 thousand

The DOT Library Program is one of the largest transportation libraries in the United States. The Library collects materials in all areas of transportation, in both print and electronic format. Through years of on-the-job experience, as well as specific training, the Library staff has developed the expertise essential to providing the specific research and reference assistance necessary to meet the requirements of US DOT customers across a variety of transportation and legal resources. In addition, the Library provides circulation, interlibrary loan, serials routing, acquisitions and cataloging services. The Library serves approximately 3,800 DOT customers each year. The Library is transitioning its collection and selection practices from hard-copy to electronic formats. Consolidating orders from all DOT modes into one online subscription lowers the costs to all participants. Examples of online subscriptions include the DOT Westlaw services, the National Journal Group Custom Gateway, HeinOnline (nine databases), EBSCOhost (e-journals database), and NetLibrary (e-books.) By seeking to increase electronic access to DOT customer at the rate of 5% per year, the Library continues to avoid costs of approximately \$1 million (per year) for DOT by centralizing the acquisition and management of these and other online research subscription contracts.

Mail Services & Postage

\$3,162 thousand

Mail Services Program:

The Mail Services Program provides complete office and mail delivery services to the DOT HQs and its satellite locations. Over 10 million pieces of government mail is handled annually. The services include managing the DOT and FAA Mail Centers and all associated duties to include: sorting and distributing all incoming mail, processing Federal Express and UPS Mail, and delivering all accountable mail through an automated tracking system. The handling of this mail is prioritized by class: First Class mail is sorted first and all overnight mail is delivered within two hours; Second Class mail and periodicals are delivered the same day but at a later time. A record of all deliveries that require a signature is kept in the Mail Center for reference if needed by the customer for their records.

An A-76 review of the operation during the late 1980s and early 1990s found that a contractor workforce would be more cost-effective for the department. The Department chose to stay with the NISH vehicle in support of national disability initiatives. The vendor, ServiceSource, is flexible and through contract modification can meet emerging requirements quickly due to their size and background in the field. They have a large pool of dedicated workers to quickly draw on in an emergency.

Postage Program:

This program is responsible for the direct billing of actual postage and shipment fees by each mode at all locations throughout the Washington Metropolitan area. These fees are for Standard Ground shipment of large packages and parcels to include large boxes. Letter mail is processed

at a discounted price through our presort vendor (Jetsort now PSI), saving the department about five cents per piece on each letter mailed out or approximately \$65 thousand annually.

Publications Distribution

\$242 thousand

Subsequent Distribution Program:

The Subsequent Distribution Program (SDS) receives requests from government organizations, businesses, and the general public for copies of stored publications and distributes these publications worldwide. In addition, customers can now search, view and download desired publications from the On-line Publication (OLP) System. In FY 08, SDS distributed over 5 million hard copy publications and received over 11 million downloads of publications via the OLP system Transportation Inventory Management System (TIMS). Subsequent Distribution is currently serving over 5,000 DOT publications via the Internet and is working to make more information available via OLP and to reduce the amount of publications being stored in the Warehouse. Internal customers benefit from OLP because it allows for less hardcopies to be created resulting in printing, storage and postage savings.

Distribution Requirements:

The Distribution Requirements Program assists customers in determining the correct audience for their mailings. The mailing lists and addresses are maintained in a database called MOMS2 (Mail Out Management System 2) which is updated regularly to keep data current and accurate. There are 7,445 mailing lists with approximately 144,005 addresses. The program prepares all types of publications for distribution worldwide.

Rent & Space Management

\$7,413 thousand

Headquarters Space Management:

The Space Management Program provides oversight and management of all DOT headquarters workspace and provides various support services, as required, involving the Department's nationwide real property and field space inventory. The program manages three buildings totaling 2,147,400 square feet.

A key goal of this program is improved space utilization and to reduce costs. The specific services include:

- acquisition, assignment, release or disposal of space and other real property; review of major real property acquisitions and disposals;
- space requirements development; space planning and interior design;
- tenant "build out" coordination and oversight;
- on-site real property and space utilization surveys;
- coordination and preparation of Departmental real property reports;
- maintenance of a Department-wide real property inventory and Headquarters space assignment data;
- and acts as DOT's liaison with GSA and other Federal agencies for real property actions and issues.

Rent Program:

The WCF rent obligation in the amount of \$6M, which includes the Federal Protection Services cost, is tracked under this business line and distributed to the other WCF programs.

Security Operations**\$4,547 thousand****Security & Investigations:**

In FY 2009, the Department is requesting, via a reprogramming request, to transfer the Executive Protection Program, including eight Special Agents and two Drivers, from the Office of Security in the Office of the Assistant Secretary for Administration to the Office of Intelligence, Security, and Emergency Response. This transfer will realign the Department so that all activities related to ensuring the protection of the Secretary are within the span of control of one office director. Beginning in FY 2010, the Department is proposing that the funding source for the Executive Protection Program be shifted from the Working Capital Fund to the Salaries and Expenses appropriation for the Office of Intelligence, Security and Emergency Response.

Due to the increased scheduling requirements for local and nationwide travel and advance actions, the Special Agents in the Executive Protection Program are no longer able to perform Departmental physical security duties. To meet the requirements of the Physical Security Operations, minimize Departmental security risks, ensure operations are not jeopardized, and protect employees from incidents, four full-time Physical Security Specialists are needed in FY 2010 to support the Assistant Secretary for Administration's Office of Security. The Working Capital Fund will be the funding mechanism for the four Physical Security Specialists. The net effect on the Working Capital Fund of (1) moving the Executive Protection Program to the Office of Intelligence, Security and Emergency Response and funding it from Salaries and Expenses and (2) back filling four Physical Security Specialists in the Office of Security in the Working Capital Fund is a reduction of 6 FTEs and \$1.057 million of costs. (See Section 5, Additional Justifications, for a complete description of the financial impact of the Office of Intelligence, Security and Emergency Response, the Office of the Assistant Secretary for Administration, and the Working Capital Fund.)

Security Personnel coordinate criminal and administrative investigations of individuals and incidents occurring within the DOT headquarters facilities, and assist in resolving security-related problems for DOT regional offices. Personnel review and conduct follow-up investigations on guard incident reports executed for headquarters facilities. Personnel also serve as liaisons with their security counterparts in Federal, state, and local law enforcement agencies, as well as at the DOT headquarters buildings. Security personnel are part of a crisis management team that works with human resources and law enforcement offices, employee assistance programs, and managers to help resolve potential workplace violence situations, and are frequently present during volatile disciplinary actions. Staff also provide security awareness seminars for DOT employees to deter thefts and ensure adequate protection of government and personal property.

The S&I program also includes the installation, operation, and maintenance of security systems, closed circuit TV cameras, monitors, X-Ray fluoroscope machines, magnetometers, and card access systems located within the three DOT headquarters buildings. The new Lenel OnGuard® system installed at the new headquarters facility is an access control and alarm monitoring system. The basic purpose of this system is to control access to secure areas via proximity card and reader technology, as well as to monitor alarm points for intrusion detection.

Other functions include credential production, visitor management, and video and graphical map display to assist in video surveillance and deployment of assets in response to an incident.

This program also includes lock and key services for all DOT OAs in the headquarters buildings. On staff is one locksmith who maintains a proprietary lock and key system. In the event that the locksmith is on leave, a back-up contract locksmith is available on call. The locksmith conducts periodic combination safe changes throughout the headquarters buildings.

The entire Security and Investigations Program is an integral and crucial part of DOT's effort to ensure a safe working environment for its federal and contractor employees and visitors; and to protect DOT facilities, equipment, and sensitive and classified information.

Personnel Security Program:

The personnel security program includes the initiation and processing of required background investigations on all DOT federal employees; the review and adjudication of all completed investigations; and, as necessary, the granting of security clearances for access to classified information. The security staff provides this service for all operating administrations except FAA, which has delegated authority to run its own personnel security program. Under this program, the security staff is responsible for ensuring that DOT complies with laws, Executive Orders and regulations pertaining to personnel security. The staff also provides DOT liaison with other Federal agencies on behalf of the operating administrations.

This program must operate at a level of performance that will ensure that background investigations are initiated in a timely manner as required for all federal and contractor employees, and that the completed investigations are promptly adjudicated according to Government-wide standards and criteria. The Intelligence Reform and Terrorism Prevention Act of 2004 places stringent requirements on agencies for timely initiation of background investigations and adjudication of the completed investigations with regard to the granting of security clearances for access to classified information; and OMB has issued specific timeliness requirements to implement that law.

Homeland Security Presidential Directive 12 (HSPD-12, Policy for a Common Identification Standard for Federal Employees and Contractors) has increased the personnel security program's workload because of stringent requirements to integrate personnel security operations even more with the process of issuing identification cards to federal and contractor employees, to adjudicate the results of criminal history checks prior to issuing any ID cards, and to conduct background investigations on certain personnel (e.g., contractor employees requiring HSPD-12 cards for logical access) to whom DOT did not previously issue ID cards.

Industrial Security Program:

The industrial security program includes the initiation of required background investigations on DOT contractor employees, and the adjudication for suitability of completed reports of investigation. The security staff initiates and adjudicates investigations on contractor employees for all DOT organizations other than FAA. When it is necessary for a contractor employee to have a security clearance for access to classified information, the security staff works with the Defense Security Service and the individual's employer as necessary to ensure that the necessary investigation has been conducted and the clearance granted. The HSPD-12 requirements have increased the workload with regard to contractor employees, as has the

general increase in contractor employment as a percentage of the overall DOT workforce. With an increasing number of contractor employees actually working on-site at DOT facilities, it is especially important to ensure that background investigations have been conducted on them and that they are suitable for employment in the DOT work environment.

Identification Media Program:

With the exception of FAA, the Volpe Center, and a few field operating administration offices, the security staff issues federal and contractor employee photo identification cards for DOT nationwide and also issues official credentials. The identification media automated system assists in identifying persons working within the DOT buildings and is essential for proper management of both identification cards and credentials.

HSPD-12 Implementation:

HSPD-12 requires the Office of Security to establish and follow stringent procedures to ensure a separation of functions in the issuing of these new identification cards. Specifically, those who serve as registrars cannot be the same ones who issue cards to DOT personnel. The Federal Aviation Administration (FAA) has agreed to be the Office of Security's HSPD-12 service provider; thus, the Office of Security and FAA will enter into an Intra-Agency Agreement for these services. Full HSPD-12 implementation will require extensive, ongoing coordination between FAA and the Office of Security. The Office of Security will be responsible for registering and enrolling employees and certifying that the background investigation requirements have been met, and the Identification Management System and the Investigations Tracking System will have to be linked with FAA's Card Management System in order to properly manage card issuance.

Passport Program:

The Secretary of State has designated the Office of Security as the Passport Agent for DOT and this office has the authority to execute and verify official passports on behalf of the Department of State. The office maintains a passport unit to support all DOT personnel, in all operating administrations and Secretarial offices, who require official passports and visas. Obtaining passports and visas in a timely manner is crucial to DOT personnel meeting foreign travel requirements. Because of the various DOT programs that provide assistance to foreign countries, travel requirements often occur with little advance notice and it is important for the Office of Security to respond promptly to the passport and visa requests. New requirements for U.S. citizens to have passports to travel to countries where they did not previously need them, such as Canada and Mexico, have increased the passport processing workload.

Information Security Program:

This program includes managing the primary security control point for classified documents at DOT headquarters and providing advice and assistance to all operating administrations on matters pertaining to classified information. The control point coordinates destruction of all classified and sensitive information at the headquarters building, and the office is the point of contact to request sensitive security containers used by many offices to properly dispose of sensitive, but not classified, material. The security staff also conducts both initial and refresher briefings for DOT personnel granted access to classified information. Because of the increasing numbers of DOT employees requiring security clearances for access to classified information, the need for briefing sessions has increased significantly. There is also an increasing number of

employees with higher level clearances (e.g., Sensitive Compartmented Information access), which results in a need for more specialized briefings for additional personnel.

The Office of Security is the DOT focal point to ensure that all classified information held by DOT that is 25 years or older receives a declassification review before it is automatically declassified. In addition, the security staff polls all of the operating administrations to provide two consolidated reports annually to the Information Security Oversight Office (ISOO) as required by Executive Order. The office must work closely with all DOT organizations to ensure proper review of classified information and referral of documents to other agencies for review as necessary. DOT has an obligation to all Government agencies to fully protect their equities in classified information that will become 25 years old and therefore subject to automatic declassification.

Government-wide initiatives with regard to sensitive unclassified information are resulting in a need for the Office of Security to devote additional attention to the management of such information within DOT, including its categorization, marking, control, protection, review, and destruction. In order to properly manage controlled unclassified information within the Information Sharing Environment (ISE), especially that related to terrorism prevention, DOT will implement a Government-wide regime for its control and protection, and demands on the Office of Security to educate DOT personnel with regard to those requirements will be significant. It is important for DOT to make as much information available to the public as possible while protecting from release information which could cause harm to U.S. interests if available to unauthorized persons. DOT will also implement additional requirements to protect the privacy of individuals by properly protecting personally identifiable information.

Technical Security Program:

This program includes managing several security programs that fall under a general security category called Technical Security. These programs include communications security (COMSEC), control of compromising electronic emissions (TEMPEST), and technical surveillance countermeasures (TSCM), and require the expertise of persons highly trained in complex technical matters. The Office of Security provides this expertise for all operating administrations. The technical security programs are concerned with the protection of classified national security information and other sensitive information when it is discussed or processed during meetings or on information technology systems; or when it is electronically transmitted. These activities are potentially susceptible to the intentional or unintentional loss of information to unauthorized persons. The security staff provides technical guidance on these matters to operating administrations, essential for the protection of national security.

The Office of Security directly manages the COMSEC program for DOT Headquarters and those field facilities (excluding FAA) that process classified information. This responsibility includes management of the DOT COMSEC account, conducting required inventories of controlled cryptographic equipment and material, and issuance of secure communications equipment, including Secure Terminal Equipment (STE) units and secure wireless phones. The program must perform these functions properly and in a timely manner in order to meet all National Security Agency and Committee on National Security Systems (CNSS) requirements. Failure to do so can affect DOT's ability (including the ability of the Secretary of Transportation) to exchange classified information with the White House and with other agencies in both routine and emergency situations.

Substance Abuse Awareness & Testing**\$5,200 thousand**

The DOT Federal Employee Drug and Alcohol Testing Program is the second largest program in the Federal Government with over 80,000 federal employees in the testing pool. Services under this program are provided to all DOT operating administrations, the U.S. Merchant Marine Academy and to the following agencies within the Department of Homeland Security (DHS): Transportation Security Administration (TSA), U.S. Coast Guard (USCG) and the Federal Air Marshals (FAM) program. Services are provided on a nationwide basis and include setting program policy requirements; briefings to unions on policy changes; providing testimony at third party hearings; random selection process; follow-up drug and/or alcohol testing program for employees who have completed rehabilitation; urine collection and laboratory testing services for pre-employment, random, follow-up, reasonable suspicion, and post accident; breath alcohol testing services for random, follow-up, reasonable suspicion, and post accident; split specimen testing services; Medical Review Officer services; managing, coordinating and conducting employee awareness programs and mandatory supervisory training; and coordination of the Employee Assistance Program. Drug and alcohol collection and testing services are provided through contract vendors. Funding for these primary contracts constitutes 77 % of the total SAATO budget.

Transit Benefits & Parking**\$437,638 thousand**

Transportation Services (TRANServe) delivers transit benefit services to DOT operating administrations; delivers transit benefit services to Non-DOT agencies; and provides parking management services to DOT employees. This program receives funding under three different authorities in performing its various roles in support of DOT and Non-DOT agencies.

- Working Capital Fund (WCF) cost reimbursable agreements under U.S.C. 49.327.
- Non-DOT WCF reimbursable agreements under the Economy Act of 1932.
- Employee Parking Deposits for parking spaces to DOT employees under GSA Federal Management Regulation.

The Transit Benefit Program:

The program was established in 1991 when the Department's Federal Transit Administration (FTA) began pilot testing a transit benefit program, which provided up to \$21 per month in transit fare media to its employees. The Energy Policy Act of 1992 raised the monthly tax-free limit to \$60 and linked the limit to changes in the Consumer Price Index. The Federal Employees Clean Air Incentive Act, signed into law in 1993, permanently authorized Federal participation in this program, resulting in its expansion throughout the Department of Transportation and other Federal agencies. In April 2000, Executive Order 13150 was signed which sought to reduce Federal employees' contribution to traffic congestion and air pollution and expand their commuting alternatives. The executive order called upon DOT, the Environmental Protection Agency, and the Department of Energy to implement a nationwide pilot program, and ascertain its effectiveness in reducing single occupancy vehicle travel and local area traffic congestion. In a 2003 final report to the Office of Management and Budget, DOT reported that the interagency group found transit benefits to be successful in reducing Federal employees' contribution to traffic congestion and air pollution, and expanding their commuting alternatives. The report estimated that the transit benefit program resulted in over 15,000 fewer single occupancy vehicles on the roads of the National Capital Region, saving

over 8 million gallons of gasoline, and eliminating emissions of almost 40,000 tons of carbon dioxide from the air, as well as reducing other tailpipe emissions. In 2005, the Safe, Accountable, Flexible, Efficient, Transportation Equity Act (SAFETEA-LU) required Federal agencies to implement transit benefit programs for all eligible employees in the National Capital Region.

As the transit benefit program took shape in its early years, the Department of Transportation decided that it would be most efficient to centralize the distribution services for its operating administrations, rather than replicate the resources necessary to obtain and safeguard fare media, and manage the distribution program. This organization has evolved over the years, to offer transit benefit distribution services nationwide, to organizations throughout the Federal government. P.L. 111-5 American Recovery and Reinvestment Act of 2009 increased the transit benefit to \$230 per person, and it is anticipated that the program will distribute over \$400 million in cash equivalent fare media in 2010 to over 233,000 participants employed by 108 Federal organizations nationwide.

From the perspective of providing an efficient, economical means to distribute transit benefits, TRANServe enables agencies to make use of a single established distribution system, with extensive and effective internal controls over the receipt, maintenance, and distribution of the fare media provided to Federal employees under the program. It eliminates the need to establish multiple systems duplicating these functions at agencies and individual offices throughout the country. It also offers some unique advantages due to its size and experience. For example, transit operators in some localities offer discounts for volume purchases of fare media, and these savings are then passed on to the participating agencies. There is no mandate to make use of TRANServe for transit benefit distribution; rather, each of the agencies now making use of its services decided it was in their interest to use TRANServe for transit benefit distribution. Participating agencies, TRANServe, and transit benefit recipients all have specific responsibilities to help ensure that the transit benefit program functions effectively and that individuals participating in the program receive only the fare media they are eligible for, and use it appropriately.

TRANServe has developed a Partnership Agreement to outline respective responsibilities of each partner in the implementation of transit benefit programs as administered by TRANServe, in both the National Capital Region and nationwide. These responsibilities include:

- TRANServe obtains and safeguards specific types and volumes of fare media in preparation for distribution to eligible employees at the federal agency.
- TRANServe processes all enrollment applications for the Program, once those recipients have been approved by the federal agency.
- TRANServe tests the controls over the activities which it performs for federal agencies on a yearly basis. These controls are highlighted in management's assurance statement provided to its customers in draft form in July and final copy in September.
- TRANServe provides a monthly invoice with detailed reports to the federal agency on employee participation in the Program. These reports include a description of specific services provided that month such as the name of each employee who received transit benefits, the fare media expenses, vendor fees, billable hours, travel, mailing expenses, administrative and distribution costs.

- TRANServe maintains a database that identifies all participants in the Program that are currently deemed eligible by the federal agency, the original effective date of program participation, the value of fare media provided and the effective date of termination, as appropriate.

As the federal agency enters into an annual Customer Agreement with TRANServe for administrative and distribution services, the federal agency retains key management responsibilities for its transit benefit program. These responsibilities include: overall program oversight including identification of participants making false claims, selling, illegally transferring, or otherwise violating benefit requirements; designating a program coordinator; verify employee's eligibility; and, ensuring employees are aware of their responsibilities.

DOT's Implementation of the Transit Benefit Program

Inasmuch as DOT is both a participant in the transit benefit program and home to the TRANServe organization, the WCF is seeking to maintain a program with extensive participation and use of mass transit, in line with DOT's strategic goal for congestion reduction, while having effective and useful controls in place to ensure the program accomplishes its intended results. Each time a transit benefit recipient receives his or her fare media, the recipient is required to sign for it. On the form, there is an explanation of general requirements for continued participation in the program and recipient responsibility. Because recipients may not take the time to read the requirements on the signature form, in August 2006, TRANServe produced, and began distributing to DOT recipients, the plain language reminder. This action was initiated to ensure that transit benefit recipients are fully aware of the requirements associated with their receipt and use of the fare media.

To educate transit benefit recipients, TRANServe continues to distribute the plain language written explanation of responsibilities and requirements. TRANServe also developed an electronic learning package implemented through the electronic Learning Management System or eLMS. This training emphasizes recipient responsibilities, identifies prohibited practices such as unauthorized use by ineligible employees and inappropriate transfer of fare media.

To protect the integrity and preserve the benefits of the Federal Transit Benefits Program while eliminating the opportunity for waste, fraud, and abuse, the Department reviewed all transit benefit internal controls and implemented an increased level of oversight to ensure all participants are complying with these provisions and that any misuse or abuse is addressed promptly and effectively. In addition, the TRANServe Program created an Internal Controls Officer position in April 2007. This position heightens review of the organization's internal controls and ensures all policy and procedure requirements are effectively fulfilled.

TRANServe's evaluation of management controls includes:

- Continued financial management and infrastructure improvements for the transit benefit program by:
 - Requiring the transit benefit application to include the full home address of the employee, employee work address, certification of eligibility, and a warning against making false statements in the benefit application.

- Requiring the employee's supervisor or approving official to verify eligibility and commuting costs (e.g., home address validated and commuting costs correctly calculated via the DOT Transit Benefit Verification Work Sheet).
 - Providing monthly invoices with detailed reports to customers on employee participation in the transit benefit program and performing Certification and Accreditation (C&A) on the data provided in order to ensure its accuracy which enables customers to validate those employees receiving benefits against the parking records.
 - Educating employees through broadcast messages, plain language memos, and employee meetings to adjust their benefits due to travel, leave, or change of address.
 - Requiring employees to identify each mode of transportation used in their commute and recertify on an annual basis.
 - Requiring quarterly Cost of Goods Sold (COGS) process and the expanded use of the Projects Accounting module to facilitate the cost distribution of inventory.
 - Mandating all DOT participants use SmartBenefits as their mode of transportation. Reducing or eliminating the purchase of paper fare media cards lowers TRANServe's administrative costs and increases efficiencies. Additionally, it can also reduce the incidence of fraudulent misuse of the fare media.
 - Requiring a Partnership Agreement outlining respective responsibilities of each partner in the implementation of transit benefit programs as administered by TRANServe in both the National Capital Region (NCR) and nationwide.
- Initiatives to improve financial management and infrastructure for the transit benefit program consist of the following:
 - Implementation of an electronic solution to physical inventory distribution.
 - Continuing to update DOT Transit Benefit Program Policy and Guidance.
 - Continuing to update the Integrity Awareness Training Program to educate customers and their participants. Successful completion of the training is a requirement every time an application is submitted or amended.
 - Meeting with Federal agencies to discuss internal controls and best practices.
 - Identifying best practices to be published on TRANServe's website as a resource tool for all government agencies.

The Parking Management Program:

The Parking Management Program sells, issues, and administers weather-secure parking spaces in the new DOT headquarters building. In addition, the program provides oversight to FAA for the management of their parking fees.

The Parking Office collects money from the sale of parking permits for the regular monthly parking, temporary parking, and FAA parking. The money is processed and picked up for deposit by Brinks Armored Car Service twice a week.

Unemployment Compensation

\$2,182 thousand

The Department of Labor requires a central billing point in each cabinet agency for the unemployment costs of employees. The Working Capital Fund accepts unemployment compensation charges from the Department of Labor and bills each Operating Administration for their costs through a centralized billing service. Department of Labor (DOL) bills the Department of Transportation on a quarterly basis for their unemployment charges.

Warehouse

\$758 thousand

The Warehouse Program provides for storage, which includes furniture, equipment, bulk materials such as computer and copy paper, publications and forms, and other items as required for all DOT organizations in the Washington Metropolitan area. The Warehouse stores over 1,500 skids of furniture and publications monthly. As part of this program, truck services are provided for delivering internal mail, receiving and delivering furniture, equipment, bulk supplies and other items as required between the Warehouse facility in Landover, MD and the DOT Headquarters Buildings in Washington, DC.

Excess personal property is received, reported, and transferred for all DOT organizations in the Washington Metropolitan area. The excess program handles on average 850 pieces of furniture or equipment every month, sending almost half of the computer equipment to schools throughout the country as part of Executive Order 12999. In FY 2006, this equated to over 5,200 of the approximately 10,500 pieces of equipment going to various school systems.

**OFFICE OF THE CHIEF INFORMATION OFFICER
WORKING CAPITAL FUND
FY 2010 BUDGET ESTIMATE**
(In thousands of dollars)

<u>Program</u>	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Estimate</u>
DOT Activities	52,627	54,303	66,618
Non-DOT Activities	506	636	535
Total	\$ 53,133	\$ 54,939	\$67,153
 <u>Staffing</u>			
Reimbursable Positions	21	21	21
Reimbursable FTE	17	21	21

Background

Since December 2002, the DOT's Office of the Chief Information Officer (OCIO) has had the responsibility for the management and administration of the IT Shared Services portion of the Department's WCF organization, which supports the operation of an infrastructure that includes telecommunications, e-mail/directory services, a backbone network, help desk and other support.

Twenty-one government employees provide technical direction and oversight of more than 150 contractors. IT Shared Services provides more than \$54M in IT services annually to the Department's OAs on a cost recovery basis.

The FY 2010 request includes an increase of \$15M to support the addition of an estimated 5,000 users in the field offices to IT Shared Services support. Field IT support is currently being paid directly by the OAs and will be provided by IT Services through the WCF in FY 2010.

MISSION/VISION/VALUES

WCF OCIO/IT Shared Services provides the Department with a single source for a competitively priced, comprehensive range of IT services while continuously improving the technology and safety of the IT infrastructure for the Department. OCIO/WCF IT Services provides expertise to the Department with state-of-the-market technical expertise, institutional IT knowledge, and historical data that is not readily available from other sources.

WCF/OCIO IT Services staff maintain, operate, and oversee communications and core IT infrastructure for the Department. The Federal staff oversees the technical and business operations, with the majority of the day-to-day operations provided by contractors.

FY 2010 OCIO BUSINESS LINES BY PROGRAM

Campus Area Network (CAN)

\$4,227 thousand

The Campus Area Network, formerly called the Inter-Modal Data Network (IDN), provides support services for the network infrastructure, wide-area network and Internet connectivity for the DOT headquarters and connectivity between DOT HQ and other DOT buildings in the DC Metro area, including the FAA HQ (FOB-10A).

The FY 2010 request includes significant increases in infrastructure to remediate security vulnerabilities, including those identified by the Cyber Security Management Center (CSMC) and Federal Information Security Management Act (FISMA) audits. Our current estimate for the increase includes support for the Network and Security Operations Center (NOSC) and maintenance and support for new security software and appliances.

Desktop Services

\$27,567 thousand

The IT Services desktop, laptop, and engineering PC program provides quality, cost effective seat management, and related support under service level agreements with customers. IT Services currently supports more than 6,300 desktop users, and plans to expand consolidation to include additional regional and field users during FY09 and FY10. The FY 2010 request includes \$15M in Desktop Services to support approximately 5,000 additional users in the field offices. The affected modes currently pay for this support directly (i.e. outside of the Working Capital Fund). In FY 2010 the support will be provided by IT Services and funded by the modes through the Fund.

Information Assurance & Privacy

\$15,121 thousand

The Information Assurance and Privacy program is composed of the following five program areas:

IT Admin & Special Projects:

IT Admin & Special Projects program supports the overall management of the IT Services programs and certain special projects. The program costs are recovered through an equitable distribution to each IT Services program.

Financial Management Group:

Financial Management Group provides business management and full back-end accounting support to the IT Services programs and special projects. The program costs are recovered through an equitable distribution to each IT Services program.

Logistics & Support Services:

Program activities include direct management and oversight of IT Services programs, Continuity of Operations (COOP) and Disaster Recovery (DR) activities for IT Services programs, Inventory Management/Help Desk software implementation and maintenance, Stockroom, and Administrative services. The program costs are recovered through an equitable distribution to each IT Services program.

Enterprise Network Operations Center (ENOC):

ENOC is responsible for the monitoring, notification, and facility management in support of IT Services. ENOC was established to provide twenty-four hour handling of calls, problem management, staff notification, and system monitoring.. Areas monitored 24 X 7 include:

- Network monitoring
- Server monitoring
- Telecom systems monitoring
- Automated problem ticket generation and escalation
- After-hours service desk support.

These services are provided twenty-four hours a day regardless of physical location. ENOC costs are proportionally distributed to IT Shared Services programs.

Network Engineering:

The Network Engineering program provides planning, design, and implementation services for the network infrastructure, including:

- IP Address Management
- Network Design
- Network diagnoses and optimization
- Secure Remote Access

The Network Engineering Program is one of the focal points in enabling the consolidation of services under IT Services and establishing a consistent and secure network across DOT. Details on IT Services Secure Remote Access activities are shown below.

Secure Remote Access (SRA): In keeping with Public Laws 106-346, § 359 and 108-447, Division B, § 622 and the Secretary of Transportation's congestion initiative that, among other things, establishes urban partnerships to facilitate an increased use of telecommuting and flex scheduling, IT Services has implemented a secure remote access capability. IT Services has enabled Secure Remote Access for DOT staff and contractors who are members of the DOT Active Directory. A Client-Based Remote Access network (CISCO Virtual Private Network [VPN]) is now available as a telecommuting option. Users can access e-mail and personal files stored on the network from a remote computer, as well as access most DOT network resources. The charges will be allocated to each OA under the Network Engineering service line, based on the estimated number of desktops in the COE.

DOT has invested in and deployed the necessary equipment and software to provide system redundancy at our COOP/DR site as well as network access control, enhancing network security so that only those users with patched operating systems, current anti-virus signatures, and authorized access certificates have access to the DOT network.

Information Assurance:

The FY 2010 request includes significant increases in security infrastructure and operations, including support for the Homeland Security Presidential Directive 12 (HSPD-12) and the Cyber Security Management Center. IT Shared Services works to mitigate the impact of additional security expenses through reductions in other business lines.

The Information Assurance program is designed to ensure the protection, integrity, availability, and confidentiality of the DOT IT infrastructure across the DOT's hundreds of geographically separated locations. The program's primary function is to manage DOT's compliance with the Federal Information Security Management Act (FISMA) and other statutory requirements. FISMA support includes managing and reporting on security issues and remediation activity. Information is maintained on the Cyber Security Asset Management System (CSAM).

The Information Assurance program supports continuous operations of the DOT CSMC (formerly TCIRC), which has responsibility to detect, protect against, and report all cyber events across the entire DOT enterprise. The CSMC identifies cyber events, privacy violations and network interruptions. CSMC coordinates with DOT CIO's, ISSO's, the intelligence community, and DHS for incident management, monitoring, cyber threat analysis and responding to modal requests.

The Information Assurance program also supports Security Awareness training to the entire DOT community. The cost of these services will continue to be proportionately allocated to the OAs.

Server and Messaging Services

\$9,582 thousand

Server Operations, formerly Consolidated Server Services:

The Server Operations program consists of the following functional areas: Departmental Internet, Server Administration, Net Backup, Storage and Backup, and Server Hosting.

The Departmental Internet program provides server hosting and limited web design support for the DOT web page, as well as the GovDocs subscription service for e-mail management, and enhanced Google search capabilities.

Off-site server hosting services for HQ servers and other devices for Operating Administrations (with the exception of FAA) provides server hosting for most OA mission critical systems in a primary data center external to the Headquarters building. Direct costs to support the remote hosting location, including limited growth capacity and some security and hardware costs, have been spread proportionally to customers based on each OAs power requirements (watts) for direct usage, while the infrastructure costs are spread to the OAs based on the adjusted total population of OA devices.

Directory & Messaging Services:

Directory & Messaging Services provides high quality, cost effective directory services, message routing, mail server hosting, wireless e-mail support and mailbox administration. IT Shared Services provides anti-spam and anti-virus protection for mail infrastructure. Email consolidation beyond DOT headquarters to add field and regional users will continue into FY-10. The Directory & Messaging Service offerings are described below.

Departmental Message Routing and Directory Services includes Departmental directory, messaging and routing, enterprise messaging backup, custom directory services, email security and spam filtering and virus protection. Mailbox administration includes the following services for more than 10,000 accounts: mailbox administration and mail storage and backup. Consolidation has increased IT Shared Service's messaging infrastructure and management responsibilities which were previously managed by the OAs.

IT Shared Services continues to increase its support of Wireless PDA devices. The reduced costs realized by the increased user base have been passed on to the users. Cost recovery is per device and includes technical support, licensing and server administration.

Voice, Cable & Wireless

\$10,657 thousand

The IT Services Voice, Cable, and Wireless (VCW) component offers customers a wide range of telecommunications services such as desktop telephone service with voice mail, wireless telephony, circuit analysis, cabling, billing analysis, inventory management, telecom coordination/customer service, teleconferencing and customer special projects.

Supporting both DOT's Washington, D.C. campus and remote communications, VCW services are an essential component of the DOT's IT support mission, and currently includes more than 15,000 telephone lines and 11,000 voice mailboxes, supported by the Southeast Federal Center's telecommunications switch.

A large majority of costs in this program area, more than \$5M per year, support local and long-distance communications and utilities costs for telephone, T-1 lines and circuits between regional offices and other remote sites, internet communications, and redundant systems to ensure continuity of operations.

IT Services has contained rising telecommunications costs over the past seven years, absorbing labor and maintenance increases by aggressively negotiating for better rates with its local and long distance service providers and monitoring telecommunications bills for potential cost savings.

DOT has been a leader in the transition to the GSA Networkx contracts. Circuit migration was initiated in FY09 and is expected to continue through June 2010. ITSS will work to minimize impact to the OAs as existing circuits are transferred to the new contract vehicle. Networkx Transition cost estimates will be developed over the next year and are not included in the current customer estimates. We intend to continue our efforts to aggressively contain costs while providing technology and service improvements.

Section 3 - FY 2010 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code		FY 2008	FY 2009	FY 2010
69-4520-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
Obligations by program activity:				
09.01	DOT service center activity	120,155	128,094	147,596
09.02	Non-DOT service center activity	<u>236,954</u>	<u>349,424</u>	<u>438,953</u>
10.00	Total new obligations	357,109	477,518	586,549
Budgetary resources available for obligations:				
22.00	New budget authority (gross)	319,418	477,518	586,549
22.10	Resources available from recoveries of prior year obligations	<u>37,692</u>	<u>0</u>	<u>0</u>
23.90	Total budgetary resources available for obligations	357,110	477,518	586,549
23.95	Total new obligations	-357,109	-477,518	-586,549
New budget authority (gross), detail:				
Spending from offsetting collections:				
Discretionary				
58.00	Offsetting collections (cash)	331,424	477,518	586,549
58.10	Change in uncollected customer payments from Federal sources (unexpired)	<u>-12,006</u>	<u>0</u>	<u>0</u>
58.90	Spending authority from offsetting collections (total mandatory)	319,418	477,518	586,549
Change in obligated balances:				
72.40	Obligated balance, start of year	68,445	55,273	0
73.10	Total new obligations	357,109	477,518	586,549
73.20	Total outlays (gross)	-344,595	-532,793	-586,549
73.45	Recoveries of prior year obligations	-37,692		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	<u>12,006</u>	<u>0</u>	<u>0</u>
74.40	Obligated balance, end of year	55,273	0	0
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	300,248	477,518	586,549
86.93	Outlays from discretionary balances	<u>44,347</u>	<u>55,275</u>	<u>0</u>
87.00	Total outlays (gross)	344,595	532,793	586,549
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	331,424	477,518	586,549
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-12,006	0	0
New budget authority and outlays:				
89.00	Budget authority (net)	0	0	0
90.00	Outlays (net)	13,171	55,275	0
95.02	Unpaid obligation, end of year	134,299	0	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

OBJECT CLASSIFICATION

(In thousands of dollars)

Identification Code	FY 2008	FY 2009	FY 2010
69-4520-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	\$15,223	\$17,771	\$18,427
11.2 Accrued leave	\$0	\$110	\$80
11.3 Other than full-time permanent	330	271	244
11.5 Other personnel compensation	403	507	534
11.8 Special personal services payments	0	0	0
11.9 Total personnel compensation	15,956	18,659	19,285
12.1 Civilian personnel benefits	3,981	5,034	4,971
13.0 Benefits for former personnel	1,126	7,075	1,150
21.0 Travel and transportation of persons	1,166	1,493	1,244
22.0 Transportation of things	400	431	453
23.1 Rental payments to GSA	5,132	6,256	7,891
23.3 Communications, utilities, and miscellaneous charges	14,536	11,825	10,792
24.0 Printing and reproduction	0	0	0
25.1 Advisory and assistance services	57	0	0
25.2 Other services	51,695	169	162
25.3 Other purchases of goods and services from Government acts.	30,751	82,808	102,589
25.4 Operation and maintenance of facilities	176	0	0
25.7 Operation and maintenance of equipment	8,873	9,003	7,961
26.0 Supplies and materials	215,175	331,508	427,087
31.0 Equipment	7,933	3,251	2,953
42.0 Insurance claims and indemnities	151	6	11
99.9 Total obligations	\$357,109	\$477,518	\$586,549

PERSONNEL SUMMARY

Identification Code	FY 2008	FY 2009	FY 2009
69-4520-0-1-407	ESTIMATE	ESTIMATE	ESTIMATE
Reimbursable			
2001 Total compensable workyears: Full-time equivalent employment	172	219	219

Section 4 - Budget Request by Strategic Goal and Performance Goal

EXHIBIT IV
FY 2010 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2010
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>ENACTED</u>	<u>ENACTED</u>	<u>REQUEST</u>
I. SAFETY STRATEGIC GOAL			
A. <u>Highway Safety</u>			
a. Other	1,806	220,821	2,837
Subtotal Performance Goal	1,806	220,821	2,837
B. <u>Aviation Safety</u>			
a. Other	0	0	0
Subtotal Performance Goal	0	0	0
C. <u>Rail Safety</u>			
a. Other	0	215,000	0
Subtotal Performance Goal	0	215,000	0
D. <u>Transit Safety</u>			
a. Other	0	215,000	0
Subtotal Performance Goal	0	215,000	0
E. <u>Pipeline Safety</u>			
a. Other	0	0	0
Subtotal Performance Goal	0	0	0
F. <u>Hazmat Safety</u>			
a. Other	0	0	0
Subtotal Performance Goal	0	0	0
Total - Safety Strategic Goal	1,806	650,821	2,837

Section 4 - Budget Request by Strategic Goal and Performance Goal

EXHIBIT IV
FY 2010 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

STRATEGIC & PERFORMANCE GOALS by Performance Measure	FY 2008 <u>ENACTED</u>	FY 2009 <u>ENACTED</u>	FY 2010 <u>REQUEST</u>
2. REDUCED CONGESTION STRATEGIC GOAL			
A. <u>Increased Access</u>			
a. Other	<u>119,935</u>	<u>104,465</u>	<u>179,275</u>
Subtotal Performance Goal	119,935	104,465	179,275
B. <u>Meet Air Transportation Demand</u>			
a. Other	<u>2,495</u>	<u>1,788</u>	<u>1,467</u>
Subtotal Performance Goal	2,495	1,788	1,467
C. <u>Urban Congestion</u>			
a. Other	<u>1,941</u>	<u>215,948</u>	<u>1,549</u>
Subtotal Performance Goal	1,941	215,948	1,549
D. <u>Freight Performance</u>			
a. Other	<u>1,378</u>	<u>217,835</u>	<u>2,815</u>
Subtotal Performance Goal	1,378	217,835	2,815
E. <u>High Performance Trans. Infrastructure</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
F. <u>Increased Transportation Capacity</u>			
a. Other	<u>0</u>	<u>215,000</u>	<u>0</u>
Subtotal Performance Goal	0	215,000	0
Total – Reduced Congestion Strategic Goal	125,749	755,036	185,106

Section 4 - Budget Request by Strategic Goal and Performance Goal

EXHIBIT IV
FY 2010 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

STRATEGIC & PERFORMANCE GOALS by Performance Measure	FY 2008 <u>ENACTED</u>	FY 2009 <u>ENACTED</u>	FY 2010 <u>REQUEST</u>
3. GLOBAL CONNECTIVITY STRATEGIC GOAL			
A. <u>Reduced Barriers to Trade</u>			
a. Number of international negotiations conducted annually to remove market distorting barriers to trade in air transportation.	3,124	2,217	2,321
b. Number of new or expanded bilateral and multilateral aviation agreements completed.	1,838	630	692
c. Number of potential air transportation consumers (in billions) in international markets between the U.S. and countries with open skies agreements.	1,838	630	692
d. Number of proceedings to award U.S. carriers newly available international route rights.	0	0	0
e. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	6,800	3,477	3,705
B. <u>Increase the Efficiency of Passenger and Cargo Movement</u>			
a. Other	<u>3,425</u>	<u>213,846</u>	<u>4,386</u>
Subtotal Performance Goal	3,425	213,846	4,386
C. <u>Enhance Competitiveness</u>			
a. Other	<u>1,522</u>	<u>0</u>	<u>192</u>
Subtotal Performance Goal	1,522	0	192
D. <u>Regulatory and Facilitation Requirements</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
E. <u>Expand Business Opportunities</u>			
a. Percent of total dollar value of DOT direct contracts awarded to women owned businesses.	2,599	2,668	2,742

Section 4 - Budget Request by Strategic Goal and Performance Goal

EXHIBIT IV
FY 2010 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

STRATEGIC & PERFORMANCE GOALS by Performance Measure	FY 2008 <u>ENACTED</u>	FY 2009 <u>ENACTED</u>	FY 2010 <u>REQUEST</u>
b. Percent of total dollar value of DOT direct contracts awarded to small disadvantaged businesses.	2,599	2,668	2,742
c. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	5,198	5,337	5,485
Total - Global Connectivity Strategic Goal	16,945	222,660	13,768

Section 4 - Budget Request by Strategic Goal and Performance Goal

EXHIBIT IV
FY 2010 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

STRATEGIC & PERFORMANCE GOALS by Performance Measure	FY 2008 <u>ENACTED</u>	FY 2009 <u>ENACTED</u>	FY 2010 <u>REQUEST</u>
4. ENVIRONMENTAL STEWARDSHIP			
A. <u>Reduction in Pollution</u>			
a. Percent of DOT facilities characterized as 'No Further Remedial Action' under the Superfund Amendments Reauthorization Act.	0	0	<u>0</u>
b. Other	<u>4,061</u>	<u>5,767</u>	<u>2,004</u>
Subtotal Performance Goal	4,061	5,767	2,004
B. <u>Streamline Environmental Review</u>			
a. Other	<u>0</u>	<u>0</u>	<u>403</u>
Subtotal Performance Goal	0	0	403
Total - Environmental Stewardship Strategic Goal	4,061	5,767	2,407

5. SECURITY, PREPAREDNESS AND RESPONSE

A. Intelligence

a. Percent of intelligence briefings delivered at each DOT tier.	2,179	4,401	2,268
b. Other	<u>4,293</u>	<u>4,653</u>	<u>4,791</u>
Subtotal Performance Goal	6,472	9,054	7,059

B. Preparedness

a. Percent of DOT personnel with emergency management responsibilities with identified training requirements.	3,349	3,730	3,901
b. Percent of DOT personnel with emergency management responsibilities participating in exercises.	0	0	0
c. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	<u>3,349</u>	<u>3,730</u>	<u>3,901</u>

Section 4 - Budget Request by Strategic Goal and Performance Goal

EXHIBIT IV
FY 2010 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2010
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>ENACTED</u>	<u>ENACTED</u>	<u>REQUEST</u>
<u>C. Response</u>			
a. Percent of Operating Administrations meeting annual response requirements.	2,521	2,776	2,903
b. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	2,521	2,776	2,903
<u>D. Hazmat Emergency Response</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
Total - Security, Preparedness and Response Strategic Goal	12,342	15,560	13,863
6. ORGANIZATIONAL EXCELLENCE			
A. Fulfill the President's Management Agenda	74,333	85,354	89,088
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	74,333	85,354	89,088
Total - Org. Excellence Strategic Goal	74,333	85,354	89,088
GRAND TOTAL	235,235	1,735,199	307,069

SAFETY

Performance Goal: Reduction in transportation-related deaths and injuries.

This funding request contributes to the DOT Safety strategic objective and to the reduction in transportation-related deaths and injuries performance outcome goal.

This request would allow DOT to continue its progress in improving transportation safety.

The resources requested to achieve this goal are:

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
 (\$000)

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
1. SAFETY STRATEGIC GOAL			
A. <u>Highway Safety</u>			
a. Other	<u>1,806</u>	<u>220,821</u>	<u>2,837</u>
Salaries & Expenses (S-3)	964	986	1,082
Transportation Planning, Research & Development	842	4,835	1,755
Discretionary Grants - Recovery Act	0	215,000	0
Subtotal Performance Goal	1,806	220,821	2,837

SAFETY**Performance Goal: Reduction in transportation-related deaths and injuries.**

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Under Secretary for Policy	<u>964</u>	<u>986</u>	<u>1,082</u>
Total	\$964	\$986	\$1,082

PERFORMANCE ISSUE:

Although 21 percent of the U.S. population lives in rural areas, rural fatal crashes accounted for 57 percent of all traffic fatalities.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

OST commenced a rural safety initiative, a targeted national campaign to raise awareness of the risks drivers face on America's rural roads and provide communities with tools and assistance to address these risks where the Department's resources can be leveraged quickly and effectively. The cross modal initiative involved our modal partners in targeting funds and programs to the unique requirements of rural areas. RITA will make \$6 million available for partnerships with rural communities to test and expedite the deployment of Intelligent Transportation Systems (ITS) technologies and innovations that will reduce accidents on rural roadways. FHWA identified approximately \$9.2 million to improve rural roads with innovative, relatively low cost safety projects, such as cable median barriers and rumble strips; innovative intersection improvements such as roundabouts; corridor safety improvements; and adding ITS features to infrastructure. NHTSA funded four demonstration projects in rural areas to raise seat belt usage and/or promote greater deployment of ignition interlocks to combat drunk driving by repeat offenders. FMCSA is working with states to include a component on rural commercial vehicle safety into each state's annual Commercial Vehicle Safety Plan and requested that States identify rural road crash and fatality problems and use grant funding to focus safety efforts in those areas. OST initiated the Department's first Facebook site to reach out to and educate rural teens on the challenges of driving on rural roads.

FY 2010 PERFORMANCE BUDGET REQUEST:

Funding is requested to primarily fund staff to formulate and evaluate the effectiveness of policies, regulations, and guidelines in reducing transportation-related deaths and associated operating expenses, with particular focus on the rural environment. Staff develop new approaches to partner with stake-holders to identify safety technologies and initiatives that have the greatest potential in achieving a reduction in fatalities and injuries.

SAFETY

Performance Goal: Reduction in transportation-related deaths and injuries.

FY 2010 BUDGET REQUEST

TRANSPORTATION PLANNING, RESEARCH & DEVELOPMENT

(In thousands of dollars)

	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
Office of the Under Secretary for Policy	<u>842</u>	<u>4,835</u>	<u>1,755</u>
Total	\$842	\$4,835	\$1,755

PERFORMANCE ISSUE:

The Office mission supports the overall strategic goal of Safety, “Enhance public health and safety by working towards the elimination of transportation-related deaths and injuries” by formulating and recommending departmental policies, plans and guidelines to enhance public health and safety.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office conducts research and development under the TPR&D appropriation to support the strategic goal of Safety, “Enhance public health and safety by working toward the elimination of transportation-related deaths and injuries”. Projects performed are in the areas of hazardous material safety; safety for users with special needs; safety for aging Americans; methods of accelerating application/adoption of safety equipment and technology; warning systems for transportation conveyances; and Federal systems for “Safety of Life” operations. This research augments the safety research carried out in individual modes, addresses topics that are multimodal, or that need attention beyond what they receive at the operating administration level. The following research and development projects are proposed for funding:

Senior Mobility.....\$75,000

Building on action to address the White House on Aging recommendation that identified Transportation as NO. 3 of the top 50, this study will examine policy gaps and identify strategies to address them. This supports the safety goal.

Safety Program Innovation.....\$500,000

Highway fatalities in the U.S. have totaled over 40,000 annually for the past decade. While there are numerous aggressive efforts underway by many partners to reduce these fatalities, the number of highway deaths each year remains unacceptably high. The fatality rate is currently at the lowest in our Nation’s history, 1.37 fatalities per 100M VMT in 2007, but there has yet to be a drop below the 40,000-fatality threshold. This study informs policy efforts by exploring analytical approaches that would achieve a better understanding of options for restructuring DOT’S surface safety programs that will most likely achieve significant reductions in the number of highway fatalities, injuries and crashes in the time frame from 2010 to 2020. This supports the safety goal.

Maintaining Older Transportation Operator Performance.....\$100,000

This research project will develop and evaluate the effectiveness of policies to maintain safety across modes that employ aging transportation sector operators. As they mature, the operators in the nation’s private and commercial transportation systems gain valuable experience, but also undergo age-related changes in their abilities. Departmental policies need to be developed and evaluated based on a common understanding of human aging effects on operator performance, including an operator’s psychomotor, sensory, and cognitive function. Such an approach will help assure that the science of aging will guide policies and solutions applicable to all modes that keep operator performance within appropriate safety margins. This supports the safety goal.

Proposed Research Study:

- Phase I: Identification and prioritization of older operator safety problems.
- Phase II: Operator Analysis -- Based on the problems identified in Phase I determine the age-dependent knowledge, skills and abilities for the operation of transportation systems.
- Phase III: Policy Summary -- The relevant modal policies and initiatives that address older operator safety shall be summarized, including such items as: training, operator aids, system automation, equipment design, and cessation from duty.
- Phase IV: Research Summary -- Existing literature, technologies (i.e., automation) and safety data shall be presented to provide support and recommendations for the various strategies that could be used to address the safety problems discovered in Phase I.

Expected Outcomes and Impact:

The research would generate:

- A summary of DOT older operator policies, policy justifications, and knowledge gaps,
- A common modal understanding of older operator transportation-related abilities, limitations and needs, and
- An improved ability to evaluate policies relating to older operators.

Administrative Costs\$1,080,000

SAFETY

Performance Goal: Reduction in transportation-related deaths and injuries.

FY 2010 BUDGET REQUEST

**SUPPLEMENTAL DISCRETIONARY GRANTS FOR THE NATIONAL SURFACE
TRANSPORTATION SYSTEM**

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Request</u>
Office of the Under Secretary for Policy	<u>0</u>	<u>215,000</u>	<u>0</u>
Total	\$0	\$215,000	\$0

SAFETY

Performance Goal: Reduction in transportation-related deaths and injuries.

This funding request contributes to the DOT Safety strategic objective and to the reduction in transportation-related deaths and injuries performance outcome goal.

This request would allow DOT to continue its progress in improving transportation safety.

The resources requested to achieve this goal are:

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
1. SAFETY STRATEGIC GOAL			
C. Rail Safety			
a. Other	<u>0</u>	<u>215,000</u>	<u>0</u>
Discretionary Grants - Recovery Act	<u>0</u>	<u>215,000</u>	<u>0</u>
Subtotal Performance Goal	<u>0</u>	<u>215,000</u>	<u>0</u>

SAFETY

Performance Goal: Reduction in transportation-related deaths and injuries.

FY 2010 BUDGET REQUEST

**SUPPLEMENTAL DISCRETIONARY GRANTS FOR THE NATIONAL SURFACE
TRANSPORTATION SYSTEM**

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Request</u>
Office of the Under Secretary for Policy	<u>0</u>	<u>215,000</u>	<u>0</u>
Total	\$0	\$215,000	\$0

SAFETY

Performance Goal: Reduction in transportation-related deaths and injuries.

This funding request contributes to the DOT Safety strategic objective and to the reduction in transportation-related deaths and injuries performance outcome goal.

This request would allow DOT to continue its progress in improving transportation safety.

The resources requested to achieve this goal are:

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
 (\$000)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
I. SAFETY STRATEGIC GOAL			
D. <u>Transit Safety</u>			
a. Other	0	<u>215,000</u>	<u>0</u>
Discretionary Grants - Recovery Act	0	215,000	0
Subtotal Performance Goal	0	215,000	0

SAFETY

Performance Goal: Reduction in transportation-related deaths and injuries.

FY 2010 BUDGET REQUEST

SUPPLEMENTAL DISCRETIONARY GRANTS FOR THE NATIONAL SURFACE
TRANSPORTATION SYSTEM

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>
Office of the Under Secretary for Policy	<u>0</u>	<u>215,000</u>	<u>0</u>
Total	\$0	\$215,000	\$0

REDUCED CONGESTION
Performance Goal: Increase access for all Americans.

This funding request contributes to the DOT Reduced Congestion strategic objective and to the increased access to transportation for all Americans performance outcome goal.

The resources requested to achieve this goal are:

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
2. REDUCED CONGESTION STRATEGIC GOAL			
A. <u>Increased Access</u>			
a. Other	<u>119,935</u>	<u>104,465</u>	<u>179,275</u>
Salaries & Expenses (C)	3,369	4,166	4,275
Essential Air Service	56,566	27,286 ^{1/}	50,000
Payments to Air Carriers	60,000	73,013	125,000
Subtotal Performance Goal	119,935	104,465	179,275

^{1/} An additional \$22.714 million of overflight fees were transferred by FAA as an unobligated balance at the start of FY 2009 for a total of \$50 million of mandatory funding available during FY 2009.

REDUCED CONGESTION
Performance Goal: Increase access to transportation.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF THE GENERAL COUNSEL

	FY 2008 <u>Actual</u>	FY 2009 <u>REQUEST</u>	FY 2010 <u>REQUEST</u>
Office of General Counsel	<u>3,369</u>	<u>4,166</u>	<u>4,275</u>
Total	\$3,369	\$4,166	\$4,275

Office of the Assistant General Counsel for Aviation Enforcement and Proceedings

PERFORMANCE ISSUE:

The Office of the Assistant General Counsel for Aviation Enforcement and Proceedings (Enforcement Office) carries out enforcement and fitness activities which can be divided into four basic areas: (1) aviation economic and civil rights enforcement activities; (2) legal guidance and air carrier fitness review; (3) Public Counsel activities; and (4) program fraud enforcement. The Aviation Consumer Protection Division (ACPD), part of the Enforcement Office, plays an important role in assisting, educating, and protecting consumers. ACPD undertakes a wide variety of tasks, such as handling consumer complaints about air travel, responding to Congressional inquiries regarding constituent travel problems (e.g., 400-700 inquiries are received each fiscal year) and conducting investigations of airlines for violations of DOT rules.

A top priority for the Office is to ensure all persons have full access to air transportation irrespective of race, color, ethnicity, religion, sex, or disability. The Office is actively engaged in initiatives to enhance civil rights compliance and enforcement, which has required increasing attention in the past four years, especially in light of new airline civil rights and consumer protection legislation enacted by Congress and implemented by DOT.

As part of the Enforcement Office’s ongoing effort to ensure nondiscrimination in air travel based on disability, the office has continued where appropriate to pursue cases against air carriers for violations of the Air Carrier Access Act (ACAA). In addition, the Enforcement Office has been working to improve the air travel environment for persons with disabilities by issuing regulations containing standards for improving access to facilities and services,

and issuing guidance materials when there appears to be confusion or ambiguity about what is required by our rules.

ACPD has also been instrumental in protecting disabled air travelers from unlawful discrimination. ACPD administers a tracking system for monitoring carrier compliance with DOT's rule implementing the ACAA and investigates each such complaint it receives. The number of disability complaints received remains high. In FY 2008, 492 disability-related complaints were registered. The absolute number of such complaints is significant, since these complaints are among the most sensitive and resource-intensive matters handled by the Office. This trend is expected to continue.

The events of September 11, 2001, which have resulted in increased aviation security, have also led to increased office workload. Between September 11, 2001, and September 30, 2008, ACPD received 910 non disability-related discrimination complaints, including 285 that involved allegations of security-related civil rights violations. Consistent with the Department's continuing responsibility to vigorously investigate all allegations of illegal discrimination in air transportation, the Enforcement Office instituted an in-depth investigation of six major air carriers based on complaints alleging the removal and denied boarding of passengers from flights because, or primarily because, the passengers are or were perceived to be of Arab, Middle Eastern, or South Asian descent and/or Muslim. Four of those investigations have resulted in separate settlements under which the carriers were either directed or agreed to cease and desist from further violations and to provide civil rights training to their employees at a total cost of more than \$4 million. One other case has concluded with no finding of violations and the case involving the remaining airline ended with it agreeing to enhance its civil rights training for crew members and gate agents. Work continues on the individual security discrimination complaints filed with the Enforcement Office, which are among the most sensitive and resource-intensive matters handled by the Office.

In FY 2007, the Enforcement Office began to investigate the chronic flight delays of the 20 largest air carriers. The purpose of the investigations, which continued throughout FY 2008, is to discover any unrealistic scheduling by carriers that is prohibited by regulation and statute. In addition, during FY 2007, air carriers were involved in a number of situations of lengthy tarmac delays and the DOT Inspector General recommended the establishment of an industry/government task force to address the issue. That Task Force was established as an advisory committee in FY 2008 with the Assistant General Counsel for Aviation Enforcement and Proceedings as its Chairman.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

- Continue to improve the air travel environment and the mobility of passengers by investigating civil rights complaints and pursuing enforcement action as appropriate.
- Continue its investigations of chronically delayed flights and unrealistic scheduling to reduce congestion.

- Reduce lengthy airport tarmac delays through the development of recommendations by DOT's Tarmac Delay Task Force being headed by the Enforcement Office.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office of the General Counsel is requesting \$4.275 million to support DOT's efforts to eliminate barriers to air travel by disabled individuals and ensure compliance with the civil rights laws applicable to airlines. The requested funding and staffing will permit the office to continue to investigate disability-related and other consumer civil rights complaints against airlines as required by statute. The funds and staffing will also be used to conduct investigations of unrealistic scheduling and pursue other initiatives to reduce airline congestion. The FY 2010 request represents a small funding increase over the FY 2009 enacted level to annualize the cost of the FY 2009 pay raise and to pay for a two percent civilian pay raise and a .5 percent inflation adjustment in FY 2010.

REDUCED CONGESTION
Performance Goal: Increase access to transportation.

FY 2010 BUDGET REQUEST

ESSENTIAL AIR SERVICE AND RURAL IMPROVEMENT PROGRAM
 PAYMENTS TO AIR CARRIERS

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Overflight Fees [mandatory]	41,566	27,286 ^{2/}	50,000
Payments to Air Carriers [discretionary]	<u>60,000</u>	<u>73,013</u>	<u>125,000</u>
Total	\$101,566	\$100,299	\$175,000
P.L. 109-171-- Sale of Spectrum	<u>15,000</u> ^{1/}	<u>0</u>	<u>0</u>
Total Program Funding	\$116,566	\$100,299	\$175,000

^{1/} P.L. 109-171 provides an additional \$15 million from the sale of spectrum

^{2/} An additional \$22.714 million of overflight fees were transferred by FAA as an unobligated balance at the start of FY 2009 for a total of \$50 million of mandatory funding available during FY 2009.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

In FY 2009, the Essential Air Service program will maintain continuous scheduled air service at all eligible communities by paying commuter and regional airlines (under 49 U.S.C. 41731 *et. seq.*) to provide service that otherwise would not be provided. During FY 2008, four major EAS providers went out of business leaving 36 previously subsidized communities with no air service. An emergency Request for Proposals was issued and new contracts have now been issued for all 36 communities. However because one airline assumed most of the defunct carriers' routes, it is not able to expand rapidly enough to backfill instantly. There are currently only seven communities of the original 36 without air service and one is expected to start up service on April 7. In the meantime, the airline is working to obtain additional aircraft necessary to bring the remaining six communities on line.

FY 2010 PERFORMANCE BUDGET REQUEST:

For FY 2010, the Department requests for the EAS program \$125 million for the Payment to Air Carrier account to supplement the \$50 million of overflight fees collected by the Federal Aviation Administration. Funds will be used to connect eligible communities to the national

air transportation network in the most cost-effective way available. Reforms to restructure the program in order to administer and improve program and cost effectiveness will be proposed.

The EAS program was established as a ten-year transition program following airline deregulation in 1978. The Airport and Airway Safety and Capacity Expansion Act of 1987 extended the program through September 30, 1998. Subsequently, as part of the Federal Aviation Reauthorization Act of 1996, Congress passed the Rural Air Service Survival Act. That Act mandates the collection of user fees – commonly known as overflight fees – for flights operated by other than U.S. airlines that fly over, but do not take-off from or land in, the United States.

Beginning in FY 1998, the first \$50 million of each year's overflight fees were legislated to go directly to carry out the EAS program. Because no overflight fees were collected in FYs 1998, 1999, or 2000, the \$50 million required for EAS was funded from the FAA Operations and the FAA Facilities and Equipment appropriations. In FY 2001 and FY 2002, almost \$30 million was collected in overflight fees each year, but could not be made available for the EAS program pending resolution of litigation; therefore, EAS was again funded from other FAA accounts. In FY 2003, the litigation continued and the program was funded from other FAA accounts. In FY 2004, no overflight fees were collected, the overflight fee litigation was settled, and the EAS program was funded from balances in the overflight fee account. In FY 2005, the program was funded with overflight fees and an additional \$52 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In FY 2006, the program was funded with overflight fees and an additional \$59.4 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In FY 2007, the program was funded with overflight fees and an additional \$59.4 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In FY 2008, the program was funded with overflight fees and an additional \$60 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In addition, in FY 2008, \$15 million from the sale of spectrum was available to fund the program. In FY 2009, the program is being funded with overflight fees and \$73 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account.

History of EAS Funding Sources
(In thousands of dollars)

	<u>FAA Operations</u>	<u>FAA F&E</u>	<u>P.L. 109- 171</u>	<u>Overflight Fees</u>	<u>Payments to Air Carriers (A&ATF)</u>
FY 1998	\$50,000	.....		.....	.....
FY 1999	.....	\$48,000		.....	.....
FY 2000	\$50,000	.....		.....	.....
FY 2001	\$50,000	.....		.....	.....
FY 2002	.....	\$50,000		.....	\$62,952
FY 2003	.....	\$50,000		.....	\$51,761
FY 2004	.....	.....		¹	\$51,662
FY 2005	.....	.....		\$50,000	\$51,549
FY 2006 Enacted	.....	.....		\$50,000	\$59,400
FY 2007 CR Rate				\$50,000	\$59,400
FY 2008 Enacted		\$8,464	\$15,000 ²	\$41,566	\$60,000
FY 2009 Enacted				\$27,286 ³	\$73,013
FY 2010 Request				\$50,000	\$125,000

¹ In FY 2004, \$50,000 was funded from unobligated balances of overflight fees.

² P.L. 109-171 provides funds from the sale of spectrum.

³ An additional \$22.714 million of overflight fees were transferred by FAA as an unobligated balance at the start of FY 2009 for a total of \$50 million of mandatory funding available during FY 2009.

For FY 2010, the Department proposes a \$175 million budget made up of \$50 million of overflight fees collected by the Federal Aviation Administration, and \$125 million appropriated from the Airport and Airway Trust Fund. In addition, the Administration plans to propose reforms to improve program and cost effectiveness. As a result the Department will continue to explore common sense reform that would result in a more efficiently run program.

In FY 2010, \$2.2 million, an increase of \$0.7 million, will be used to pay salaries and administrative costs for staff to administer this program. The FY 2010 request for salaries and administrative costs includes an increase to annualize the 2009 pay raise, to fund increases for the 2010 estimated civilian pay raise of 2.0 percent and an inflation adjustment of 0.5 percent in FY 2010, and to fund an additional 4 FTEs to fill Transportation Industry Analyst positions. Due to program growth and increasing program complexity, the 4 additional FTEs will be tasked with such mission-critical functions as implementing program requirements to support the additional communities expected to require subsidy due to the worldwide economic slowdown; addressing community and congressional questions over passenger-cap issues, program retention, and service complaints; and performing program impact analyses necessitated by the widespread reductions in service affecting smaller communities and the financial condition of the airline industry.

REDUCED CONGESTION

Performance Goal: Meet new and growing demands for air transportation services through 2025 and beyond.

This funding request contributes to the DOT Reduced Congestion strategic objective and to the meet new and growing demands for air transportation services through 2025 and beyond performance outcome goal.

The resources requested to achieve this goal are:

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
2. REDUCED CONGESTION STRATEGIC GOAL			
B. <u>Meet Air Transportation Demand</u>			
a. Other	<u>2,495</u>	<u>1,788</u>	<u>1,467</u>
Salaries & Expenses (S-3)	1,306	1,336	1,467
Transportation Planning, Research & Development	1,189	452	0
Subtotal Performance Goal	2,495	1,788	1,467

REDUCED CONGESTION

Performance Goal: Meet new and growing demands for air transportation services through 2025 and beyond.

FY 2010 BUDGET REQUEST**SALARIES AND EXPENSES**

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Request</u>
Office of the Under Secretary for Policy	<u>1,306</u>	<u>1,336</u>	<u>1,467</u>
Total	\$1,306	\$1,336	\$1,467

PERFORMANCE ISSUE:

Whether it takes the form of trucks stalled in traffic, cargo sitting on the dock at overwhelmed seaports, or airplanes circling over crowded airports, congestion is costing America an estimated \$200 billion a year. Americans squander 3.7 billion hours and 2.3 billion gallons of fuel each year sitting in traffic jams and waste \$9.4 billion as a result of airline delays. Even worse, congestion takes a major bite out of every day – time that could be spent with families, friends, and neighbors. Congestion is not a scientific mystery, nor is it an uncontrollable force. Congestion results from poor policy choices and a failure to separate solutions that are effective from those that are not. Therefore, the Department has taken a new strategic direction, a new approach to solving congestion called the *National Strategy to Reduce Congestion on America's Transportation Network* – a national congestion relief initiative that directs the entire leadership of DOT to make congestion relief a top priority, and to take action.

FY 2010 PERFORMANCE BUDGET REQUEST:

Funding is requested to primarily fund staff to formulate and evaluate policies relating to meeting new and growing demands for air transportation services through 2025 and beyond and associated operating expenses.

REDUCED CONGESTION

Performance Goal: Meet new and growing demands for air transportation services through 2025 and beyond.

FY 2010 BUDGET REQUEST

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Request</u>
Office of the Under Secretary for Policy	<u>1,189</u>	<u>452</u>	<u>0</u>
Total	\$1,189	\$452	\$0

REDUCED CONGESTION

Performance Goal: Reduction in urban congestion.

This funding request contributes to the DOT Reduced Congestion strategic objective and to the reduction in urban congestion performance outcome goal.

The resources requested to achieve this goal are:

**OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)**

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
2. REDUCED CONGESTION STRATEGIC GOAL			
C. <u>Urban Congestion</u>			
a. Other	<u>1,941</u>	<u>215,948</u>	<u>1,549</u>
Salaries & Expenses (S-3)	1,016	0	0
Transportation Planning, Research & Development	925	948	1,549
Discretionary Grants - Recovery Act	0	215,000	0
Subtotal Performance Goal	1,941	215,948	1,549

REDUCED CONGESTION
Performance Goal: Reduction in urban congestion.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>
Office of the Under Secretary for Policy	<u>1,016</u>	<u>0</u>	<u>0</u>
Total	\$1,016	\$0	\$0

REDUCED CONGESTION
Performance Goal: Reduction in urban congestion.

FY 2010 BUDGET REQUEST

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Under Secretary for Policy	<u>925</u>	<u>948</u>	<u>1,549</u>
Total	\$925	\$948	\$1,549

PERFORMANCE ISSUE:

Whether it takes the form of trucks stalled in traffic, cargo sitting on the dock at overwhelmed seaports, or airplanes circling over crowded airports, congestion is costing America an estimated \$200 billion a year. Americans squander 3.7 billion hours and 2.3 billion gallons of fuel each year sitting in traffic jams and waste \$9.4 billion as a result of airline delays. Even worse, congestion takes a major bite out of every day – time that could be spent with families, friends, and neighbors. Congestion is not a scientific mystery, nor is it an uncontrollable force. Congestion results from poor policy choices and a failure to separate solutions that are effective from those that are not. Therefore, the Department has taken a new strategic direction, a new approach to solving congestion called the *National Strategy to Reduce Congestion on America’s Transportation Network* – a national congestion relief initiative that directs the entire leadership of DOT to make congestion relief a top priority, and to take action.

FY 2010 PERFORMANCE BUDGET REQUEST:

Funding is requested for the following proposed research and development projects and to fund staff to formulate and evaluate policy to reduce urban congestion and associated operating expenses.

Aggregate Costs and Benefits of Surface and Aviation Transportation Infrastructure Investment Programs.....\$150,000
 To improve analysis of the aggregate costs and benefits of surface and aviation infrastructure investment programs enabling better decision-making when these programs are up for reauthorization. This program supports the Reduction in Urban Congestion performance goal and the Secretarial priority of Assessing the Impacts of Congestion.

Estimating the Costs of Congestion.....\$125,000

To provide funding to develop estimates of the costs of congestion that are not included in currently available estimates, including costs relating to lost productivity, reduced reliability, shipment delays, reduced safety, and increased environmental emissions. This project supports the Reduction in Urban Congestion performance goal and the Secretarial priority of assessing the Impacts of Congestion.

Mobility Management\$120,700

While a few small, start-up efforts are currently underway to develop and test various aspects of mobility management (the concept of getting people to the transportation services they need while reducing congestion by expanding the use of van pools, ride-sharing, and links between fixed route and employment/shopping centers), there is no single, coordinated effort to pull all the pieces together and develop a national policy with guidelines. This proposed 1 year project would pull all of these separate efforts together into a single, comprehensive strategy that expands access to transportation services and options for all users while reducing congestion. It would disseminate this strategy and make recommendations to assist those community and business organizations wishing to initiate mobility management services. This project supports the Reduction in Urban Congestion performance goal and the Secretarial priority of Congestion Relief.

Transportation Productivity\$100,000

To provide funding to develop multi-factor productivity estimates for aviation. This work will advance our joint research program with the Research and Innovative Technology Administration to develop multifactor productivity estimates for aviation, which in turn will allow analysis of the contribution of improved airport and air traffic control infrastructure to increasing productivity. This project supports the Reduction in Urban Congestion performance goal and the Secretarial priorities of Congestion Relief and Next Generation Air Transportation/Joint Planning and Development Office.

Economic Impact of Intelligent Transportation Systems.....\$50,000

To provide funding to improve our knowledge of the economic impact of Intelligent Transportation Systems (ITS) technology, allowing more informed decisions about how much to invest in various ITS technologies. This project supports the Reduction in Urban Congestion and Increased use of Integrated Intelligent Transportation System (ITS) Networks performance goals and the Secretarial priority of Congestion Relief.

Infrastructure Finance – Advance the Understanding of Barriers to Public/Private Partnerships and Other Innovative Financing Techniques.....\$50,000

This project will estimate cost savings and performance improvements associated with private-sector finance of transportation infrastructure and identify key public sector interests that need to be protected in public-private partnerships and other innovative financing techniques. Specifically, the project will estimate cost savings and performance improvements associated with private-sector finance of transportation infrastructure and identify key public sector interests that need to be protected in public-private partnerships and other innovative financing techniques. This project supports the Increased Number of

States that Enable Public-Private Transportation Investment Partnerships performance goal and the Secretarial priority of Congestion Relief.

Administrative Costs\$953,300

REDUCED CONGESTION
Performance Goal: Reduction in urban congestion.

FY 2010 BUDGET REQUEST

**SUPPLEMENTAL DISCRETIONARY GRANTS FOR THE NATIONAL SURFACE
TRANSPORTATION SYSTEM**

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	<u>FY 2008</u> Actual	<u>FY 2009</u> Enacted	<u>FY 2010</u> Request
Office of the Under Secretary for Policy	<u>0</u>	<u>215,000</u>	<u>0</u>
Total	\$0	\$215,000	\$0

REDUCED CONGESTION

Performance Goal: Reduced impediments to the efficient movement of freight over the transportation network, especially at key freight gateways.

This funding request contributes to the DOT Reduced Congestion strategic objective and to the efficient movement of freight over the transportation network, especially at key freight gateways performance outcome goal.

The resources requested to achieve this goal are:

**OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)**

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
2. REDUCED CONGESTION STRATEGIC GOAL			
<u>D. Freight Performance</u>			
a. Other	<u>1,378</u>	<u>217,835</u>	<u>2,815</u>
Salaries & Expenses (S-3)	145	148	163
Transportation Planning, Research & Development	1,233	2,687	2,652
Discretionary Grants - Recovery Act	0	215,000	0
Subtotal Performance Goal	1,378	217,835	2,815

REDUCED CONGESTION

Performance Goal: Reduce impediments to the efficient movement of freight over the transportation network, especially at key freight gateways.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Under Secretary for Policy	<u>145</u>	<u>148</u>	<u>163</u>
Total	\$145	\$148	\$163

PERFORMANCE ISSUE:

Whether it takes the form of trucks stalled in traffic, cargo sitting on the dock at overwhelmed seaports, or airplanes circling over crowded airports, congestion is costing America an estimated \$200 billion a year. Americans squander 3.7 billion hours and 2.3 billion gallons of fuel each year sitting in traffic jams and waste \$9.4 billion as a result of airline delays. Even worse, congestion takes a major bite out of every day – time that could be spent with families, friends, and neighbors. Congestion is not a scientific mystery, nor is it an uncontrollable force. Congestion results from poor policy choices and a failure to separate solutions that are effective from those that are not. Therefore, the Department has taken a new strategic direction, a new approach to solving congestion called the *National Strategy to Reduce Congestion on America's Transportation Network* – a national congestion relief initiative that directs the entire leadership of DOT to make congestion relief a top priority, and to take action.

FY 2010 PERFORMANCE BUDGET REQUEST:

Funding is requested to primarily fund staff to formulate and evaluate policies to reduce impediments to the efficient movement of freight over the transportation network, especially at key freight gateways and associated operating expenses.

REDUCED CONGESTION

Performance Goal: Reduce impediments to the efficient movement of freight over the transportation network, especially at key freight gateways.

FY 2010 BUDGET REQUEST

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	<u>FY 2008 Actual</u>	<u>FY 2009 REQUEST</u>	<u>FY 2010 REQUEST</u>
Office of the Under Secretary for Policy	1,233	2,687	2,652
Total	\$1,233	\$2,687	\$2,652

PERFORMANCE ISSUE:

Whether it takes the form of trucks stalled in traffic, cargo sitting on the dock at overwhelmed seaports, or airplanes circling over crowded airports, congestion is costing America an estimated \$200 billion a year. Americans squander 3.7 billion hours and 2.3 billion gallons of fuel each year sitting in traffic jams and waste \$9.4 billion as a result of airline delays. Even worse, congestion takes a major bite out of every day – time that could be spent with families, friends, and neighbors. Congestion is not a scientific mystery, nor is it an uncontrollable force. Congestion results from poor policy choices and a failure to separate solutions that are effective from those that are not. Therefore, the Department has taken a new strategic direction, a new approach to solving congestion called the *National Strategy to Reduce Congestion on America’s Transportation Network* – a national congestion relief initiative that directs the entire leadership of DOT to make congestion relief a top priority, and to take action.

FY 2010 PERFORMANCE BUDGET REQUEST:

Funding is requested for the following proposed research and development projects and to fund staff to formulate and evaluate policy to reduce impediments to the efficient movement of freight over the transportation network, especially at key freight gateways and associated operating expenses.

The National Freight Policy Framework.....\$500,000

To provide funding in support of the National Freight Policy Framework’s objectives of:

- Improve the operations of the existing freight transportation system.
- Add physical capacity to the freight transportation system in places where investment makes economic sense.

- Use pricing to better align all costs and benefits between users and owners of the freight system and to encourage deployment of productivity-enhancing technologies.
- Reduce or remove statutory, regulatory, and institutional barriers to improved freight transportation performance.
- Proactively identify and address emerging transportation needs.
- Maximize the safety and security of the freight transportation system.
- Mitigate and better manage the environmental, health, and community impacts of freight transportation.

This program supports the Reduced Impediments to the Efficient Movement of Freight Over the Transportation Network, Especially at Key Freight Gateways performance goal and the Secretarial priorities of Congestion Relief and Freight and Port Capacity.

The “Freightway”\$500,000

To provide funding to address freight congestion at the nation's busiest "Freightway": the seaport complex that includes the Ports of Los Angeles and Long Beach. In May 2006, a National Strategy to Reduce Congestion on America’s Transportation Network was announced. This National Strategy provides a comprehensive blueprint for Federal, state and local officials to follow to reduce traffic jams and relieve bottlenecks at American ports and on the nation’s roads, rails, and runways. One key initiative within the National Strategy is the establishment of an action team to specifically address freight congestion at the nation’s busiest. The goal of this team is to secure the commitment of major Southern California freight-related stakeholders to a Memorandum of Agreement that establishes a consensus target for 2020 freight capacity through the combined ports, identifies projects required to meet that capacity, and details the steps that respective parties must take to get these projects completed. This project supports the Reduced Impediments to the Efficient Movement of Freight Over the Transportation Network, Especially at Key Freight Gateways performance goal and the Secretarial priorities of Congestion Relief and Freight and Port Capacity.

Administrative Costs\$1,652,000

REDUCED CONGESTION

Performance Goal: Reduce impediments to the efficient movement of freight over the transportation network, especially at key freight gateways.

FY 2010 BUDGET REQUEST

**SUPPLEMENTAL DISCRETIONARY GRANTS FOR THE NATIONAL SURFACE
TRANSPORTATION SYSTEM**

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>
Office of the Under Secretary for Policy	<u>0</u>	<u>215,000</u>	<u>0</u>
Total	\$0	\$215,000	\$0

REDUCED CONGESTION

Performance Goal: Increased transportation capacity resulting from public private transportation partnerships.

This funding request contributes to the DOT Reduced Congestion strategic objective and to the increased transportation capacity resulting from public private transportation partnerships performance outcome goal.

The resources requested to achieve this goal are:

**OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)**

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
2. REDUCED CONGESTION STRATEGIC GOAL			
F. <u>Increased Transportation Capacity</u>			
a. Other	0	215,000	0
Discretionary Grants - Recovery Act	0	215,000	0
Subtotal Performance Goal	0	215,000	0

REDUCED CONGESTION

Performance Goal: Increased transportation capacity resulting from public private transportation partnerships.

FY 2010 BUDGET REQUEST

SUPPLEMENTAL DISCRETIONARY GRANTS FOR THE NATIONAL SURFACE TRANSPORTATION SYSTEM

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Request</u>
Office of the Under Secretary for Policy	<u>0</u>	<u>215,000</u>	<u>0</u>
Total	\$0	\$215,000	\$0

This funding request contributes to the DOT Global Connectivity strategic objective and to the Reduced Barriers to Trade in Transportation Goods and Services performance outcome goal. Some international aviation markets continue to be the subject of restrictive bilateral agreements that adversely affect prices and limit growth. By removing these barriers, DOT provides the freedom for U.S. and foreign carriers to increase service, lower prices and promote economic growth.

The 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.

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Target:	1.53B	2.99B	3.05B	3.85B	3.90B(r)	3.92(r)
Actual:	2.97B	3.01B	3.83B	3.94B		

(r) Revised.

The number of international negotiations conducted annually to remove market distorting barriers to trade in transportation.

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Target	10 rounds	10 rounds	12 rounds	11 rounds	12 rounds	12 rounds
Actual	10 rounds	10 rounds	23 rounds	12 rounds		

Number of new or expanded bilateral and multilateral aviation agreements completed.

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Target	2	3	3	2	3	3
Actual	2	4	3	4		

Number of proceeding to award U.S. carriers newly available international route rights.

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Target	N/A	N/A	N/A	8	8	8
Actual	N/A	N/A	4	13		

This request will allow DOT to pursue strategies for reducing barriers between the U.S. and countries with which the U.S. has restrictive aviation agreements. Such restrictive agreements severely limit the access of U.S. air carriers and consumers to new markets. This funding request provides DOT with more accurate information on which to assess the number of consumers that benefit from liberalized bilateral and multilateral aviation agreements. With a further emphasis on and analysis of the potential database for new and expanded agreements (as measured by population) the DOT can better define its objectives, open skies or liberalized agreements, and direct its resources toward the goal of extending economic benefits to more consumers.

The resources requested to achieve this goal follow:

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2010
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>Actual</u>	<u>Enacted</u>	<u>REQUEST</u>
3. GLOBAL CONNECTIVITY STRATEGIC GOAL			
A. <u>Reduced Barriers to Trade</u>			
a. Number of international negotiations conducted annually to remove market distorting barriers to trade in air transportation.			
	<u>3,124</u>	<u>2,217</u>	<u>2,321</u>
Salaries & Expenses (S-3)	616	630	692
Salaries & Expenses (C)	936	1,587	1,629
Transportation Planning, Research & Development	1,572	0	0
b. Number of new or expanded bilateral and multilateral aviation agreements completed.			
	<u>1,838</u>	<u>630</u>	<u>692</u>
Salaries & Expenses (S-3)	616	630	692
Transportation Planning, Research & Development	1,222	0	0
c. Number of potential air transportation consumers (in billions) in international markets between the U.S. and countries with open skies agreements.			
	<u>1,838</u>	<u>630</u>	<u>692</u>
Salaries & Expenses (S-3)	616	630	692
Transportation Planning, Research & Development	1,222	0	0
d. Number of proceedings to award U.S. carriers newly available international route rights.			
	<u>0</u>	<u>0</u>	<u>0</u>
e. Other			
	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	6,800	3,477	3,705

GLOBAL CONNECTIVITY

Performance Goal: Reduced barriers to trade in transportation goods and services.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY OF TRANSPORTATION FOR POLICY

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>
Under Secretary of Transportation for Policy	<u>1,848</u>	<u>1,890</u>	<u>2,076</u>
Total	1,848	1,890	2,076

PERFORMANCE ISSUE:

Our Nation’s prosperity relies on access to foreign markets, and access requires efficient and competitive global transportation networks. International trade in transportation goods and services continues to play an increasingly important role in the Nation’s economic well-being. The globalization of the American economy has put pressure on our ports, borders, and airports. Many of the Nation’s most important infrastructure facilities (truck terminals, port facilities, rail yards, and airports) are located in major urban areas. When combined with growing local traffic volumes, greater volumes of international freight and passenger traffic will result in more congestion and delay and, as a result, higher shipping and travel costs. Continued restrictions that prevent access to foreign markets for transportation services are harmful to U.S. commercial interests. Unless new technologies and operating procedures are adopted, heightened security requirements will increase transit times for passenger and freight movements, which would result in higher operating costs for transportation operators and higher costs for U.S. shippers and the traveling public. Higher transportation costs would make it more difficult for U.S. business to compete in international markets.

FY 2009 PERFORMANCE BUDGET REQUEST:

Funding is requested to primarily fund staff to formulate and evaluate policy relating to reducing barriers to trade in transportation goods and services and associated operating expenses.

OFFICE OF THE GENERAL COUNSEL

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
General Counsel (C)	<u>936</u>	<u>1,587</u>	<u>1,629</u>
Total	\$ 936	\$ 1,587	\$ 1,629

Office of the Assistant General Counsel for Aviation Enforcement and Proceedings**PERFORMANCE ISSUE:**

The Office of the Assistant General Counsel for Aviation Enforcement and Proceedings (Enforcement Office) carries out enforcement and fitness activities which can be divided into four basic areas: (1) aviation economic and civil rights enforcement activities; (2) legal guidance and air carrier fitness review; (3) Public Counsel activities; and (4) program fraud enforcement. The Aviation Consumer Protection Division (ACPD), part of the Enforcement Office, plays an important role in assisting, educating, and protecting consumers. ACPD undertakes a wide variety of tasks, such as handling consumer complaints about air travel, responding to Congressional inquiries regarding constituent travel problems (e.g., 400-700 inquiries are received each fiscal year) and conducting investigations of airlines for violations of DOT rules.

The office is involved in initiatives begun by the Department to address unfair competitive practices in the airline industry and, if necessary, pursue compliance and/or enforcement action. Staff members are working with the Office of the Assistant Secretary for Aviation and International Affairs on anticompetitive practices in the airline industry.

The other areas of significant enforcement compliance activity relating to eliminating unfair methods of competition involve unauthorized operations, deceptive advertising, and violations of Public Charter and other consumer protection rules. Unauthorized operations may involve unlicensed common carriage or operations by a licensed carrier for which it has no authority. Deceptive advertising involves a number of different situations which could result in unfair competition such as a foreign carrier advertising service for which it lacks the requisite economic authority from the Department or a carrier failing to disclose in its fare advertisement the full price of flights it promotes. Public Charter rule violations involve the failure of a charter operator or airline to properly protect passenger payments as required by Department rules and result in situations where consumers may be stranded, including at foreign points, when a charter operator or airline goes out of business. Other consumer protection rules cover areas such as refunds, denied boarding compensation, on time performance disclosure and baggage liability.

In FY 2008, 15 cease and desist orders were issued covering unauthorized operations and deceptive practice violations and more than \$800,000 in civil penalties were assessed. The orders set precedent and provide the industry guidance on unacceptable conduct involving

unauthorized air transportation, unfair and deceptive practices, and other consumer protection rules.

The Enforcement Office will also continue working to educate, and where necessary support negotiations with, regulatory bodies in other countries on matters involving the distinction between “private” and “commercial” air services, including fractional ownership aviation programs. This continuing work will both assure foreign states that all operations meet appropriate economic and safety standards and ensure that they appreciate the rationale, which includes efficiencies and broad benefits to the economy as a whole, behind the U.S. treatment of fractional ownership operations as “private” rather than “commercial” operations, and encourage similar recognition of such operations by the foreign states.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

- Address unfair competitive practices in the airline industry and, if necessary, pursue compliance and/or enforcement action.
- Eliminate unfair methods of competition that involve unauthorized operations or deceptive advertising.
- Pursue investigations of other consumer protection rule violations.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office of the General Counsel is requesting \$1.629 million to support DOT’s continuing efforts to reduce trade barriers in transportation of goods and services and enhance international competitiveness of U.S. transport providers and manufacturers, and protect aviation consumers. The FY 2010 request represents a small funding increase over the FY 2009 enacted level to annualize the cost of the FY 2009 pay raise and to pay for a two percent civilian pay raise and a .5 percent inflation adjustment in FY 2010.

GLOBAL CONNECTIVITY

Performance Goal: Reduced barriers to trade in transportation goods and services.

FY 2010 BUDGET REQUEST

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Under Secretary of Transportation for Policy	<u>4,016</u>	<u>0</u>	<u>0</u>
Total	\$4,016	\$0	\$0

GLOBAL CONNECTIVITY

Performance Goal: Safe, more efficient and cost effective movement of passengers and cargo throughout international and domestic transportation systems, including U.S. ports of entry, modal and intermodal supply chains.

This funding request contributes to the DOT Global Connectivity strategic objective and to the safer, more efficient and cost effective movement of passengers and cargo throughout international and domestic transportation systems, including U.S. ports of entry, modal and intermodal supply chains performance outcome goal. Some international aviation markets continue to be the subject of restrictive bilateral agreements that adversely affect prices and limit growth. By removing these barriers, DOT provides the freedom for U.S. and foreign carriers to increase service, lower prices and promote economic growth.

This request will allow DOT to pursue strategies for reducing barriers between the U.S. and countries with which the U.S. has restrictive aviation agreements. Such restrictive agreements severely limit the access of U.S. air carriers and consumers to new markets. This funding request provides DOT with more accurate information on which to assess the number of consumers that benefit from liberalized bilateral and multilateral aviation agreements. With a further emphasis on and analysis of the potential database for new and expanded agreements (as measured by population) the DOT can better define its objectives, open skies or liberalized agreements, and direct its resources toward the goal of extending economic benefits to more consumers.

The resources requested to achieve this goal follow:

**OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)**

PERFORMANCE GOALS/MEASURES by PROGRAM ACTIVITIES	FY 2008 <u>ACTUAL</u>	FY 2009 <u>ENACTED</u>	FY 2010 <u>REQUEST</u>
3. Global Connectivity			
B. Safe, more efficient and cost effective movement of passengers and cargo throughout international and domestic transportation systems, including U.S. ports of entry, modal and intermodal supply chains			
a. Other			
Salaries and Expenses	1,448	1,481	1,626
Transportation Planning, Research and Development	1,977	2,365	2,760
Discretionary Grants - Recovery Act	<u>0</u>	<u>210,000</u>	<u>0</u>
Subtotal	\$3,425	\$213,846	\$4,386

GLOBAL CONNECTIVITY

Performance Goal: Safe, more efficient and cost effective movement of passengers and cargo throughout international and domestic transportation systems, including U.S. ports of entry, modal and intermodal supply chains.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY OF TRANSPORTATION FOR POLICY

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
Under Secretary of Transportation for Policy (S-3)	<u>1,448</u>	<u>1,481</u>	<u>1,626</u>
Total	\$1,448	\$1,481	\$1,626

PERFORMANCE ISSUE:

To improve the safety, security, and efficiency of the nation’s international transportation systems and gateways, DOT will continue to work to liberalize transportation markets; expand the capacity and efficiency of our freight and passenger transportation systems; improve intermodal connections and linkages; ensure that new technologies, procedures, and infrastructure improvements are adopted to improve security and operating efficiency; and practice positive engagement with key foreign partners to maximize improvement of system linkages on both the foreign and domestic sectors of the transportation chain.

FY 2009 PERFORMANCE BUDGET REQUEST:

Funding is requested to primarily fund staff to formulate and evaluate policy relating to providing safer, more efficient and cost effective movement of passengers and cargo throughout International and domestic transportation systems, including U.S. ports of entry, modal and intermodal supply chains and associated operating expenses.

GLOBAL CONNECTIVITY

Performance Goal: Safe, more efficient and cost effective movement of passengers and cargo throughout international and domestic transportation systems, including U.S. ports of entry, modal and intermodal supply chains.

FY 2010 BUDGET REQUEST

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>
Under Secretary of Transportation for Policy	<u>1,977</u>	<u>2,365</u>	<u>2,760</u>
Total	\$1,977	\$2,365	\$2,760

PERFORMANCE ISSUE:

To improve the safety, security, and efficiency of the nation’s international transportation systems and gateways, DOT will continue to work to liberalize transportation markets; expand the capacity and efficiency of our freight and passenger transportation systems; improve intermodal connections and linkages; ensure that new technologies, procedures, and infrastructure improvements are adopted to improve security and operating efficiency; and practice positive engagement with key foreign partners to maximize improvement of system linkages on both the foreign and domestic sectors of the transportation chain.

FY 2009 PERFORMANCE BUDGET REQUEST:

Funding is requested for the proposed research and development projects and to fund staff to formulate and evaluate policy relating to providing safer, more efficient and cost effective movement of passengers and cargo throughout International and domestic transportation systems, including U.S. ports of entry, modal and intermodal supply chains and associated operating expenses.

Aviation Data Modernization\$945,300

To establish an updated and enhanced airline traffic and financial data collection system that is mission-critical to national aviation infrastructure planning and development. The requested funding will be used to design and construct a computer system to implement the redesign of the traffic and financial data collected by the Department from the airlines as required by statute, based on industry consensus developed through the rulemaking process. The Data Modernization Program will provide the appropriate data required to administer statutorily mandated aviation programs. It seeks to reduce the reporting burden on the airline industry that also uses this data intensively in planning its business, while enhancing the quality, utility, and accessibility of the data. This project supports the Safer, More Efficient and Cost Effective

Movement of Passengers and Cargo Throughout International and Domestic Transportation Systems, Including U.S. Ports of Entry, Modal and Intermodal Supply Chains performance goal, the President’s Second Term Priority of the International Trade Data System, and the Secretarial priorities of International Transportation Liberalization and the Next Generation Air Transportation/Joint Planning and Development Office.

Updated Study of Passenger Demand for Air Travel\$100,000

To study passenger demand for air travel. Previously, DOT conducted an internal study to examine how demand for air travel had changed in recent years, incorporating the industry downturn and identifying differences in passenger responses at different price levels. This study expanded the depth of understanding by exploring changes at different points (e.g. price ranges) along the demand curve. It also expanded the breadth (e.g. range of actual and potential demand) of understanding by considering demand that was unmet because prices were too high for the consumer. Together, these approaches tracked how the relationship between price and quantity had changed over time at different points on the curve for different market types and passenger segments. We seek funding for an update of this study, including access to updated, relevant, non-U.S. DOT data. This project supports the Safer, More Efficient and Cost Effective Movement of Passengers and Cargo Throughout International and Domestic Transportation Systems, Including U.S. Ports of Entry, Modal and Intermodal Supply Chains performance goal and the Secretarial priority of the Next Generation Air Transportation/Joint Planning and Development Office.

***Administrative Costs*\$1,714,700**

GLOBAL CONNECTIVITY

Performance Goal: Safe, more efficient and cost effective movement of passengers and cargo throughout international and domestic transportation systems, including U.S. ports of entry, modal and intermodal supply chains.

FY 2010 BUDGET REQUEST

**SUPPLEMENTAL DISCRETIONARY GRANTS FOR THE NATIONAL SURFACE
TRANSPORTATION SYSTEM**

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>
Office of the Under Secretary for Policy	<u>0</u>	<u>210,000</u>	<u>0</u>
Total	\$0	\$210,000	\$0

GLOBAL CONNECTIVITY

Performance Goal: Enhance the international competitiveness of U.S. transport providers and manufacturers.

This funding request contributes to the DOT Global Connectivity strategic objective and to the enhanced competitiveness of U.S. transport providers and manufacturers, in the global marketplace performance outcome goal. Some international aviation markets continue to be the subject of restrictive bilateral agreements that adversely affect prices and limit growth. By removing these barriers, DOT provides the freedom for U.S. and foreign carriers to increase service, lower prices and promote economic growth.

This request will allow DOT to pursue strategies for reducing barriers between the U.S. and countries with which the U.S. has restrictive aviation agreements. Such restrictive agreements severely limit the access of U.S. air carriers and consumers to new markets. This funding request provides DOT with more accurate information on which to assess the number of consumers that benefit from liberalized bilateral and multilateral aviation agreements. With a further emphasis on and analysis of the potential database for new and expanded agreements (as measured by population) the DOT can better define its objectives, open skies or liberalized agreements, and direct its resources toward the goal of extending economic benefits to more consumers.

The resources requested to achieve this goal follow:

OFFICE OF THE SECRETARY

**Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)**

PERFORMANCE GOALS/MEASURES by PROGRAM ACTIVITIES	FY 2008 <u>ACTUAL</u>	FY 2009 <u>ENACTED</u>	FY 2010 <u>REQUEST</u>
3. Global Connectivity			
C. Enhance the international competitiveness of U.S. transport providers and manufacturers			
a. Other			
Salaries and Expenses (S-3)	1,092	0	0
Transportation Planning, Research and Development	<u>430</u>	<u>0</u>	<u>192</u>
Subtotal	\$1,522	\$0	\$192

GLOBAL CONNECTIVITY

Performance Goal: Enhance the international competitiveness of U.S. transport providers and manufacturers.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY OF TRANSPORTATION FOR POLICY

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
Under Secretary of Transportation for Policy (S-3)	<u>1,092</u>	<u>0</u>	<u>0</u>
Total	<u>1,092</u>	<u>0</u>	<u>0</u>

GLOBAL CONNECTIVITY

Performance Goal: Enhance the international competitiveness of U.S. transport providers and manufacturers.

FY 2010 BUDGET REQUEST

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>
Under Secretary of Transportation for Policy	<u>430</u>	<u>0</u>	<u>192</u>
Total	\$430	\$0	\$192

PERFORMANCE ISSUE:

Continued restrictions that prevent access to foreign markets for transportation services are harmful to U.S. commercial interests. Unless new technologies and operating procedures are adopted, heightened security requirements will increase transit times for passenger and freight movements, which would result in higher operating costs for transportation operators and higher costs for U.S. shippers and the traveling public. Higher transportation costs would make it more difficult for U.S. business to compete in international markets.

FY 2009 PERFORMANCE BUDGET REQUEST:

Funding is requested for the proposed research and development projects and to fund staff to formulate and evaluate policy relating to enhancing competitiveness of U.S. Transport Providers and Manufacturers and associated operating expenses.

Maintenance and Calibration of the Planet Airline Network Analysis Model\$65,000

This project provides for the maintenance and calibration of a sophisticated airline network computer evaluation model previously purchased and currently being used by DOT analysts. The annual costs cover maintenance, training, support, upgrades, calibration, and remote hosting. The model has a broad range of applications for providing critical assessments of the evolving competitiveness of domestic and international aviation markets, rational economic bases for carrier selection decisions, forecasts on the effects on competition of proposed mergers and alliances, and assessments of airport improvement funding requirements. This project supports the Enhanced Competitiveness of U.S. Transport Providers and Manufacturers, in the Global Marketplace performance goal and the Secretarial priority of International Transportation Liberalization.

Administrative Costs\$127,000

GLOBAL CONNECTIVITY

Performance Goal: Expand opportunities for all businesses in the transportation sector, especially women-owned and disadvantaged businesses.

This funding request contributes to the DOT Global Connectivity strategic objective and to the extend opportunities for all businesses especially women-owned and disadvantaged businesses performance outcome goal.

Percent share of the total dollar value of DOT direct contracts that are awarded to women-owned businesses.

Target:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
	5.1	5.1	5.1	5.0	5.0	5.0
Actual:	6.6	8.4(r)	10.4(r)	7.0*		

(r) = Revised; * = preliminary data through July 2008.

Percent share of the total dollar value of DOT direct contracts that are awarded to small disadvantaged businesses.

Target:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
	14.5	14.5	14.5	14.0	14.0	14.0
Actual:	12.7	16.2(r)	18.0(r)	16.0*		

(r) = Revised; * = preliminary data through July 2008.

This request would allow DOT to increase the percentage of contracts awarded to women-owned and small disadvantaged businesses.

The resources requested to achieve this goal are:

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2010
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
3. GLOBAL CONNECTIVITY STRATEGIC GOAL			
E. <u>Expand Business Opportunities</u>			
a. Percent of total dollar value of DOT direct contracts awarded to women owned businesses.	<u>2,599</u>	<u>2,668</u>	<u>2,742</u>
Salaries & Expenses (S-40)	668	684	749
Minority Business Outreach	1,485	1,528	1,537
Minority Business Resource Center	447	456	456
b. Percent of total dollar value of DOT direct contracts awarded to small disadvantaged businesses.	<u>2,599</u>	<u>2,668</u>	<u>2,742</u>
Salaries & Expenses (S-40)	668	684	749
Minority Business Outreach	1,485	1,528	1,537
Minority Business Resource Center	447	456	456
c. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	5,198	5,337	5,485

GLOBAL CONNECTIVITY

Performance Goal: Expand opportunities for all businesses in the transportation sector, especially women-owned and disadvantaged businesses.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of Small and Disadvantaged Business Utilization (S-40)	1,335	1,369	1,499
Total	\$1,335	\$1,369	\$1,499

PERFORMANCE ISSUE:

The Office of Small and Disadvantaged Business Utilization has primary responsibility for providing policy direction for small and disadvantaged business participation in the Department’s procurement and grant program, and duties under sections 8 and 15 of the Small Business Act, as amended.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

In support of implementing the Department’s responsibilities under sections 8 and 15 of the Small Business Act, as amended, a priority in FY 2009 will continue to be placed on ensuring that effective outreach activities are in place to broaden the small and disadvantaged business participation in DOT procurements and DOT-funded contracts and grants for transportation-related projects across the nation.

FY 2009 PERFORMANCE BUDGET REQUEST:

The Office of Small and Disadvantaged Business Utilization is requesting \$1.499 million and 9 FTEs in FY 2010. The request represents a small funding increase over the FY 2009 enacted level to annualize the FY 2009 pay raise, pay for a two percent pay raise and a .5 percent inflation adjustment in FY 2010, and fully fund the 9 FTEs authorized for the program.

GLOBAL CONNECTIVITY

Performance Goal: Expand opportunities for all businesses in the transportation sector, especially women-owned and disadvantaged businesses.

FY 2010 BUDGET REQUEST

MINORITY BUSINESS OUTREACH

(In thousands of dollars)

	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Request</u>
Minority Business Outreach	<u>2,970</u>	<u>3,056</u>	<u>3,074</u>
Total	\$2,970	\$3,056	\$3,074

PERFORMANCE ISSUE:

The Minority Business Outreach program encourages and assists small businesses, disadvantaged businesses, and women-owned businesses to participate in DOT and DOT-assisted contracts and grants. It operates under Title 49, subtitle 1, chapter 3, subchapter II, Sec. 332.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

The SBTRC program will provide assistance to the small business community through an array of services during FY 2009. The SBTRC services will include: business counseling, business analysis, collaboration with their Regional Planning Committees in each of the nine SBTRC locations.

Technical Assistance will also be provided to assist small businesses with certifications, such as DBE, 8(a), HubZone, women-owned small businesses and service disabled veteran owned small businesses. The SBTRC program will plan and present several Short Term Lending Program workshops for small businesses, and have local banks participating in the sessions.

FY 2010 PERFORMANCE BUDGET REQUEST:

The MBO program is requesting \$3.074 million in FY 2010 for 1 FTE and outreach to the small and disadvantaged business community to encourage participation in DOT-funded contracting opportunities, empower them to compete for and obtain those

opportunities and expand the community of successful small and small and disadvantaged transportation contractors. The FY 2010 request includes a small funding increase over the FY 2009 enacted level to fund annualization of the 2009 pay raise and 2010 a two percent pay raise for the 1 FTE authorized for the program and fund a .5 percent inflation adjustment in FY 2010. Its major programs are listed below.

Disadvantaged Business Enterprise--National Information Clearinghouse (NIC)

In 2009 the Minority Business Outreach program will continue to maintain a national information clearinghouse for minority entrepreneurs and businesses to disseminate information on business opportunities related to the maintenance, rehabilitation, restructuring, improvement, and revitalization of the railroads of the United States. The program addresses capacity needs by conducting market research, planning, economic and business analyses, and feasibility studies to identify business opportunities and assist minority entrepreneurs and businesses in obtaining investment capital and debt financing. The program is designed to have a significant impact on the *Disadvantaged Business Enterprise (DBE)* program administered by the Department under 49 USC. The Center is responsible for the design and implementation of programs to encourage, promote, and assist DBE owners and small disadvantaged firms in receiving contracts and subcontracts related to transportation projects, and to develop support mechanisms, including venture capital, surety and bonding organizations. The Center provides assistance in obtaining short-term working capital and bonding for disadvantaged businesses, minority-owned businesses, and women-owned businesses DBE/WBEs.

Minority Educational Institutions (MEIs) Program

In FY 2009 the Minority Business Outreach program will continue to administer the *Entrepreneurial Training and Technical Assistance Program (ETTAP)* through Partnership Agreements with Minority Educational Institutions (MEIs), including Historically Black Colleges and Universities, Hispanic Serving Institutions and Tribal Colleges. The program combines the efforts of MEIs, the federal government, and the private sector to focus on providing transportation-related assistance and procurement information to women-owned firms, small disadvantaged firms, and DBEs. The program concentrates on the following three transportation-related areas: (1) Training/technical assistance on the use of and access to Electronic Commerce and the Internet; (2) Transportation-related student internships; and (3) Assistance for students in understanding the opportunities and challenges facing young entrepreneurs in the transportation industry.

Transportation Equity Act Model (TEAM) and Special Program Initiatives

In FY 2009, the Minority Business Outreach program will continue to operate a Disadvantaged Business Enterprise (DBE) outreach program, Small Business Resource Centers (SBTRCs), by means of cooperative agreements with chambers of commerce and trade associations. These SBTRCs offer a comprehensive delivery system that targets services toward DBEs to assist them in becoming successful transportation contractors.

Service providers operating under the cooperative agreement identify opportunities for contracts with design-build projects and mega projects funded by DOT. Consulting services are necessary to assist the SBTRCs in conducting outreach events and conferences as part of a national effort to provide information to small businesses. The outreach events bring together Office of Small and Disadvantaged Business Utilization (OSDBU) officials, other representatives from DOT, prime contractors, city and state officials, and procurement officers to share a broad range of opportunities for women-owned firms, small disadvantaged firms, and DBEs.

The FY 2009 request will also support ongoing research to identify areas where there is little or no participation from small and disadvantaged firms to provide advisory, financing, strategic partnering and business enhancement consulting to the targeted areas.

GLOBAL CONNECTIVITY

Performance Goal: Expand opportunities for all businesses in the transportation sector, especially women-owned and disadvantaged businesses.

FY 2010 BUDGET REQUEST

MINORITY BUSINESS RESOURCE CENTER PROGRAM

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Guaranteed Loan Subsidy	370	353	353
Administrative Expenses	<u>523</u>	<u>559</u>	<u>559</u>
Total	\$893	\$912	\$912
 Guaranteed Loan Limitation	 [18,367]	 [18,367]	 [18,367]

PERFORMANCE ISSUE:

The Short Term Lending Program (STLP) offers certified DBEs including minority and women-owned businesses, the opportunity to obtain short-term working capital at an affordable interest rate for transportation-related projects. The program guarantees revolving lines of credit to finance accounts receivable arising from transportation-related contracts. The primary collateral is the proceeds of the contracts. Borrowing under the lines of credit allows the borrower to meet short-term operating costs. The lines of credit are generally \$750,000 or less, and DOT guarantees up to 75 percent of the loan. This program is one of the tools available to support achievement of the Departmental performance goals of (1) 5.1 percent of DOT direct contract dollar value awarded to women-owned businesses and (2) 14.5 percent of DOT direct contract total dollar value awarded to small disadvantaged businesses.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

In FY 2009, priority will continue to be placed on broadening participation in the program through more focused outreach efforts and increasing both the number of and the geographic distribution of participating lenders, while maintaining or reducing the historically low default rate.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Minority Business Resource Center (MBRC) is requesting \$912,000 in FY 2010 for the STLP, the same as the enacted level in FY 2009. Of this, \$342,000 is requested for

the guaranteed loan subsidy, and \$570,000 is requested for the program's administrative expenses, including the annualization of the 2009 pay raise and a 2010 two percent civilian pay raise for the 1 FTE authorized for the program and a .5 percent inflation adjustment in FY 2010.

With this funding, the MBRC will be able to guarantee revolving lines of credit totaling \$18.367 million.

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs and administrative expenses of the Short Term Lending Program.

ENVIRONMENTAL STEWARDSHIP

Performance Goal: Reduction in pollution and other adverse environmental effects of transportation and transportation facilities.

This funding request contributes to the DOT Environmental Stewardship strategic objective and reduce pollution and other adverse environmental effects of transportation and transportation facilities performance outcome goal.

Percentage of DOT facilities categorized as No Further Remedial Action Planned (NFRAP) under the Superfund Amendments and Reauthorization Act (SARA).

Target:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
	93	93	93	93	93	93
Actual:	92	92	93	94		

This request would allow DOT to maintain progress in minimizing negative environmental impacts from its transportation projects.

This funding request contributes to the DOT Environmental Stewardship strategic objective and the reduce pollution and other adverse environmental effects of transportation and transportation facilities performance outcome goal.

This request would allow DOT to reduce mobile source emissions by encouraging the use of less polluting transportation; designing and implementing infrastructure that reduces congestion and emissions; researching and modeling the emissions impacts of investment choices; and, supporting the development of fuel- and emission-efficient vehicles.

ENVIRONMENTAL STEWARDSHIP

Performance Goal: Reduction in pollution and other adverse environmental effects of transportation and transportation facilities.

The resources requested to achieve this goal are:

**OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)**

	FY 2008	FY 2009	FY 2010
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
4. ENVIRONMENTAL STEWARDSHIP			
A. <u>Reduction in Pollution</u>			
a. Percent of DOT facilities characterized as 'No Further Remedial Action' under the Superfund Amendments	<u>0</u>	<u>0</u>	<u>0</u>
b. Other	<u>4,061</u>	<u>5,767</u>	<u>2,004</u>
Salaries & Expenses (S-3)	964	986	1,082
Transportation Planning, Research & Development	3,097	4,781	922
Subtotal Performance Goal	4,061	5,767	2,004

ENVIRONMENTAL STEWARDSHIP

Performance Goal: Reduction in pollution and other adverse environmental effects of transportation and transportation facilities.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF THE UNDER SECRETARY FOR POLICY

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>
Office of the Under Secretary for Policy	<u>964</u>	<u>986</u>	<u>1,082</u>
Total	\$964	\$986	\$1,082

PERFORMANCE ISSUE:

Provide expert policy advice on transportation related impacts on the natural and human environment on activities related to air quality, water quality, ecosystem management, noise, emissions, sustainability, and quality of life.

FY 2009 PERFORMANCE BUDGET REQUEST:

Funding is requested to primarily fund staff to formulate and evaluate policy to meet the Environmental Stewardship strategic objectives and performance goals and fund associated operating expenses.

ENVIRONMENTAL STEWARDSHIP

Performance Goal: Reduction in pollution and other adverse environmental effects of transportation and transportation facilities.

FY 2010 BUDGET REQUEST

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Under Secretary for Policy	<u>3,097</u>	<u>4,781</u>	<u>922</u>
Total	\$3,097	\$4,781	\$922

PERFORMANCE ISSUE:

Provide expert policy advice on transportation related impacts on the natural and human environment on activities related to air quality, water quality, ecosystem management, noise, emissions, sustainability, and quality of life.

FY 2009 PERFORMANCE BUDGET REQUEST:

Funding is requested for the following proposed research and development projects and to fund staff to formulate and evaluate policy to meet the Environmental Stewardship strategic objectives and performance goals and fund associated operating expenses.

Policy Issues & Environmental Implications of New Energy and Emissions Reductions Technologies and Fund Contribution to DOT Climate Change Center.....\$200,000

The proposed study would address the policy issues and environmental implications of new energy and emissions reduction technologies, including policy related to emerging clean vehicle technologies and fuels. This funding includes the Policy office contribution to the DOT intermodal Climate Change Center, which provides a focal point for DOT's research and technical expertise on transportation and climate change. Policy support would assist the Center in promoting comprehensive multimodal approaches to reduce green house gas (GHG) emissions from transportation, making data collection more uniform across transportation, and integrate climate change into other environmental policy research. The proposed research would support additional phases of the Center's research on the Impacts of Climate Change on Transportation, one of the 21 high profile synthesis and assessment projects of the President's Climate Change Research Initiative (CCRI). This program supports the environmental stewardship Reduction in Pollution and

Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal.

Policy Instruments to Reduce Environmental Impacts of Transportation\$100,000

This study would continue work to examine policy instruments that can be used to help manage environmental impacts of transportation. The study would analyze the effectiveness of policy tools and congestion management strategies in all modes of transportation in reducing congestion, reducing environmental impacts, and enhancing mobility. Strategies such as terminal pricing, lane pricing, and peak spreading incentives would be evaluated. It would also examine areawide mitigation approaches, such as ecosystem mitigation strategies. This project supports the Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal.

Impact of More Stringent Ozone National Ambient Air Quality Standard (NAAQS) on Transportation and Mitigation of Air Quality Impacts.....\$50,000

In response to anticipated Environmental Protection Agency (EPA) promulgation of a revised ozone NAAQS, the study will investigate the effects on transportation of a new standard and policy issues related to implementation. The study would evaluate challenges facing transportation agencies as implementation policies for the new standard are put in place. The study would examine differences in ozone precursor emissions among different modes of transportation. The study would explore mitigation to address local air quality impacts of ports, airports, freight terminals and examine appropriate transportation control measures for consideration in transportation planning for passenger and freight infrastructure. This project supports the Reduction in Pollution and Other Adverse Environmental Effects From Transportation and Transportation Facilities performance goal.

Administrative Costs\$572,000

ENVIRONMENTAL STEWARDSHIP
Performance Goal: Streamline environmental review of transportation infrastructure projects.

This funding request contributes to the DOT Environmental Stewardship strategic objective and reduce pollution and other adverse environmental effects of transportation and transportation facilities performance outcome goal.

Percentage of DOT facilities categorized as No Further Remedial Action Planned (NFRAP) under the Superfund Amendments and Reauthorization Act (SARA).						
Target:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
	93	93	93	93	93	93
Actual:	92	92	93	94		

This request would allow DOT to maintain progress in minimizing negative environmental impacts from its transportation projects.

This funding request contributes to the DOT Environmental Stewardship strategic objective and the reduce pollution and other adverse environmental effects of transportation and transportation facilities performance outcome goal.

This request would allow DOT to reduce mobile source emissions by encouraging the use of less polluting transportation; designing and implementing infrastructure that reduces congestion and emissions; researching and modeling the emissions impacts of investment choices; and, supporting the development of fuel- and emission-efficient vehicles.

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2010
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
4. ENVIRONMENTAL STEWARDSHIP			
B. Streamline Environmental Review			
a. Other	0	0	403
Transportation Planning, Research & Development	0	0	403
Subtotal Performance Goal	0	0	403

ENVIRONMENTAL STEWARDSHIP
Performance Goal: Streamline environmental review of transportation infrastructure projects.

FY 2010 BUDGET REQUEST

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>
Office of the Under Secretary for Policy	<u>0</u>	<u>0</u>	<u>403</u>
Total	\$0	\$0	\$403

PERFORMANCE ISSUE:

Provide expert policy advice on transportation related impacts on the natural and human environment on activities related to air quality, water quality, ecosystem management, noise, emissions, sustainability, and quality of life.

FY 2009 PERFORMANCE BUDGET REQUEST:

Funding is requested for the following proposed research and development projects and to fund staff to formulate and evaluate policy to meet the Environmental Stewardship strategic objectives and performance goals and fund associated operating expenses.

Alternative Fuels Infrastructure\$150,000

The Energy Independence and Security Act of 2007 is consistent with the President’s “Twenty in Ten” proposal, calls for a major expansion in alternative and renewable fuels production. DOT will undertake a long-term study of the multi-modal freight infrastructure necessary to support high levels of alternative transportation fuels usage, identifying long-run bottlenecks and opportunities for mode shifting and intermodal facilities. This project supports DOT’s congestion reduction and environmental stewardship performance goals in the freight sector.

Administrative Costs\$253,000

SECURITY, PREPAREDNESS AND EMERGENCY RESPONSE
Performance Goal: Expert transportation sector intelligence.

This funding request contributes to the DOT Security, Preparedness and Response strategic objective and to the expert transportation sector intelligence performance outcome goal.

Percent of intelligence briefings delivered at each DOT tier.						
	2005	2006	2007	2008	2009	2010
Target	N/A	N/A	N/A	N/A	N/A	Baseline
Actual	N/A	N/A	N/A	N/A		

NOTE: New multi-modal measures baseline performance targets to be established after three years of baseline actual data.

This request would allow DOT to increase the overall resistance of the national transportation system and ensure the national transportation system meets homeland and national security requirements.

The resources requested to achieve this goal are:

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2010
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>Actual</u>	<u>Enacted</u>	REQUEST
5. SECURITY, PREPAREDNESS AND RESPONSE			
A. <u>Intelligence</u>			
a. Percent of intelligence briefings delivered at each DOT tier.	<u>2,179</u>	<u>4,401</u>	<u>2,268</u>
Salaries & Expenses (S-60)	2,004	2,169	2,268
Transportation Planning, Research & Development	175	2,232	0
b. Other	<u>4,293</u>	<u>4,653</u>	<u>4,791</u>
Salaries & Expenses (S-80)	4,293	4,653	4,791
Subtotal Performance Goal	<u>6,472</u>	<u>9,054</u>	<u>7,059</u>

SECURITY, PREPAREDNESS AND EMERGENCY RESPONSE
Performance Goal: Expert transportation sector intelligence.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF INTELLIGENCE, SECURITY, AND EMERGENCY RESPONSE

	<u>FY 2008</u> <u>Actual</u>	<u>FY 2009</u> <u>Enacted</u>	<u>FY 2010</u> <u>Request</u>
Office of Intelligence, Security and Emergency Response	2,179	4,401	2,268
Total	\$2,179	\$4,401	\$2,268

PERFORMANCE ISSUE:

The Office of Intelligence, Security, and Emergency Response is the Department’s primary point of contact with the Homeland Security Council (HSC), National Security Council (NSC), and the Department of Homeland Security (DHS) for all aspects of intelligence, preparedness, and operations. The office routinely interacts with various other agencies within DHS, such as the Transportation Security Administration, Federal Emergency Management Administration, and others, as well as the Department of Defense, Health and Human Services, etc. The office represents the Department on numerous Policy Coordination Councils, intelligence groups, working groups and other inter-agency forums. Since the events of 9/11 and hurricane Katrina, the Office of Intelligence, Security, and Emergency Response has had its role expanded through additional intelligence requirements, an increase in preparedness responsibilities, and more robust operational demands.

ANTICIPATED FY 2009 ACCOMPLISHMENTS

Intelligence

During Fiscal Year 2009, the Intelligence Division will fulfill its previously stated requirements. Some of the key planned accomplishments are:

- Provide transportation-related intelligence to the Secretary, Deputy Secretary, key OST Offices, and Operating Administrations.
- Analyze threats to domestic and foreign transportation infrastructure and assets and ensure key officials and emergency coordinators within the Operating

Administrations are apprised of specific threats and trends in terrorist tactics and capabilities.

- Assess intelligence related to the transportation industry and international economic and diplomatic and provide that information to the Secretary, Deputy Secretary, key OST Offices, and Operating Administrations.
- Coordinate on draft intelligence analysis and warning products prepared by the National Counterterrorism Center, the Central Intelligence Agency, the Federal Bureau of Investigations, and the Department of Homeland Security.
- Represent the Department and its interests at the Information Sharing Council, the National Implementation Plan for the Global War on Terror, the Customer Service Synchronization Board (CSSB), and National Strategy for Aviation Security (NSAS) workgroups, the Intelligence Community Exercise Forum, the Strategic Homeland Infrastructure Risk Assessment (SHIRA), and other forums regarding intelligence-related issues at the national level.

Security Policy

During Fiscal Year 2009, the Security Policy Division will fulfill its previously stated requirements. Some of the key planned accomplishments are:

- Represent the Department and its interests at forums setting transportation security policy at Federal, State, Local, Tribal and international arenas.
- Continue implementation of the 9/11 Act, assuring DOT meets all 78 of its obligations under the Act.
- Analyze security policy related to the transportation infrastructure and assets and make policy recommendations to key Departmental officials.

FY 2010 PERFORMANCE BUDGET REQUEST:

\$2.3 million of the FY 2010 budget request will be used to support Expert Transportation Sector Intelligence. The request also includes the following programmatic increases necessary to support this effort:

\$132.98 thousand for an additional FTE (GS-15) in conjunction with the transfer from Office of Policy to Office of Intelligence, Security, and Emergency Response of the Department's preparedness effort for pandemic influenza and other biological hazards. This function is a top priority as the Department continues to partner with other lead agencies on agenda items, such as overseas pandemic containment efforts, screening of all inbound international passengers for possible illness early in a pandemic and proper response of the Federal Government in support of State and local governments. This function is in support of the 2005 National Strategy for Pandemic Influenza and its 2006 Implementation Plan and guidance. The basis for the realignment is to have this critical function in the office organized to support preparedness and respond to all crises, including the activities of the Department's Pandemic Influenza Plan. The continued development and activity of the Department's plan to support government-wide activities require this office to provide the technical and program support.

\$72.51 thousand for an additional half-year funded FTE (GS-15) is requested to meet the new and significant workload mandated by the White House in the creation of an Essential Portfolio for Transportation, which has broad responsibilities for aviation and surface transportation issues, along with the rapidly increasing number of committees and working groups that have been set up for interagency planning and coordination. Because Transportation is the most frequent target of terrorist attacks, a vector for disease spread, and one of the critical elements of response and recovery; it is important the Department of Transportation is fully involved in almost all of the portfolios. As a result, the Office of Intelligence, Security, and Emergency Response needs an individual who will be responsible for managing DOT's role. As an example of the workload, there are more than 30 specific Central Portfolios, and each has its own committees and work groups. In the biological area alone, there are more than 35 different groups that DOT is required to participate with. Additionally the functional area of Transportation Critical Infrastructure Security is receiving special attention by the new Administration's Presidential Study Directive # 1 Policy Coordination Committee. Because of the expanded workload, this position is needed to attend meetings where appropriate, identify primary and alternate points-of-contact for each meeting and issue area, ensure meeting materials are received and distributed to the correct individuals prior to meetings, follow-up with those who attended meetings to get notes and briefing materials to distribute as appropriate, and to coordinate all follow-up actions required to ensure that the Department submits any required products on time.

Intelligence

The Intelligence Division provides the Secretary of Transportation and other Department principals with all-source, finished transportation-related intelligence. The intelligence covers current key developments and longer-range regional/worldwide trends in international terrorism; along with global and international issues concerning aviation, trade, transportation markets, trade agreements and a range of other international cooperation and facilitation issues, particularly as they affect U.S. security and international efforts. This mission is accomplished through analysis, reporting, and close coordination with organizations in the Intelligence Community.

The Intelligence function was created on June 14, 1990, in response to the President's Commission on Aviation Security and Terrorism. The initial responsibilities were in response to the Commission's direction. Those responsibilities have significantly increased based on numerous subsequent Presidential Directives and Executive Orders. These include the Intelligence Reform and Prevention of Terrorism Act (IRPTA), Public Law 108-458; the Implementation Plan for the Information Sharing Environment; the National Strategy for Combating Terrorism; the National Intelligence Strategy; the Homeland Security Act of 2002; and several classified National Security Presidential Directives/ Homeland Security Presidential Directives (NSPD/HSPD).

The IRPTA significantly increased workload and established a new paradigm for sharing information. For example, Section 1016 of IRPTA directed that the President establish an Information Sharing Environment (ISE) for the sharing of terrorism information among all appropriate Federal, State, local, tribal entities, and the private sector through the use

of policy guidelines and technologies. As a result of IRPTA, the Program Manager of the ISE (PMISE) created the Information Sharing Council and the Intelligence Division participates in the Council.

Similar workload impacts were caused by NSPD-47/HSPD-16, “Aviation Security Policy,” which established U.S. policy, guidelines, and implementation actions; and directed the development of the National Strategy for Aviation Security (NSAS), that provides the overarching framework for a comprehensive and integrated national approach to security of the Aviation Transportation System.

In order to meet the requirements, work can be summarized as follows:

1. Intelligence Advisor to the Secretary and Other Department Principals. Ensures the Secretary and senior staff are kept informed of significant intelligence and security issues affecting the traveling public, transportation industry, and national security. This intelligence includes analysis of all-source reporting on terrorist threats to transportation and the U.S. Homeland, as well as regional/worldwide trends in international terrorism; and, global and international issues concerning aviation, trade, transportation markets, trade agreements, and a range of other international developments.
2. Liaison with Intelligence and Law Enforcement Communities. Serves as the Department’s primary liaison with the Intelligence and Law Enforcement Communities to ensure the intelligence requirements of the Department and the Operating Administrations are incorporated into Intelligence Community collection and reporting missions. In addition, this office provides support to intelligence and law enforcement agencies that require information and/or analysis from modal experts.
3. Transportation Intelligence Policy Advisor. Advises DOT executives on policy issues related to intelligence, information sharing, and national security strategies coordinated in the National and Homeland Security Councils; and coordinates modal input on specific national-level security plans.

There has been an exponential increase in demand for DOT to provide intelligence analysis of threats to transportation infrastructure, both within the Department and within the Intelligence Community. In addition, the Intelligence Division has become a key player in Intelligence Policy issues supporting the President’s agenda, to include representing the Department at work groups such as the Information Sharing Council and the Customer Service Synchronization Board (CSSB); and helping to develop policy such as the National Implementation Plan for the Global War on Terror. In addition, the Intelligence Division works in conjunction with the Security Policy Division on security policies such as the National Strategy for Aviation Security (NSAS), the Intelligence Community Exercise Forum, and the Strategic Homeland Infrastructure Risk Assessment (SHIRA). DOT’s participation in these important efforts requires considerable effort and often results in the need to surge resources to meet inflexible deadlines.

Security Policy

The Security Policy Division works with all DOT Operating Administrations and Offices within OST in developing and implementing policy on transportation security matters including critical infrastructure protection, hazardous materials transportation, shoulder-launched surface-to-air missiles (MANPADS), and bio-hazards, including pandemic influenza. These activities are in direct support of various Homeland Security Presidential Directives, National Security Presidential Directives, Executive Orders, National Strategies and Congressional mandates. To support the Secretary and Deputy Secretary, the Security Policy staff produces or coordinates in-depth studies, reports, analysis, and Departmental operational plans.

Although the enactment of the Aviation and Transportation Security Act (ATSA) in November 2001, gave the Transportation Security Administration (TSA) primary responsibility for transportation security, it left many critical security-related functions affecting the operations, efficiency, safety, and mobility of the transportation system, within the Operating Administrations of the Department. Further, Section 4001 of the Intelligence Reform and Terrorism Act of 2004, specifically required that the Secretary of Homeland Security work jointly with the Secretary of Transportation in developing, revising, and updating a National Strategy for Transportation Security and transportation modal security plans. In addition, Homeland Security Presidential Directives (HSPDs) formalized the security roles and responsibilities of the various Departments within the Executive Branch, and Congress enacted the Act Implementing the Recommendations of the 9/11 Commission in 2005 to provide additional guidance.

For example, Homeland Security Presidential Directive 7, “Critical Infrastructure Identification, Prioritization and Protection” charges the Secretary of Transportation to provide the Department of Homeland Security with support in identification of critical infrastructure, vulnerability assessments, analysis, and implementation of protective programs, and establishment of measures of effectiveness for continuous improvement. This requirement applies across all modes of transportation and necessitates intermodal coordination. The Department must also ensure the security of the National Airspace System and its own internal critical infrastructure. The Security Policy Division coordinates this implementation with the Department of Homeland Security.

The Security Policy Division leads the departmental approach to participation in White House coordination bodies, including the National Security Council and the Homeland Security Council (HSC); the Deputy Secretary of Transportation to participates in the HSC Deputies Committee, which is a senior sub-Cabinet interagency forum for consideration of policy issues affecting homeland security, and other departmental leaders, primarily the Security Policy staff participate in HSC Policy Coordination Committees. These Coordinating Committees provide policy analysis for consideration by the more senior committees of the HSC system and ensure timely responses to decisions made by the President. They also coordinate the development and implementation of homeland security policies by multiple departments and agencies

throughout the Federal government, and coordinate those policies with State and local government.

The Department is a vital partner with Department of Homeland Security in planning for any required response to a Weapons of Mass Destruction attack, since transportation of goods, responders and victims after an event is critical.

SECURITY, PREPAREDNESS AND EMERGENCY RESPONSE
Performance Goal: Expert transportation sector intelligence.

FY 2009 BUDGET REQUEST

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Under Secretary for Policy	<u>175</u>	<u>2,232</u>	<u>0</u>
Total	\$175	\$2,232	\$0

SECURITY, PREPAREDNESS AND EMERGENCY RESPONSE
Performance Goal: Expert transportation sector intelligence.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF THE CHIEF INFORMATION OFFICER

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Chief Information Officer (S-80)	<u>4,293</u>	<u>4,653</u>	<u>4,791</u>
Total	\$4,293	\$4,653	\$4,791

PERFORMANCE ISSUE:

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT) and cyber security advisor to the Secretary. In this strategic departmental role, the CIO provides leadership on all matters associated with the Department's \$3 billion IT portfolio. This includes security, investment management, and improvements in the delivery of services to the American taxpayer through electronic government initiatives.

It should be noted that the DOT CIO also delivers IT services to DOT customers through the operation of an IT infrastructure that includes e-mail services, a backbone network and help desk support. Operating administrations contract with the CIO for services and reimburse the CIO for the cost of those services through the Working Capital Fund (WCF). The WCF budget (including the CIO component) is provided as a separate part of the Department's budget submission.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Information Assurance and Privacy Management Office (IAPMO) is requesting \$4.79 million for security and privacy initiatives in FY 2010. The FY 2010 request represents a small funding increase over the FY 2009 enacted level to annualize the cost of the FY 2009 pay raise and to pay for a two percent civilian pay raise and a .5 percent inflation adjustment in FY 2010.

In recent years, Federal information systems and networks have increasingly been threatened and come under attack from groups that include criminals and nation-state sponsored entities, with the consequence that DOT and other agencies have seen the initiation of additional programs, above and beyond activities already being performed in support of requirements derived from the Federal Information Security Managers Act (FISMA) of 2002, to enhance the security and resilience of the Federal cyber infrastructure and improve the protection of privacy information of U.S. citizens and others doing business with the Government. Significant new programs including requirements deriving from national Security Presidential Directive 54 / Homeland Security Presidential Directive 23 and the Comprehensive National cybersecurity Initiative are challenging agencies, including DOT, to not just be responsive and maintain their current security postures, but to participate in a greater, more secure Federal cyber-commons.

A past lack of funding, federal staff and support personnel for existing initiatives, and the need to redirect funds to these new and unfunded requirements, has resulted in degradation of the Department's Information Assurance and Privacy (IAP) program. This has been seen in the specific and reoccurring findings of the Office of the Inspector General (OIG) and Government Accountability Office (GAO). This funding request will be used to maintain FISMA and Privacy compliance. The attached narrative justification for the FY 2010 IAPMO budget provides the minimum resources to achieve these goals. To more clearly illustrate this, the budget has been designed to specifically match these mandates on a one-to-one basis.

The Office of the Chief Information Officer (OCIO) has established a significant change in strategic direction for the IAPMO by tying its performance objectives directly to FISMA Privacy and other Federal information protection mandates, in support of the DOT Strategic Plan (2006-2011). As described in FISMA itself, the purposes of FISMA are to:

- (1) Provide a comprehensive framework for ensuring the effectiveness of information security controls over information resources that support Federal operations and assets;
- (2) Recognize the highly networked nature of the current Federal computing environment and provide effective government wide management and oversight of the related information security risks, including coordination of information security efforts throughout the civilian, national security, and law enforcement communities;
- (3) Provide for development and maintenance of minimum controls required to protect Federal information and information systems;
- (4) Provide a mechanism for improved oversight of Federal agency information security programs;
- (5) Acknowledge that commercially developed information security products offer advanced, dynamic, robust, and effective information security solutions, reflecting market solutions for the protection of critical information infrastructures

- important to the national defense and economic security of the nation that are designed, built, and operated by the private sector; and,
- (6) Recognize that the selection of specific technical hardware and software information security solutions should be left to individual agencies from among commercially developed products.

In addition to these overall goals and other Government-wide mandates that the Department must meet the IAPMO has re-organized its efforts into four distinct IA Program Initiatives and two Privacy initiatives, each designed to support specific elements of FISMA and information protection statutes. These six initiatives are named below and described in detail in the following pages:

- DOT Policies, Standards, Directives and Requirements
- Certification and Accreditation (C&A)
- Cyber Security Management Center (CSMC)
- Statutory Compliance, Conformance, Verification and Validation (V&V)
- Education, Training and Awareness (ETA)
- DOT Privacy Program

Though these six program initiatives each require their own budget, goals and dedicated staff, they are being designed to be both interactive and interdependent with each other and ensure a cohesive IA management program that is flexible enough to respond to unexpected challenges and new mandates.

This program supports the DOT Strategic Plan's (2006-2011) Organizational Excellence goal:

"Advance the Department's ability to manage for results"

and the DOT Strategic Plan's (2006-2011) Security, Preparedness and Response goal:

"Balance transportation security requirements with the safety, mobility and economic needs of the Nation and be prepared to respond to emergencies that affect the viability of the transportation sector"

The Administration has directed DOT and DHS to work together to design a world-class transportation security system that will prevent terrorists from ever again using our 21st Century technologies as weapons against us. The six DOT IAPMO and Privacy program initiatives are designed to fully support these goals and the desired outcomes.

IAPMO Project 1: DOT Policies, Standards, Directives and Requirements

The OCIO is requesting funding to support the Policies, Standards, Directives and Requirements Program in FY 2010. FISMA states that Federal agencies are responsible for information security standards and guidelines for national security systems issued in accordance with law, and as directed by the President. FISMA mandates that the CIO be

charged with developing and maintaining information security policies, procedures, and control techniques to address all applicable requirements, including policies and procedures that are based on the risk assessments required by FISMA and that cost-effectively reduce information security risks to an acceptable level. Continued support for development and maintenance of these policies and standards is required to ensure that information security is addressed throughout the life cycle of each information system and to ensure compliance with the other FISMA requirements.

In addition to specific FISMA requirements, the IAPMO Policies, Standards, Directives and Requirements Program is designed to implement the requirements of several important pieces of regulatory guidance, including:

- Identity, Credentialing, and Access Management Programs
- Development and implementation of policies in support of new requirements such as standards and guidance as promulgated by the National Institute of Standards and Technology (NIST), National Security Presidential Directives, Homeland Security Presidential Directives, and Federal Regulatory changes.

The requirements for this effort have increased with the implementation of NSPD-54/HSPD-23 and HSPD-12 requirements. The IAPMO, in conjunction with other offices within DOT, will develop policies and standards necessary for DOT to address enhanced logical access control, internet access, and baseline configuration requirements, develop an information technology architecture that will support enhanced cyber-security, and implement advances cyber-security requirements. It is under this project that the IAPMO will also support collaboration with other DOT offices on the Information Sharing Environment, Federal Cybersecurity program enhancement and strategic planning performed under the auspices of the Federal CIO Council and the Information Security and Identity Management Committee, and efforts associated with the Committee on National Security Systems.

IAPMO Project 2: Certification and Accreditation (C&A)

The OCIO is requesting funding to support the Certification and Accreditation (C&A) Program Initiative. FISMA requires each agency develop and implement an agency wide information security program and periodically assess the risk and magnitude of potential harm from the unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems that support the operations and assets of the agency. In addition, FISMA requires the development of plans and procedures to ensure continuity of operations for information systems that support the operations and assets of the agency.

The IAPMO is tasked with tracking and providing oversight for the entire C&A effort across all DOT organizations, which currently includes certification of 430 sensitive systems. In order for the program to be effective, the voluminous amount of data received from the thirteen DOT organizations must be analyzed for quality of content and practicality of remediation. The program will seek to leverage automation technology and

shared service solutions to support oversight and ensure that all DOT operating administrations' IA programs are making consistent progress in mitigation of identified weaknesses.

The budget request covers continued operations and maintenance of the FISMA reporting tool (CSAM) plus requisite resources for integration, training, and program management.

IAPMO Project 3: Cyber Security Management Center (CSMC)

The OCIO is requesting funding to continue support of the Departmental situational awareness and incident reporting and response shared service provider - the DOT Cyber Security Management Center (CSMC), which operated under the CSMC Board of Directors, as instantiated under a Secretarial charter. The CSMC affords an enterprise-wide situational awareness and incident response solution that is efficient, both in program management and by eliminating redundancies, provides efficiencies of government, and meets the requirements of the National Strategy to Secure Cyberspace. As the DOT security operations center (SOC) and the Department's primary interface to the United States Computer Emergency Readiness Team (US-CERT) at the Department of Homeland Security, the CSMC also serves as the focal point for coordination of Federal cyber-security and cyber-incident response activities within DOT.

Responsibilities of the DOT CSMS that directly support this program include, but are not limited to:

- Serve as the Department's Center of Excellence for Situational Awareness and Incident Response and the focal point for receiving, tracking, monitoring, and reporting computer security incidents for all DOT Operating Administrations;
- Conduct continual research into, and investigation of, potential security issues relevant to DOT's evolving information systems; support the development of Departmental IA policies and system configuration baselines and support the assessment of adherence to FISMA guidelines;
- Provide a centralized capability for reporting cyber-related security incidents against DOT's information technology infrastructure and coordinate activities and responses to cyber-related security incidents with appropriate OAs;
- Operate, maintain, and monitor the DOT intrusion detection (IDS) and intrusion prevention systems (IPS).
- Respond to all types of intrusions detected by the IDS/IPS or reported to the CSMS; collect, review, and analyze logs and other relevant forensic data for suspected intrusions and other suspicious activity; conduct computer forensics, and incident response support functions;
- Provide technical security assistance, guidance, and recommendations to information security personnel and their designated representatives by communicating relevant computer security information such as security alerts, advisories and bulletins, software vulnerability data and reports, vendor patch notifications, virus alerts and other relevant security information;

- Serve as the primary reporting authority to external organizations such as the US-CERT, the Office of Management and Budget (OMB), and the OIG.
- Serve as the primary reporting authority to law enforcement and criminal investigative groups in the reporting of cyber-related attacks against DOT's infrastructure (OIG) within the provisions of a legal warrant and Title 8 authority.
- Participate along with OA Information System Security Officers (ISSOs) in relevant Federal computer security groups such as the National Cyber Response Coordination Group (NCRCG) and Government Forum of Incident Response and Security Teams (GFIRST);
- Implement appropriate communications within the CSMC to interface with the Intelligence, Defense, and National Security communities for the purpose of information sharing and coordinated incident response.

IAPMO Project 4: Statutory Compliance, Conformance, Verification and Validation (V&V)

The OCIO is requesting support for the Verification and Validation (V&V) Program Initiative in FY 2010 to adhere to the requirements of FISMA Section 3544 (b), including the OMB mandated implementation of FISMA reporting and tracking automated tools.

DOT OCIO oversees a program which spans diverse DOT organizations and must implement an effective V&V program to ensure all OAs implement adequate controls, ensure that their existing programs are effectively minimizing vulnerabilities, and that residual risks are properly managed to minimize impacts to the greater DOT and Federal cyber-infrastructure. The IAPMO has initiated several specific controls which will compliment each other and the OA programs. These combine the adaptation of new technologies, as well as the implementation of procedural controls.

The V&V program will:

- Support DOT's Configuration Control Board (CCB), responsible for review and approval of deviations from Departmental security configuration standards;
- Expand the use of vulnerability scanning tools from a voluntary self-scanning program to a true Department-wide V&V function. The IAPMO will use the scanning program to strengthen the patch management program and identify misconfigured systems which permit information leakage or expose the network to vulnerabilities;
- Assess requirements and develop architectures for full security configuration V&V. IAPMO will develop, implement and operate a best of breed tool set which will measure compliance to Departmental configuration policies and standards;
- Conduct penetration testing to include telephone "war-dialing" to identify and eliminate insecure modems, periodic testing for insecure wireless access points, and reviews of the Department's risk profile as seen from the Internet, to identify not only system vulnerabilities, but also architecture and firewall configuration weaknesses;

Effectively utilize the OMB required FISMA Reporting tool, which allows the OAs to upload and update Plan of Action and Milestone status, provides access to the standards and guides for risk management programs, and provides required reports for compliance with the national risk management program. This system allows vast amounts of dissimilar data to be correlated into meaningful management information.

IAPMO Project 5: Education, Training and Awareness (ETA)

The OCIO is requesting funding for the Education, Training & Awareness (ETA) Program Initiative in FY 2010. FISMA Section 3544 (b) (4) requires security awareness training to inform personnel, including contractors and other users of information systems that support the operations and assets of the agency, about information security risks associated with their activities and their responsibilities in complying with agency policies and procedures designed to reduce these risks.

DOT is a consumer of the OMB Security Awareness Training (SAT) shared service lines of business for Tier-1 generalized awareness training, and will be a consumer of the Tier-2 specialized training content. The OMB SAT content is designed to address training performance at the Federal level by ensuring consistency across all Departments and Agencies. All OAs and DOT employees are required to leverage at least the OMB authorized training. Where OAs implement supplemental ETA programs, the IAPMO must ensure that these supplemental programs are effective and accomplish DOT's ETA goals. In part, this will be accomplished through a Verification & Validation of the 15 different ETA programs.

In FY 2010, IAPMO will:

- Sponsor the annual DOT Security Awareness Week activity. Security Awareness Week is typically 5 days of scheduled presentations, demonstrations, vendor exhibits and more. In addition to Security Awareness Week, the IAPMO makes posters and flyers available to the OAs and forwards updated information security issues to provide the OAs source material for continuing security awareness efforts;
- Ensure that DOT information assurance professionals have position descriptions development plans, and training consistent with requirements established by the Office of Personnel Management, the Federal CIO Council IT Workforce initiative, and in alignment with training requirements derived from NSPD-54/HSPD-23 and the Comprehensive national Cybersecurity Initiative (CNCI);
- Ensure that IAPMO staff obtains and maintains proficiency and certifications in important areas, including professional certifications such as the Certified Information Systems Security Professional (CISSP); and,
- Plan and implement the integration of the OMB general and specialized Information Assurance training and awareness program, with DOD as the DOT shared service provider (SSP).

IAPMO Project 6: DOT Privacy Program

The OCIO is requesting funding to support the DOT Privacy Program to implement a strong level of privacy oversight and compliance throughout the Department. The major goal of the DOT Privacy Program is the protection of Personally Identifiable Information (PII). Established in 2003 with funding from Congress, the program works with the OA's to promote strong employee and contractor awareness of and compliance with the Privacy Act of 1974, E-Government Act of 2002 (Section 208), FISMA privacy requirements, Section 522 of the 2005 Consolidated Appropriations Act for Transportation and Treasury, related OMB Guidance, and internal policies and procedures. In FY 2008, the program underwent an audit by the Inspector General which identified several areas of weakness and made recommendations for improvements.

The requested funding for this program will be focused on the following core activities:

- Responding to recommendations for improvements derived from OIG audits, and ensuring that the Department addresses requirements promulgated by OMB;
- Tracking the number of PII systems operated by DOT OA's and ensuring that 90% of all applicable IT systems have Privacy Act System of Record Notices (SORNs) and/or an E-Government Privacy Impact Assessments (PIAs);
- Prepare an annual report to Congress on the Department's privacy activities as required by Section 522 of the 2005 Consolidated Appropriations Act for Transportation and Treasury;
- Participate in the inter-agency Information Sharing Environment Privacy Guidelines Committee to ensure new privacy guidelines are integrated into existing DOT privacy policies and procedures;
- Create, maintain and update DOT privacy policies and procedures as required by law, new OMB privacy directives, and internal PII policies; and
- Providing day-to-day guidance to OA's on all Departmental policies and procedures.

SECURITY, PREPAREDNESS AND EMERGENCY RESPONSE
Performance Goal: Preparedness for response affecting the transportation sector.

This funding request contributes to the DOT Security, Preparedness and Response strategic objective and to the expert transportation sector intelligence performance outcome goal.

Percent of DOT personnel with emergency management responsibilities with identified training requirements.						
	2005	2006	2007	2008	2009	2010
Target	N/A	N/A	N/A	N/A	N/A	Baseline
Actual	N/A	N/A	N/A	N/A		

Percent of DOT personnel with emergency management responsibilities participating in exercises.						
	2005	2006	2007	2008	2009	2010
Target	N/A	N/A	N/A	N/A	N/A	Baseline
Actual	N/A	N/A	N/A	N/A		

NOTE: New multi-modal measures baseline performances targets to be established after three years of baseline actual data.

This request would allow DOT to increase the overall resistance of the national transportation system and ensure the national transportation system meets homeland and national security requirements.

The resources requested to achieve this goal are:

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2010
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>Actual</u>	<u>Enacted</u>	REQUEST
5. SECURITY, PREPAREDNESS AND RESPONSE			
B. <u>Preparedness</u>			
a. Percent of DOT personnel with emergency management responsibilities with identified training requirements.	<u>3,349</u>	<u>3,730</u>	<u>3,901</u>
Salaries & Expenses (S-60)	3,349	3,730	3,901
Subtotal Performance Goal	<u>3,349</u>	<u>3,730</u>	<u>3,901</u>

SECURITY, PREPAREDNESS AND EMERGENCY RESPONSE
Performance Goal: Preparedness for response affecting the transportation sector.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF INTELLIGENCE, SECURITY, AND EMERGENCY RESPONSE

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
Office of Intelligence, Security and Emergency Response	3,349	3,730	3,901
Total	\$3,349	\$3,730	\$3,901

PERFORMANCE ISSUE:

The Office of Intelligence, Security, and Emergency Response is the Department’s primary point of contact with the Homeland Security Council (HSC), National Security Council (NSC), and the Department of Homeland Security (DHS) for all aspects of intelligence, preparedness, and operations. The office routinely interacts with various other agencies within DHS, such as the Transportation Security Administration, Federal Emergency Management Administration, and others, as well as the Department of Defense, Health and Human Services, etc. The office represents the Department on numerous Policy Coordination Councils, intelligence groups, working groups and other inter-agency forums. Since the events of 9/11 and hurricane Katrina, the Office of Intelligence, Security, and Emergency Response has had its role expanded through additional intelligence requirements, an increase in preparedness responsibilities, and more robust operational demands.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

Preparedness

During Fiscal Year 2009, the Preparedness Division will fulfill its previously stated requirements. Some of the key planned accomplishments by program area are:

National Security Program

- Maintain operational Continuity of Operations sites and continue improvements to facility configuration and communications/IT capabilities

- Manage and coordinate staffing for the Continuity of Government program and ensure expertise is increased through a formal training program
- Develop phased, prioritized, implementation plan for new Presidential policy to include classified programs

National Response Program/Emergency Support Function - 1

- Sustain or improve our preparedness through conducting and participating in training and exercises
- Pursue appropriate certifications of the office's personnel.
- Update our procedures and other core documents
- Conduct after action reviews and create and carry out corrective action plans
- Replace response cadre losses and build response cadre if possible
- Update and augment essential equipment, systems, and supplies
- Participate in extensive interagency planning development and review
- Enhance the office's interagency response partners' awareness of its response plans and capabilities
- Assist the office's interagency and state/local/tribal partners through application of our technical expertise
- Participate in evolution of national policy and practice in transportation elements of emergency management

International Civil Emergency Preparedness Program

- Represent the United States in NATO civil emergency planning and support negotiations to resolve issues and planning matters related to civil aviation resources, acquisition, and deployment to support NATO operations.
- Represent the Department at international civil emergency preparedness, response and recovery meetings and training exercises
- Represent the United States in eight to ten NATO planning and training events for use of civilian aviation resources during NATO military operations and support to other nations during disasters

Training and Exercise Program

- Conduct annual DOT interagency Continuity of Operations Exercise
- Participate in National Level Counterterrorism Exercise (NLE 09)
- Participate in four Principal (Cabinet) Level Tabletop Exercises
- Participate in Natural Hazard National Level Exercise
- Participate in two National Special Security Event (NSSE) Command Post Exercises (Inauguration Support/Prep)
- Conduct National Response Framework (NRF) training for new DOT staff
- Conduct National Incident Management System (NIMS) rollout training for DOT
- Conduct Hurricane Season Preparation Training
- Support Regional ESF 1 Training Programs
- Support DOT Regional Training and Exercise Programs
- Provide Tabletop Exercise Support for the Annual RETCO Conference

FY 2010 PERFORMANCE BUDGET REQUEST:

\$3.9 million of the FY 2010 budget request will be used to support Preparedness for Response to Emergencies Affecting the Transportation Sector.

Preparedness

The Preparedness Division has four primary areas of responsibility: National Security Programs, National Response Programs (Emergency Support Function-1), International Civil Emergency Preparedness Programs and Training and Exercise Programs. These responsibilities are derived from 49 USC Sections 101 and 301, Sections 1401 and 1402 of Executive Order 12656, as amended, and Section 201 (a) of Executive Order 12919. These authorities delegate responsibilities to the Secretary of Transportation to exercise leadership in transportation matters, including those affecting national defense and those matters involving national or regional emergencies and international civil emergency preparedness planning with NATO and other allies. Part 1, Section 1.69 (b) of Title 49, Code of Federal Regulations, as amended, delegates the Secretary's authority for emergency preparedness and response functions to the Director of the Office of Intelligence, Security, and Emergency Response.

- **National Security Program.** The purpose of the national security program is to ensure survival of a constitutional form of government and the continuity of essential DOT functions in events ranging from facility damage resulting from a minor incident such as a water main break to a terrorist attack on the Nation. Under these programs, the office develops and maintains the Office of the Secretary of Transportation Continuity of Operations plan; maintains alternate secure facilities in a state of readiness for use by the OST and the DOT Emergency Response Team in the event that the use of HQ building is denied, or DHS/FEMA has directed a heightened continuity readiness posture. The office ensures a high state of readiness through periodic inter- and intra-agency exercises and testing. Additionally, the office develops and updates departmental devolution plans and procedures, and plans for DOT support to various continuity of government programs.

These programs date back to the civil defense era of the 1950's, and were updated via national security directives issued in 1982, 1990, 1992, and 1998; on May 9, 2007, President Bush issued a new policy that is far more demanding, via National Security Presidential Directive (NSPD 51)/Homeland Security Presidential Directive (HSPD-20), "National Continuity Policy". The National Continuity Implementation Plan, developed under the NSPD/HSPD, includes prioritized goals and objectives, a concept of operations, performance metrics by which to measure continuity readiness, procedures for continuity and incident management activities, and clear direction to executive department and agency continuity coordinators.

Additionally, guidance was provided in National Communications System Directive NCSD-310 that establishes new communications requirements that must

be met for each COOP site. Implementation of this directive is shared among the OST offices for CIO, Management, and Intelligence, Security and Emergency Response.

- **National Response Program (Emergency Support Function - 1)**. The National Response Program is responsible for coordinating the Department's response to disasters. This includes managing the Department's responsibilities under the National Response Framework. Under the National Response Framework, DOT is the coordinating and primary agency for Emergency Support Function-1 Transportation (ESF-1). ESF -1 is designed to provide transportation support to assist in domestic incident management, including: reporting status of damage to transportation infrastructure as a result of the incident; coordinating alternate transportation services provided by others; coordinating the restoration and recovery of the transportation infrastructure; performing activities conducted under the direct authority of DOT elements such as air, maritime, surface, rail, and pipelines; and coordinating and supporting prevention/preparedness/mitigation among transportation infrastructure stakeholders at the State and local levels. DOT also provides economic analysis at the local, regional, or national levels and provides recovery assistance, helping coordinate restoration of the transportation system to affected areas

This program also manages the Regional Emergency Transportation Program, which consists of Regional Emergency Transportation Coordinators (RETCOs), Regional Emergency Transportation Representatives (RETREPs), and response teams. These response teams, which are based in ten regions across the country, provide surge staffing during emergencies that deploy to key Regional, state and local field offices during emergencies to provide critical emergency transportation services. .

- **International Civil Emergency Preparedness Program**. The International Civil Emergency Preparedness Program provides for representation of the United States and the Department in international forums developing civil transportation response plans in the interest of national security. Activities include coordinating with Transport Canada in planning for mutual support in cross border operations during security incidents and other disasters, and representing the United States in NATO civil emergency planning and training to use civilian aviation resources during NATO military operations and support to other nations during disasters. The international program representatives work in coordination with other Federal entities on planning and policy development concerning international civil transportation emergency response and recovery initiatives.
- **Training and Exercise Program**. The Training and Exercise Program is responsible for coordinating the Department's participation in National, regional, and local emergency preparedness/response exercises. These exercises are required by a number of Executive Orders and other Directives. For example, Executive Order 12656, "Assignment of Emergency Preparedness

Responsibilities,” November 18, 1988, requires the head of each Federal Agency to develop and conduct training and education programs that incorporate emergency preparedness and civil defense information necessary to ensure an effective national response. National Security Presidential Directive (NSPD 51)/Homeland Security Presidential Directive (HSPD-20), “National Continuity Policy, May 9, 2007, requires testing and exercises to ensure survival of a constitutional form of government and the continuity of essential Federal functions. Similarly, Homeland Security Presidential Directive (HSPD) 5, “Management of Domestic Incidents”, February 28, 2003, established minimum training and exercise requirements and minimum training standards and established a certification process based on required training and requires rigorous requirements for continuous improvement for testing and conducting exercises. HSPD 7, “Critical Infrastructure Identification, Prioritization and Protection”, December 17, 2003, requires the Department of Transportation to plan and coordinate training and exercises to protect the National Transportation and Air Space Systems.

To manage all of these requirements, HSPD 8. “National Preparedness,” December 17, 2003, developed the National Exercise Program (NEP). The National Exercise Program (NEP) mandates that all Federal Departments budget for support to White House directed, government-wide, strategy and policy related exercises which require the participation of the agency heads or their deputies. Additionally, the NEP requires Departments to support strategy and policy exercises through simulation or staff participation as well as maintaining a corrective action program to generate input for and track corrective action issues and report on the effectiveness and accomplishments of training programs.

SECURITY, PREPAREDNESS AND EMERGENCY RESPONSE
Performance Goal: Effective response to emergencies affecting the transportation sector.

This funding request contributes to the DOT Security, Preparedness and Response strategic objective and to the expert transportation sector intelligence performance outcome goal.

Percent of Operating Administrations meeting annual response requirements.

	2005	2006	2007	2008	2009	2010
Target	N/A	N/A	N/A	N/A	N/A	Baseline
Actual	N/A	N/A	N/A	N/A		

NOTE: New multi-modal measures baseline performance targets to be established after three years of baseline actual data.

This request would allow DOT to increase the overall resistance of the national transportation system and ensure the national transportation system meets homeland and national security requirements.

The resources requested to achieve this goal are:

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

5. SECURITY, PREPAREDNESS AND RESPONSE

C. Response

a. Percent of Operating Administrations meeting annual response requirements.	<u>2,521</u>	<u>2,776</u>	<u>721</u>	<u>2,903</u>
Salaries & Expenses (S-60)	2,521	2,776	721	2,903
b. Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	2,521	2,776	721	2,903

SECURITY, PREPAREDNESS AND EMERGENCY RESPONSE
Performance Goal: Effective response to emergencies affecting the transportation sector.

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

(In thousands of dollars)

OFFICE OF INTELLIGENCE, SECURITY, AND EMERGENCY RESPONSE

	FY 2008	FY 2009	FY 2010
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
Office of Intelligence, Security and Emergency Response	2,521	2,776	2,903
Total	\$2,521	\$2,776	\$2,903

PERFORMANCE ISSUE:

The Office of Intelligence, Security, and Emergency Response is the Department's primary point of contact with the Homeland Security Council (HSC), National Security Council (NSC), and the Department of Homeland Security (DHS) for all aspects of intelligence, preparedness, and operations. The office routinely interacts with various other agencies within DHS, such as the Transportation Security Administration, Federal Emergency Management Administration, and others, as well as the Department of Defense, Health and Human Services, etc. The office represents the Department on numerous Policy Coordination Councils, intelligence groups, working groups and other inter-agency forums. Since the events of 9/11 and hurricane Katrina, the Office of Intelligence, Security, and Emergency Response has had its role expanded through additional intelligence requirements, an increase in preparedness responsibilities, and more robust operational demands.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

Operations

During Fiscal Year 2009, the Operations Division will fulfill its previously stated requirements. Some of the key planned accomplishments are:

- Provide effective 24X7 monitoring of the transportation system to ensure key DOT staff have the necessary information on transportation related incidents
- Implement Homeland Security Presidential Directive 5 on Management of Domestic Incidents by reporting on domestic incidents

- Provide ongoing secure and other vital communications links for the Secretary and other Senior Officials
- Provide immediate impact analysis of emergency incidents and initiate the appropriate response
- Maintain a tightly coupled relationship with Federal, State, and Local emergency operations centers to make certain that maximum situational awareness and information sharing is achieved

FY 2010 PERFORMANCE BUDGET REQUEST:

\$2.9 million of the FY 2010 budget request will be used to support Effective Response to Emergencies Affecting the Transportation Sector. The request also includes the following programmatic increases to support this effort:

\$72.51 thousand for contract support is requested to assist the Office of Intelligence, Security, and Emergency Response in preparing documents. The Office of Intelligence, Security, and Emergency Response currently utilizes trained National Security Professionals to draft and finalize situation reports and other documents following disasters. The number of products due at different times has resulted in trained response staff spending a significant amount of their time writing reports, rather than using their expertise in response activities. Similarly, the Office of Intelligence, Security, and Emergency Response has significant responsibilities for plans and written products under a variety of laws and other directives, including “Implementing Recommendations of the 9/11 Commission Act of 2007” (Public Law 110-53), the National Strategy for Transportation Security, Homeland Security Presidential Directive 8 “*National Preparedness*”. As a result, senior level staff spend much of their time writing reports and consolidating comments on drafts. Funding for contract support will allow trained staff to focus on their critical responsibilities, rather than on tasks including consolidating comments and making edits.

Operations

Executive Order 12656, “Assignment of Emergency Preparedness Responsibilities,” issued on November 18, 1988, requires agencies to design preparedness measures to permit a rapid and effective transition from routine to emergency operations. This includes development of a system of emergency actions that define alternatives, processes, and issues to be considered during various stages of national security emergencies and identification of actions that could be taken in the early stages of a national security emergency or a pending emergency to mitigate the impact or reduce significantly the lead times associated with full emergency action implementation.

The Crisis Management Center is an around-the-clock operations center that ensures that the Department of Transportation can meet these requirements. The primary functions of the Crisis Management Center are to:

Monitor the Transportation System: Monitor the status of the transportation system at all times, including transportation related events and incidents overseas that have

the potential to impact the domestic transportation system. Provide real-time reports to DOT leadership and Operating Administrations to ensure prompt notification of and response to significant disruptions, incidents, or threats that may affect the transportation system.

Communications Support. Support the Secretary and Department by providing secure video teleconferencing and around-the-clock communications for other Departments, agencies and key stakeholders to reach senior leadership. Provide access to incident information to the Department, both for unclassified and classified information.

Support Disaster Response Activities: The Crisis Management Center (CMC) houses and supports the Department's Emergency Response Team during emergencies, both natural and man-made. During these surge operations, the CMC provides all required capabilities, communications, administrative support, etc. to conduct 24X7 emergency operations.

The Crisis Management Center also fulfills some of the requirements of Homeland Security Presidential Directive (HSPD) 5, "Management of Domestic Incidents," issued on February 2003. Among other requirements, this HSPD requires that Federal agencies participate in and use domestic incident reporting systems and protocols established by the Secretary of the Department of Homeland Security.

ORGANIZATIONAL EXCELLENCE

This funding request contributes to the DOT Organizational Excellence strategic objective for improved human capital and financial management and effective use of Information Technology.

OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

PERFORMANCE GOALS/MEASURES by <u>PROGRAM</u> <u>ACTIVITIES</u>	FY 2008 <u>ACTUAL</u>	FY 2009 <u>ENACTED</u>	FY 2010 <u>REQUEST</u>
6. Organizational Excellence			
A. Achieve PMA goals			
Salaries & Expenses (S-1)	2,310	2,400	2,631
Salaries & Expenses (S-2)	730	759	986
Salaries & Expenses (S-10)	1,516	1,595	1,711
Salaries & Expenses (S-3)	1,091	3,279	3,603
Salaries & Expenses (S-60)	0	0	1,857
Salaries & Expenses (S-80)	7,594	8,232	8,472
Salaries & Expenses (A)	1,986	2,020	2,123
Salaries & Expenses (I)	2,383	2,400	2,504
Salaries & Expenses (C)	14,415	14,085	14,455
Salaries & Expenses (B)	9,417	10,200	10,559
Salaries & Expenses (M)	23,750	26,000	25,520
Transportation Planning, Research & Development	0	0	0
Office of Civil Rights	9,141	9,384	9,667
New Headquarters Building	0	0	0
Financial Mangement Capital	<u>0</u>	<u>5,000</u>	<u>5,000</u>
Subtotal	\$74,333	\$85,354	\$89,088

ORGANIZATIONAL EXCELLENCE

FY 2010 BUDGET REQUEST

SALARIES AND EXPENSES

IMMEDIATE OFFICE OF THE SECRETARY

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Immediate Office of the Secretary (S-1)	\$2,310	\$2,400	\$2,631

PERFORMANCE ISSUE:

The Immediate Office of the Secretary provides leadership for the Department and develops a shared understanding of the Department’s vision, mission, and strategic goals. It is responsible for overall planning, direction, and control of the Department’s agenda.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Immediate Office of the Secretary is requesting \$2.631 million and 15 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request includes funding to annualize the 2009 pay raise, fund a 2010 two percent civilian pay increase, fund a .5 percent inflation adjustment in FY 2010, and fully fund the 15 FTEs authorized for this office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

OFFICE OF THE DEPUTY SECRETARY

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Deputy Secretary (S-2)	\$730	\$759	\$986

PERFORMANCE ISSUE:

The Office of the Deputy Secretary has the primary responsibility of assisting the Secretary in the overall planning, direction and control of the Department's agenda.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office of the Deputy Secretary is requesting \$.986 million and 7 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request includes funding to annualize the 2009 pay raise, fund a 2010 two percent civilian pay increase, fund a .5 percent inflation adjustment in FY 2010, and fully fund the 7 FTEs authorized for the office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

OFFICE OF THE EXECUTIVE SECRETARIAT

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Executive Secretariat (S-10)	\$1,516	\$1,595	\$1,711

PERFORMANCE ISSUE:

The Office of the Executive Secretariat provides an organized staff service for the Secretary and Deputy Secretary to assist them in carrying out their management functions and facilitate their responsibilities for formulating, coordinating and communicating major policy decisions. This office controls and coordinates internal and external material directed to the Secretary and Deputy Secretary and ensures that their decisions and instructions are implemented.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office of the Executive Secretariat is requesting \$1.711 million and 15 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request includes funding to annualize the 2009 pay raise, fund a 2010 for a two percent civilian pay raise, fund .5 percent inflation adjustment in FY 2010 and fully fund the 15 FTEs authorized for this office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

OFFICE OF THE UNDER SECRETARY FOR TRANSPORTATION POLICY

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Request</u>	FY 2010 <u>Request</u>
Under Secretary for Policy	\$1,091	\$3,279	\$3,603

PERFORMANCE ISSUE:

The Under Secretary for Policy serves as a principal policy advisor to the Secretary and provides leadership in the development of policies for the Department, generating proposals and providing advice regarding legislative and regulatory initiatives across all modes of transportation. By statute, the Under Secretary is third in the Department's order of succession. The Under Secretary is responsible for ensuring coordination between the Department's budget development and policy development functions. The Under Secretary oversees the Assistant Secretaries for Aviation and International Affairs and for Transportation Policy, coordinating transportation policy development with the goal of making the Nation's transportation resources function as an integrated national system.

FY 2009 ANTICIPATED ACCOMPLISHMENTS:

The Under Secretary will focus growth in transportation system congestion, aviation system modernization, livable communities and high speed rail. The Under Secretary will also have an emphasis on infrastructure policy initiatives that will improve the domestic and international infrastructure.

FY 2010 PERFORMANCE BUDGET REQUEST:

Funding is requested to primarily fund staff to formulate and evaluate policy to enhance transportation-related safety issues and associated operating expenses.

OFFICE OF INTELLIGENCE, SECURITY, AND EMERGENCY RESPONSE

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of Intelligence, Security and Emergency Response	\$0	\$0	\$1,857

PERFORMANCE ISSUE:

The Protective Service Division provides the Secretary of Transportation highly trained and experienced Special Agents who are deputized U.S. Marshals. The agents provide protection for the Secretary and conduct security advance work in the United States and overseas. Equipment and supply needs for the protection detail are assessed annually to ensure agents are fully equipped and have the required resources necessary to successfully operate in the U. S. and overseas.

The Special Agents provide personal protection for the Secretary of Transportation throughout the workday and wherever the Secretary travels, whether in the Washington, D.C. metropolitan area, to other places in the United States, or to foreign countries. This protection is crucial to the Secretary's security and safety, especially in a time of increased terrorist threats or activity.

Within the Protective Service Division is the Executive Transportation Program. This program provides official transportation in the Washington, D.C. metropolitan area for the Secretary of Transportation. The drivers are highly trained and experienced professionals. They enhance the protection detail's ability to deal with terrorist threats and to meet elevated threat-level manpower demands.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office of Intelligence, Security, and Emergency Response is requesting \$1.857 million and 10 FTE for the Executive Protection Program. In FY 2009, the Department is requesting, via a reprogramming request, to transfer the Executive Protection Program from the Office of Security in the Office of the Assistant secretary for Administration to the Office of Intelligence, Security and Emergency Response. Consistent with that transfer, the FY 2010 request proposes to fund the Executive Protection Program using Office of Intelligence, Security and Emergency Response Salaries and Expenses funding rather than through the Working Capital Fund where it has been funded in the past.

OFFICE OF THE CHIEF INFORMATION OFFICER

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Chief Information Officer (S-80)	<u>7,594</u>	<u>8,232</u>	<u>8,472</u>
Total	\$7,594	\$8,232	\$8,472

PERFORMANCE ISSUE:

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT) and cyber security advisor to the Secretary. In this strategic departmental role, the CIO provides leadership on all matters associated with the Department's \$3 billion IT portfolio. This includes security, investment management, and improvements in the delivery of services to the American taxpayer through electronic government initiatives.

It should be noted that the DOT CIO also delivers IT services to DOT customers through the operation of an IT infrastructure that includes e-mail services, a backbone network and help desk support. Operating administrations contract with the CIO for services and reimburse the CIO for the cost of those services through the Working Capital Fund (WCF). The WCF budget (including the CIO component) is provided as a separate part of the Department's budget submission.

FY 2010 PERFORMANCE BUDGET REQUEST:

The FY 2010 request represents a small funding increase over the FY 2009 enacted level to annualize the cost of the FY 2009 pay raise and to pay for a two percent civilian pay raise and a .5 percent inflation adjustment in FY 2010. In addition, funding is requested for Working Capital Fund increases--i.e., increases in the OST payment to the Working Capital Fund for IT operations support. In FY 2010, the Office of the CIO will maintain overall management of the Department's IT portfolio. Funding in the amount of \$8.472 million will be applied to specific projects that increase organizational excellence through:

- robust and disciplined IT investment processes that include an enterprise architecture and capital planning as a foundation;
- a strategic management program to meet regulatory and statutory IT requirements;
- faster, simpler, more efficient and less costly ways for citizens, state and local governments, industry and other stakeholders to transact business with DOT.

IT Portfolio Management fully supports the DOT Strategic Plan's (2006-2011) Organizational Excellence goal:

“Advance the Department’s ability to manage for results”

Within this DOT Strategic Plan goal are a series of strategies outlined that further define the desired outcomes. Some of the strategies that IT Portfolio Management supports include:

- Leadership Strategies - Develop and execute plans to improve the protection of DOT people, facilities, information, and equipment from intentional harm and to perform the essential functions of the Department even when key facilities are temporarily unavailable or unusable due to natural disasters or intentional harm.
- Information Technology Strategies - Mature, institutionalize and operationalize Enterprise Architecture Processes throughout the Department to improve operational efficiency, information sharing and utilization of information resources; implement initiatives to enable faster, simpler and more efficient ways for citizens, States, local governments, industry and other stakeholders to transact business with DOT; undertake a rigorous analysis of the contribution of IT to each strategic goal to identify opportunities to support mission performance and demonstrate how IT contributes to program productivity.

Outlined below are the six IT Portfolio Management projects that the OCIO plans to accomplish within the requested funding level.

ITPM Project 1: Enterprise Architecture Implementation

The OCIO is requesting funding for the DOT Enterprise Architecture (EA) Program, which drives agency wide decision making through facilitating the analysis of DOT's current, transitional, and target states from an integrated strategic, business, and technology perspective. DOT's EA processes enable optimal information technology (IT) investment management and improved performance through identifying and targeting specific areas for eliminating redundancy, providing opportunities for information sharing, and supporting evolving business needs. Through the use and maintenance of EA practices and artifacts, DOT stakeholders understand the relationships between core business processes, the information and data required for supporting those processes, and the technology used to perform them.

As a key role within the DOT governance process supporting Investment Review Board (IRB) decision making, the DOT EA function provides program analysis, guidance to the business areas via reviewing and providing feedback on EA impacts to DOT's IT Portfolio, and advisory services to management functions of proposed solutions. EA practices produce the knowledge/infrastructure base, standards and practices necessary to improve services, reduce total cost of ownership and address information sharing requirements, thereby improving business performance and demonstrating program results.

The DOT EA Program manages a wide array of business, information/data, application and technology information to perform the overarching objective of facilitating the improvement of program efficiency and effectiveness. To establish a centralized means of collecting and reporting such a vast level of Departmental information, the EA Program provides direct development, implementation, and maintenance support for the Transportation EA Management System (TEAMS).

Specifically, the DOT EA Program:

- Enables well-informed decisions through alignment of segment (common business functions) activities with DOT IT investments for improved capital planning; as well as alignment with Strategic Planning, IT Security and Operations, Budget and other DOT functions;
- Provides facilitative resources to optimize Departmental decision-making;
- Provides TEAMS access to business and technology stakeholders;
- Facilitates business program and EA compliance with Office of Management and Budget (OMB), American Recovery and Reinvestment Act, E-government Initiatives and Federal Lines of Business, Government Accountability Office, and internal cross-cutting initiatives; and
- Promotes leveraging existing technologies and common processes to reduce cost of ownership and improve effectiveness of services provided.

The requested FY 2010 funding would allow the DOT EA Program to identify and facilitate the business line implementation of new solutions, increasing opportunities for collaboration, reuse, and leveraging solutions across the Department; thereby realizing savings, improving productivity and facilitating information sharing, business process analysis and streamlining.

ITPM Project 2: IT Investment and Capital Planning

The OCIO is requesting funding the Department's IT capital planning and investment control (CPIC) process establishes management controls to ensure that the Office of the Secretary and the OAs make sound IT investments supportive of strategic goals, mission/business requirements, and the DOT IT Modernization Strategy. The DOT OCIO manages the CPIC governance process and structure. Central to the governance structure are two Department-level boards: the Investment Review Board (IRB) and the Executive Committee.

In FY 2010, the capital planning and investment control program will continue to oversee the management of DOT's IT investments, specifically:

- Ensuring that all DOT IT investments demonstrate appropriate planning, execution, and management of major IT investments, using EVM or operational analyses.

- Ensuring that portfolio performance is within 10% of cost, schedule, and performance goal. Investments that require corrective action plans will be monitored and reviewed until variances are remediated.
- Reviewing investments that are designated as High Risk; and providing additional scrutiny and reporting on their progress, as appropriate.
- Operating a DOT-wide repository to provide DOT and OA executives and staffs with on-line access to all of the IT initiatives within the Department's IT Portfolio. This data enables OAs to query information about existing technology that can support business requirements, and allows executive visibility into the management of DOT's IT investments for better decision-making.

ITPM Project 3: Information Technology Operations Support

In addition to its role in management of the departmental IT investment portfolio, DOT OCIO provides IT services to OST employees and the Department as a whole. These services include supporting employee desktop computers, desktop computers located off-site required for emergency operations, remote access services used for telecommuting and emergency operations, supplies in support of IT systems, and applications support for select OST offices. Department-wide IT services includes those related to the headquarters IT infrastructure such as Internet access, and electronic mail services. Services provided to OST employees are paid by the OCIO and those costs are included in this funding request.

ITPM Project 4: Geospatial

As a result of DOT's continuing work associated with American Recovery and Reinvestment Act (ARRA) there are many requirements that impact the work of the OCIO. To ensure greater transparency for the general public there is a need to provide significantly more detail in terms of programs/projects that is being undertaken as part of ARRA. The following tasks will continue to be addressed:

- Develop long-term plan to address geospatial requirements
- Determine best solution to meet geospatial requirements
- Implement the selected solution and tailor the application based on specific ARRA requirements (e.g., detail by State, County, and Congressional districts)
- Determine need for analytics; overlay city data - anticipate question(s) that may come from the city mayors, for example, in terms of ARRA funds specific to their city

ITPM Project 5: Web

The OCIO is requesting funding for DOT's work associated with American Recovery and Reinvestment Act (ARRA). There are many new requirements that impact the work of the OCIO, especially those related to the Web. There are many opportunities to

increase transparency through greater use of the Web and there is much work to be done to bring the DOT-wide Internet and Intranet sites current. Some of the tasks associated with the Web include the following:

- Develop a plan to more effectively implement the Web and related solutions at DOT using a best practice approach
- Partner with OA Web and Public Affairs contacts to implement necessary changes DOT-wide
- Partner with DOT Communications/Public Affairs on related requirements and to ensure a consistent approach
- Identify, select and implement a content management system for DOT use
- Make certain that the Web IT Infrastructure requirements are identified and addressed in a timely manner to ensure Internet site availability (for the general public) at all times
- Review and bring current necessary content that is included at DOT and OST sites
- Implement all Web 2.0 applications in a timely manner

ITPM Project 6 – Grants System Solution

The OCIO is requesting funding to develop a longer-term solution for DOT to sort out the multiple disparate systems (and manual work-arounds) in place and identify the best single grants reporting solution for DOT. Some of the related tasks include the following:

- Retain subject matter expertise
- Complete requirements gathering
- Review alternate systems solutions and complete the related business case
- Review related business process re-design and data integrity requirements
- Select a single solution for DOT
- Implement the solution, including all business process re-design
- Sunset existing grants systems

OFFICE OF PUBLIC AFFAIRS

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of Public Affairs (A)	\$1,986	\$2,020	\$2,123

PERFORMANCE ISSUE:

The Director of Public Affairs is the principal advisor to the Secretary and other senior Department officials and news media on public affairs questions. The office issues news releases, articles, facts sheets, briefing materials, publications and audiovisual materials. It also provides information to the Secretary on opinions and reactions of the public and news media on programs and transportation issues. It arranges news conferences and provides speeches, talking points and byline articles for the Secretary and other senior Department officials, and arranges the Secretary's scheduling.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office of Public Affairs is requesting \$2.123 million and 16 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request for this area represents a small funding increase over the FY 2009 enacted level to fund the annualization of the 2009 pay raise, the 2010 estimated two percent civilian pay increase, a .5 percent inflation adjustment in FY 2010, and additional travel requirements.

OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Assistant Secretary for Governmental Affairs (I)	\$2,383	\$2,400	\$2,504

PERFORMANCE ISSUE:

The Assistant Secretary for Governmental Affairs is the principal advisor to the Secretary on all Congressional and Intergovernmental activities and on all of the Department legislative initiatives and other relationships with Members of Congress. Other responsibilities include promoting effective communication with other federal agencies and regional Department officials, and state and local governments and national organizations for development of Departmental programs; and ensuring that consumer preferences, awareness, and needs are brought into the decision-making process.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office of the Assistant Secretary for Governmental Affairs is requesting \$2.504 million and 18 FTE in FY 2010 to continue the mission outlined above. The FY 2010 request represents a small funding increase over its FY 2009 enacted level to fund the annualization of the 2009 pay raise, the 2010 estimated two percent civilian pay increase, and a .5 percent inflation adjustment in FY 2010.

OFFICE OF GENERAL COUNSEL

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the General Counsel (C)	<u>14,415</u>	<u>14,085</u>	<u>14,455</u>
Total	\$14,415	\$14,085	\$14,455

PERFORMANCE ISSUE:

The General Counsel is the chief legal officer of the Department, providing legal advice to the Secretary and secretarial officers and supervisory support of legal advice given by the Operating Administrations. Under the Organizational Excellence Strategic Objective, the Office of the General Counsel supports and facilitates Department program goals that cross-cuts all other Strategic Objectives, advancing the Department's ability to manage for results and innovation.

The Office provides a broad array of legal services to assist the Department in achieving its strategic goals. By supporting these goals through the development, presentation, and defense of well-reasoned and legally-supportable policies and programs, the Office directly contributes to the Department's agency-wide goal of Organizational Excellence.

Office of the Assistant General Counsel for General Law

The Office supports program goals by providing legal services encompassing appropriations, fiscal law and financial management; acquisitions, financial assistance, and public private partnerships; innovative financing; real property and asset management; information technology investment and capital planning; employee ethical conduct, conflicts of interest, and political activities; equal employment opportunity and other civil rights matters; and Federal personnel and employment. The Office provides legal sufficiency reviews on over 100 acquisition related documents. The Office oversees the ethics programs across the Department and reviews over 125 public financial disclosure statements and over 200 confidential financial disclosure statements to provide assurance that reporting individuals are in compliance with applicable ethics laws and regulations, as well as provides annual ethics training to over 325 reporting individuals.

Office of the Assistant General Counsel for International Law

The Office provides legal support and facilitation of the Department's international program goals, including transportation negotiations with foreign countries, Global Position Satellite matters, international economic aviation licensing and regulatory matters, war risk insurance issues, implementation and negotiation of the International Mobile Equipment Financing Convention's sector-specific protocols, international

aviation sanctions, and interdiction of contraband. The Office will handle over 300 international work items and approximately 15 rounds of international negotiations. At international transportation negotiations, the Office provides legal support as a member of the U.S. Delegation, legal advisor and chief drafter of all documents, often providing an innovative legal solution to support the negotiation's closure.

Office of the Assistant General Counsel for Litigation

The Office defends the Department's programs when they are challenged in judicial proceedings that are integral to Departmental excellence in achieving innovative results. In any given year, DOT and its Operating Administrations are parties in over 100 new cases challenging the Department's decisions, regulations, and policies. The Office provides support for all such cases. Cases of particular importance to the Secretary, cases involving cross-modal issues, and all Supreme Court cases are handled directly by the Office. The Office further supports and facilitates Department program goals by supervising the preparation of all regulatory filings in proceedings in which the Department may have an interest before various independent regulatory agencies. Approximately 15 to 20 such filings are prepared in any given year.

Office of the Assistant General Counsel for Legislation

The Office provides support to ensure that the non-appropriations legislative materials of the Department submitted to Congress adhere to Administration policy by maintaining effective liaison with the Office of Management and Budget (OMB) and other Departments. The Office's legislative support work often spans several years on one project. While the various elements of legislative proposals are often prepared by other offices in the Department, the Office is responsible for supporting their program goals by assembling a coherent proposal, ensuring it meets budgetary and other requirements within the Department, obtaining clearance by OMB and other affected agencies, and preparing the transmittal package for the Secretary. The Office provides comparable support for preparation of testimony, views letters, and draft Executive Orders. Additionally, the Office provides nomination support in the form of briefing materials for confirmation hearings.

Office of the Assistant General Counsel for Regulation and Enforcement

The Office provides legal support to achieve the Department's program goals by applying statutes, executive orders and Presidential directives so as to achieve organizational excellence in rulemaking and enforcement. The Office supports program offices to ensure that rules meet substantive, procedural and Administration policy requirements. The Office's management support also includes the review of all significant DOT rulemaking documents as well as non-significant OST rulemakings. In a typical year, the Department is engaged in 100-125 significant rulemaking projects.

Office of the Assistant General Counsel for Operations

The Office provides legal support on a broad range of operational issues related to the Department's programs and strategic objectives, including transportation security and emergency response, environmental law, information management and disclosure, economic matters related to airports and air carriers, maritime law, bankruptcy law, the Essential Air Service (EAS)

program, the Small Community Air Service Development Program (SCASDP), Native American sovereignty and jurisdiction, and other issues across all modes of transportation. The Office includes the Department's Freedom of Information Act (FOIA) Office, which each year processes hundreds of FOIA requests submitted to the Office of the Secretary of Transportation and coordinates the work of the FOIA Offices throughout the Department. The Office maintains 24/7 readiness to provide legal support for emergency response activities, which include regular exercises and 8-10 annual activations of the U.S. Government's "Emergency Support Function No. 1 (Transportation)," led by the Department. The Office reviews a steady stream of environmental documents, proposed EAS Orders, SCASDP Grants, airport competition plans, Privacy Impact Assessments, security-related directives, and other documents.

Office of the Assistant General Counsel for Aviation Enforcement and Proceedings

The Office supports program offices in meeting their goals with legal guidance on aviation consumer protection matters. The Office also supports the Department's domestic air carrier economic licensing program goals through legal review of all applicable Department decisions. The Office anticipates handling between 100 and 200 such items during FY 2009. (See Reduced Congestion and Global Connectivity Goals for further descriptions.)

Center for Alternate Dispute Resolution

The Office provides innovative approaches to problem-solving that reduce the cost of conflict and provide more durable outcomes through its Center for Alternative Dispute Resolution (CADR). CADR supports the use of ADR by the Department in all areas including formal and informal adjudication, issuance of regulations, enforcement and compliance, issuing and revoking licenses and permits, contract and grant awards, environmental planning, and litigation brought by or against the Department. CADR supports program offices in the design and implementation of specific ADR approaches that meet an organization's particular need. CADR facilitates early and direct interaction among parties by providing mediation and facilitation services to help parties resolve disputes efficiently and effectively and helps identify ADR providers outside the Department. Finally, CADR offers informational and skills based training on dispute resolution and conflict management.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

- Support implementation of the American Recovery and Reinvestment Act.
- Support Livability and other Administration initiatives.
- Continue to provide legal support and facilitate the Department's international program goals, including transportation negotiations with foreign countries by handling over 300 international work items and approximately 15 rounds of international negotiations.
- Continue to defend the Department in judicial challenges to the Department's transportation decisions, regulations, and policies and to present the Department's views in proceedings before independent regulatory agencies.
- Undertake the preparation and clearance of multi-year surface transportation authorizations for six Operating Administrations.

- Continue to oversee the rulemaking and enforcement process by engaging in 100-125 significant rulemaking projects.
- Continue to provide legal guidance on aviation and consumer protection matters as well as domestic air carrier economic licensing program goals, an anticipated caseload of 100 to 200 items.
- Continue to provide innovative problem-solving approaches through the Center for Alternate Dispute Resolution.
- Conclusion of international registry for the Rail Protocol to the International Mobile Equipment Financing Convention.
- Continue to provide legal advice regarding major transportation investment decisions.
- Continue to ensure that Passenger Facility charges collected by air carriers are properly transmitted to airport authorities, and, where the carriers are in bankruptcy, that such charges are properly held in trust and accounted for.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office of the General Counsel is requesting \$14.455 million in FY 2010 to support organizational excellence throughout DOT. The FY 2010 request represents a small funding increase over the FY 2009 enacted level to annualize the cost of the FY 2009 pay raise and to pay for a two percent civilian pay raise and a .5 percent inflation adjustment in FY 2010.

**OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS/
CHIEF FINANCIAL OFFICER**

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Assistant Secretary for Budget and Programs (B)	\$9,417	\$10,200	\$10,559

PERFORMANCE ISSUE:

The Assistant Secretary for Budget and Programs is the principal staff advisor to the Secretary on the development, review, and presentation of the Department's budget resource requirements, and on the evaluation and oversight of the Department's programs. The funding level requested will ensure this office continues advancing the performance integration and financial performance goals. This will be achieved through the effective preparation and presentation of sound and adequate budget estimates for the Department, consistent application of the Department's budget execution action with the action of the Congress and the Office of Management and Budget, evaluation of program proposals for consistency with the Secretary's stated objectives, advise to the Secretary on program and legislative changes necessary to improve program effectiveness, and coordination of strategic planning activities within DOT. The Assistant Secretary for Budget and Programs is also the Chief Financial Officer for the Department of Transportation. This function is responsible for accounting and financial activities of DOT with primary emphasis on ensuring that DOT receives an unqualified audit opinion on its financial statements and that the Department's financial performance goals are achieved.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office of the Assistant Secretary for Budget and Programs/CFO is requesting \$10.559 million and 54 FTE in FY 2010 to continue the mission outlined above. The FY 2010 requests a small increase above the FY 2009 enacted level to annualize the FY 2009 pay raise, pay for a two percent civilian pay raise and a .5 percent inflation adjustment in FY 2010, and fully fund the 54 FTE authorized for this office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Request</u>
Office of the Assistant Secretary for Administration (M)	\$23,750	\$26,000	\$25,520

PERFORMANCE ISSUE:

The Office of the Assistant Secretary for Administration (OASA) administers funds for the Working Capital Fund, receives an appropriation for Salaries and Expenses for non-WCF functions, and administers Reimbursable Programs. Information and descriptions of the total funds the Office of the Assistant Secretary for Administration administers are located in Section 5, “Additional Justification for OASA/OCIO Program Resources”. The following discussion focuses on the OASA appropriation request for Salaries and Expenses.

The Assistant Secretary for Administration serves as the principal advisor to the Secretary and Deputy Secretary on department-wide administrative matters. Responsibilities include leadership of such major programs as acquisition reform, emergency preparedness, human capital, and oversight of a transit benefits program with Government-wide scope.

The Assistant Secretary is the Department’s Chief Human Capital Officer (CHCO), with statutory responsibility for developing and reviewing policies and programs to ensure that high-quality, diverse talent is both continuously available and properly deployed to support DOT objectives. This role has been further expanded and defined through a number of other specific laws, rules, and policies which mandate a wide range of initiatives, investments, and reports. Reforms mandated by the Service Acquisition Reform Act (P.L. 108-16) have also significantly enlarged the responsibilities of the Assistant Secretary, who is the Deputy Chief Acquisition Officer.

The funding level requested will enable the Assistant Secretary to acquire, support, and maintain necessary investments in the technology and human talent that are critical to human resource and procurement accomplishment to support department priorities. The major programs include:

Human Capital Management

Funding is requested to comply with Office of Personnel Management (OPM) final regulations to implement certain provisions of the Chief Human Capital Officers (CHCO)

Act, which set forth new OPM and agency responsibilities to enhance and improve the strategic management of the Federal Government's civilian workforce.

The Departmental Office of Human Resource Management will maintain and institutionalize ongoing Human Capital programs while integrating Human Capital practices, technologies, and programs in order to contribute to organizational mission accomplishment. The focus will be on the American Recovery and Reinvestment Act of 2009, acquisition human capital initiatives, closing competency gaps in the department's mission critical occupations; as well as improving hiring times for all employees through use of electronic systems and efficient use of human resources. The focus will also be on creating a performance culture where DOT's Operating Administrations have performance appraisal and awards systems, which are linked to agency mission, goals, and outcomes. In addition, training will continue in the OA's use of the Civilian Forecasting System, which provides forward-looking analytical data and seven-year projections based on five years of historical data. The forecasting tool includes personnel target data, projections for accession requirements and separations (by type), and optimizes to target levels. As a workforce-planning tool, the OA's can determine projected vacancies by occupation, grade, organizations units, or geographic location.

In addition, funds will support necessary training, record-keeping, and travel in connection with the newly established self-accountability program, and support required employee survey administration. In addition, funds will support departmental leadership development programs. Each of these programs, in addition to meeting extensive compliance and reporting requirements of law and/or administration policy, serves a vital role in ensuring that DOT finds, acquires, develops, engages, evaluates, and retains the right talent at the right time in support of critical department initiatives and goals.

The Departmental Office of Human Resource Management now also plays a key role in the Department's response to emergencies such as national disasters and possible pandemics. This funding level is necessary so that staff will be able to accomplish the following: track employee locations; identify impacted employees; develop and implement systems to track leave usage; and respond to congressional inquiries.

Acquisition and Grants Risk Management and Oversight

The Office of the Senior Procurement Executive (OSPE) executes the responsibilities of the Chief Acquisition Officer (CAO) and oversees the DOT acquisition system that expends \$5 billion in contracts and \$80 billion in grants funds annually through the Office of the Secretary and the Operating Administrations.

The Administration is taking a new direction with some federal procurement policies. On March 4, 2009, President Obama issued a memorandum entitled "Government Contracting" to Executive Departments and Agencies. Changes are anticipated in the areas of contract review processes, acquisition workforce, in-sourcing, commercial services management, and the definition of inherently governmental activities, to name a few. The American public is demanding greater accountability and transparency in

acquisition which resulted in legislation such as the Federal Funding Accountability and Transparency Act of 2006. The goal of this statute is to give the public greater insight into how procurement and grants funds are being spent. In addition, after a decade of reforms which encouraged the acquisition community to be creative, both the Government Accountability Office and the DOT Office of the Inspector General (IG) are more focused on acquisition oversight than ever before. This is evident in the GAO's issuance of the GAO Framework for Assessing the Acquisition Function in Federal Agencies, the IG's focus on the need to improve acquisition and contracting in their *Top Ten Management Challenges* and the many on-going audit engagements in the Department that focus on acquisition and grants management (e.g., oversight of cost type contracts, use of award fee contracts, use of DCAA audit services). These mandates have made due diligence by agency CAO's an imperative. Therefore, the OSPE is requesting contractor support to:

- Implement strategic risk management strategies throughout the Department;
- Develop enhanced capabilities to collect, review and analyze procurement and grants data;
- Implement Administration and government-wide initiatives, such as performance based acquisition, enhanced competition, and improved internal controls through evaluation of agency acquisition functions using the GAO framework,
- Improve departmental acquisition processes and performance outcomes on DOT's major acquisition programs.
- Strengthen audit oversight and tracking to ensure audits (pre award, cost incurred and close-out) are being obtained when needed, that a departmental audit plan is negotiated with the OA's annually, and that responses to audit findings are prepared in a timely manner.
- Work with the OA's to establish enterprise-wide contracts based on current spend. Contractor support will perform spend analysis and work with commodity councils to ensure the success of the DOT Strategic Sourcing Program.

The Office of the Senior Procurement Executive provides expert advice and direction to Operating Administrations to ensure that the over \$85 billion in taxpayer dollars spent annually through DOT's acquisition and grants business processes achieve the performance outcomes required to accomplish DOT's mission. OSPE is responsible for ensuring a balanced approach to managing DOT's business processes which emphasizes performance, integrity and public policy requirements.

OST Payments to Departmental Office of Human Resource Systems Services

The requested funding of \$200,000 will provide support for the OST share of Electronic Learning Management Systems (eLMS), Federal Personnel and Payroll Systems (FPPS), and the Enterprise Human Resources Integration electronic Official Personnel Folder (EHRI/eOPF). The funds requested for eLMS will provide OST system support for the delivery of on-line learning, learner registration, learner training completion, the delivery

and recording of assessments, and the reporting of eHRI data to OPM. FPPS is an integrated HR and payroll system which provides system support, general payroll office support and payroll processing. FPPS will provide OST the necessary means for submitting requests for personnel actions and processing of personnel actions; the FPPS suite of services also includes the Datamart for management reporting of HR and payroll data and support for interfaces to numerous external systems. EHRI/eOPF will allow for secure access to official employee Human Resources (HR) records for employees and HR staff.

OST Payment to the Working Capital Fund

\$7,271,421 is requested for payments for centralized administrative and support services for all OST offices. Technical and administrative services include building security, personnel operations, facilities management, parking management, printing and graphics, mail operation and dockets management operations, building security, utilities and building maintenance, voice, cable and wireless communications, Disability Resource Center, substance abuse awareness and testing, and procurement and acquisition services. This consolidation of services allows OST to achieve economies of scale and critical safety and health operation for OST employees.

The requested FY 2010 OST payment to the Working Capital fund reflects a \$745,000 reduction stemming from the Department's proposal to fund the Executive Protection Program with the Office of Intelligence, Security and Emergency Response Salaries and Expenses funding rather than through the Working Capital Fund. The \$745,000 savings reflects OST's share of the cost of the Executive Protection Program when it was funded through the Working Capital Fund.

Rental Payments to GSA

Consolidated payments for GSA rental expenses for all OST offices will total \$8.820 million in FY 2010. In addition to the rented space OST will pay for and occupy at the Southeast Federal Center new headquarters building, funding will also be required for rental payments in; College Park, GA; Des Plaines, IL; and San Francisco, CA.

Rental Locations	FY 2009 Rental Payments	FY 2010 Rental Payments	Net Increase/Decrease
Southeast Federal Center, WDC	\$ 8,221,854	\$ 8,654,000	\$ 432,146
College Park, GA	\$ 51,450	\$ 49,980	\$ (1,470)
Des Plaines, IL	\$ 55,769	\$ 57,734	\$ 1,965
San Francisco, CA	\$ 13,927	\$ 13,927	\$ -
Operations and Maintenance	\$ -	\$ 44,359	\$ 44,359
Total:	\$ 8,343,000	\$ 8,820,000	\$ 477,000

Energy/Environment/Fleet/Occupational Safety/Common Identification Standard Management

Funding is requested to comply with Executive Orders and new legislation to maintain and/or establish programs to develop policy and implement department-wide requirements to save energy, protect employees' health and environment, and provide secure identification for Federal and contractor employees.

Executive Order (EO) 13148, Greening the Government through Leadership in Environmental Management, requires Federal agencies to manage its environmental affairs and issues, most notably those areas where the entity interacts with or affects the environment. EMS implementation reflects accepted quality management principles based on the "Plan, Do, Check, Act," model using a standard process to identify goals, implement them, determine progress, and make continual improvements.

Executive Order (EO) 13123, Greening the Government through Efficient Energy Management, requires agencies to increase use of renewable energy sources and reduced use of petroleum and water.

Energy Policy Act of 2005 ("EPACT") contains several major provisions affecting Federal energy management policies and programs. Program responsibilities require such items as goals including annual energy reduction of two percent from FY 2006 to FY 2015 and provisions that change the reporting baseline from 1985 to 2003, and an annual report to the President and Congress on agencies progress and compliance. Other requirements include measurement and accounting goals for electric metering in Federal buildings by 2012 and establishment of performance standards to ensure energy efficiency.

Executive Order 13101, Greening the Government Through Waste Prevention, Recycling and Federal Acquisition, requires each executive agency to have a program to promote cost-effective waste prevention and recycling of reusable material.

Environmental Compliance Improvement Initiatives ensure Federal agency compliance with all environmental laws and regulations. The initiative contains recommendations which must be implemented at the administration level, agency level, operating administration level and facility level. Some of these recommendations include tracking and auditing of environmental data and training employees on proper procedures.

All Federal Agencies are required to meet the sustainability requirements for Federal buildings stipulated in E.O 13423 and the Energy Independence and Security Act of 2007 (EISA). These requirements encompass the areas of: integrated planning, energy efficiency and alternative energy implementation; water conservation; indoor air quality; and environmentally preferable material usage and disposal.

All Departments are required to maintain an automated system to track its Federal Fleet. The system gives Fleet Managers and Program Managers the ability to capture and track fleet inventory, billing, fuel, accident and waiver information as well as locations for alternative fueling locations. The program will assist managers with FAST and EPA reporting requirements as well as other Ad-hoc reporting requirements.

Homeland Security Presidential Directive 12 (HSPD-12) Policy for a Common Identification Standard for Federal Employees and Contractors (1) requires a Government-wide standard for secure and reliable forms of identification for Federal Government and contractor employees, (2) requires agencies to have programs and policies in place to ensure that the identification they issue meets the standard, and (3) requires agencies, to the maximum extent practicable, to use identification meeting the standard for physical access to Federally-controlled facilities and logical access to Federally-controlled information systems.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

- **Integrated e-Government Concepts-** We will continue to use e-Government as a tool to leverage DOT's buying power and achieve DOT's goals. Implementing innovative strategies and technologies such as strategic sourcing, spend analysis, and performance based acquisition, will enable the Department to use existing funding more effectively with greater potential benefit to the Department's programs serving the taxpayer.
- **Human Capital Management** – Our focus will include improving hiring times for all employees through use of electronic systems and efficient use of human resources, creating a performance culture where DOT's Operating Administrations have performance appraisal and awards systems which are linked to agency mission, goals and outcomes, training OA's on their use to answer sophisticated questions about the workforce or specific demographics within it, and to forecast future trends and needs that improve the linkage between the corporate recruitment program and workforce planning.

- **Acquisitions and Grants Best Business Solutions** – We will continue to provide expert advice and direction to ensure that taxpayer dollars spent annually through DOT's acquisition and grants programs achieve the performance outcomes required to accomplish DOT's mission while emphasizing performance, integrity and public policy requirements.
- **Policy leadership and advice** – We will continue to provide policy leadership to the Office of the Secretary and departmental elements on laws, regulations, government wide policies, and executive direction related to achieving efficiencies in resource utilization and ensuring full compliance with legal and regulatory requirements.
- **Environmental management systems (EMS)** will be implemented at all appropriate DOT facilities. Policies will be written, environmental management programs will be documented and audited, and results reported.
- **Leadership** will be exercised in the in the reduction of petroleum consumption through the use of alternative fuel vehicles (AFV), alternative fuels, and through improvements of fleet efficiency.

FY 2010 PERFORMANCE BUDGET REQUEST:

The Office of the Assistant Secretary for Administration is requesting \$25.520 million and 59 FTE. This request includes a small funding increase over the FY 2009 enacted level to annualize the 2009 pay raise, fund a 2010 two percent raise fund a .5 percent inflation adjustment in FY 2010. The increase in rental payments is offset by a decrease in contractual services. In addition, the OST payment to the Working Capital Fund costs is reduced by \$745,000, reflecting the Department's proposal to fund the FY 2010 cost of the Executive Protection Program with the Office of Intelligence, Security and Emergency Response Salaries and Expenses funding rather than through the Working Capital Fund. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

ORGANIZATIONAL EXCELLENCE**FY 2010 BUDGET REQUEST****OFFICE OF CIVIL RIGHTS**

(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Request</u>	FY 2010 <u>Request</u>
Office of Civil Rights	<u>9,141</u>	<u>9,384</u>	<u>9,667</u>
Total	\$9,141	\$9,384	\$9,667

PERFORMANCE ISSUE:

The Departmental Office of Civil Rights (DOCR) is responsible for advising the Secretary and the Departmental Executive Management on equality issues in transportation, and enforcing laws and regulations that prohibit discrimination in federally operated and assisted transportation programs. Through its efforts, DOCR strives to: 1) promote and foster a positive civil rights climate within DOT and within the Transportation community; (2) provide direction and support services to prevent and reduce civil rights related complaints filed against DOT and recipients of federal transportation funding; 3) process civil rights related complaints in a timely, efficient and cost effective manner; and 4) provide effective education and outreach programs to ensure equal and timely access to DOT programs and services to all customers and stakeholders--employees and the American public.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

- DOCR will continue to focus on prevention, early intervention, and effective resolution of internal and external conflicts and complaints, while reducing the need for formal complaint processing. DOCR will augment its EEO programs through Departmental initiatives that are designed to encourage resolution, address and resolve disputes prior to the formal complaint stage, reduce complaint processing times, and establish/maintain quality and accurate EEO information. DOCR will further its steps to standardize EEO/civil rights-related training throughout the Departmental and ensure that statutory training requirements are met.
- DOCR will expand its delivery of DOCR's services in the areas of the Disadvantaged Business Enterprise program, Limited English Proficiency policy, external discrimination complaint processing, and disability rights. DOCR will provide training on these and other external civil rights policy matters to recipients of DOT funds and the OAs. DOCR will also continue its leadership in

maintaining a DOT-wide Limited English Proficiency Workgroup, and its collaborative efforts with the Department of Justice and other Federal agencies.

- DOCR will process appeals filed by businesses that were denied certification as a Disadvantaged Business Enterprise (DBE) by a highway, transit, or aviation recipient. Although the number of appeals filed has increased dramatically and is expected to increase even more with the anticipated increase in transportation infrastructure projects, DOCR will continue to issue final agency decisions within the timelines specified in the Department's regulations through allocating additional resources to support the DBE program.
- DOCR will continue the expansion of the office's role and interface with internal stakeholders involved in Emergency Transportation planning, training, coordination and response involving Special Needs Populations, including persons with disabilities, transit dependent persons at or below poverty levels, and other individuals with limited mobility. DOCR serves as a technical advisor on Special Needs Population and Persons With Targeted Disabilities to the Department's Emergency Transportation Work Group and represents the Department on the Department of Homeland Security's Interagency Coordinating Council on Emergency Response and Individuals with Disabilities and Department of Labor's Disability Executive Committee.
- DOCR will continue meeting on a tri-annual basis with the DOT senior leaders to discuss each organization's progress and compliance with civil rights laws and the department's policies. These meetings will continue to serve as regular and timely forums for DOT's leadership to share initiatives, strategies and successful programs and actions for diversifying its internal personnel recruitment and employee leadership practices. The meetings will also encourage DOT's leaders to support and comply with civil rights obligations while providing program oversight to customers seeking external transportation services.
- DOCR will refine its civil rights information on-line repository so that customers may easily request and receive Disadvantaged Business Enterprise appeal decisions, external civil rights policy guidance, and other civil rights information. The implementation of this repository will begin the final stage of the organization's goal to establish timely, quality and accurate automated civil rights services.

FY 2010 PERFORMANCE BUDGET REQUEST:

In this performance goal, the Departmental Office of Civil Rights is requesting \$9,667 million and 55 FTE to continue the mission outlined above. The FY 2010 request represents a small increase above the FY 2009 request. This increase will fund the annualization of the 2009 pay raise, the 2010 estimated two percent civilian pay raise, .5 percent inflation adjustment in FY 2010, and a small increase in other services. The following activities will be funded within the FY 2010 request:

- **\$68 thousand for licensed certified public accountant services.** DOCR will establish a contract for certified public accounting services. These services will require the contractor to provide ongoing advice and counsel (on an as-needed basis) regarding accounting, tax, and personal net worth DBE appeal certification requirements. By regulation, DOCR processes appeals filed by businesses that were denied certification as a DBE by a highway, transit, aviation recipients, or other departmental entities. Only disadvantaged persons having a personal net worth (PNW) of less than \$750,000 can potentially qualify for the program. In determining a firm's eligibility for the program, recipients analyze tax returns, personal net worth statements of assets and liabilities, financial account statements and documents, and other material submitted by the applicant. This includes information concerning their personal property, trusts, retirement investments, stocks and bonds, real estate holdings and mortgages, business interests and debts, insurance policies, and other financial documentation to support their PNW calculation. Persons with high personal net worth who wish to enter or continue in the DBE program are using various arrangements to remain within the \$750,000 threshold. The calculations resulting from these arrangements may not reflect a true and accurate picture of the person's net worth, even though they may be consistent with IRS guidelines. The contractor will research issues and questions provided by DOCR after reviewing applicable DBE appeal records, tax laws, and Federal regulations and offer recommendations and guidance to DOCR that can be used to appropriately make a decision on the appeal.
- **\$650 thousand for equal employment opportunity counseling, investigations and final agency decision contractual services.** These essential services will enable DOCR to utilize contract civil rights experts to assist the organization with reducing EEO complaint processing times by maintaining an EEO complaint processing steady state consistent with the timeline established in 29 C.F.R. §1614. DOT's emphasis is placed on the EEO processing stages that support the issuance of timely reports of investigations. DOCR also has the responsibility for providing EEO counseling services to the Office of the Secretary. Periodically, DOCR augments staff resources by providing contractual counseling services. In addition, DOCR reviews, analyzes, and prepares final agency decisions (FADs) in discrimination complaints filed against DOT. Increased caseload, along with the reduction of full-time adjudicators results in increasing FAD processing times that exceed the regulatory timeframes. Use of contract services to supplement in-house adjudicators will enable DOCR to reduce average FAD processing times to within the regulatory timeframes.
- **\$475 thousand for IT infrastructure, applications and databases.** These products and services will enhance the organization's ability to provide timely and quality civil rights services and products to its partners and customers. Inter/intra agency agreements and contracts are established to support infrastructure requirements that provide the organization's regional personnel with secure automated business environments. The applications and databases provide DOT's civil rights community with an enterprise solution for collecting

and disseminating information for its civil rights programs consistent with annual reporting requirements supporting the Civil Rights Act (1964) e.g. EEOC Form 462, DOJ 12250 and the No FEAR Act. DOCR will also implement a reasonable accommodation tracking system to capture and maintain accommodation requests Department-wide. The system is necessary to ensure compliance with the DOT Order on Reasonable Accommodation and general guidance from the Equal Employment Opportunity Commission.

- **\$50 thousand for alternative dispute resolution (ADR) and related services.** ADR services will be provided for internal and external customers seeking to prevent or resolve conflicts. ADR services currently provide customers with additional methods for addressing personal and professional differences that hinder the organization's ability to provide and oversee its transportation related mission and programs. The ADR services are integral to effective conflict management, reducing formal internal and external complaints filed against the Department.
- **\$50 thousand for civil rights related education, compliance and oversight services.** Civil rights education and training standards will be developed as technical assistance for DOT employees and key stakeholders responsible for administering DOT's civil rights programs, employees who oversee federally funded transportation and emergency preparedness related programs and services. Federal law requires training for EEO personnel responsible for issuing reports of investigations. DOCR is also responsible for overseeing implementation of DOT's No FEAR training program for all employees to ensure compliance. DOCR will secure necessary expertise to support these initiatives
- **\$822 thousand to reimburse WCF for business operation services.** The working capital fund enables DOCR to purchase shared goods and services (fee-for-service components and administrative support), i.e., building security, copy centers, Departmental initiatives, the Disability Resource Center, DOT's work life/wellness initiatives, and other proportional charges that are expended for common services.
- **\$50 thousand for civil rights program evaluations.** The Federal Code of Regulations, Title 49, Volume 1, §1.70 delegates to DOCR the responsibility for assessing, evaluating, and measuring the effectiveness of DOT's civil rights programs, which are decentralized throughout DOT operating administrations and regional offices.
- **\$275 thousand for intra agency service agreements and contracts.** DOCR uses reimbursable agreements and contracts to support the organization's regional offices. DOCR provides facilities and services, consistent with those supporting employees in its headquarters location, to regional employees located in Cambridge, MA; Atlanta, GA; Chicago, IL; and Dallas, TX. These financial agreements provide services for telecommunication, IT support, and

administrative support, including mail service, physical and cyber security and employee transit benefits.

- **\$112 thousand to implement and maintain secure and comprehensive electronic civil rights records.** DOCR will harness the power of technology by capturing, storing and organizing physical and unstructured electronic civil rights information. The use of technology makes information more accessible to the organization's customer base and allows it to be used to support more informed and timely decision making. Legal and compliance issues drive the need for a comprehensive records management strategy. Federal and state requirements have become more stringent with respect to Federal information. Federal Rules of Civil Procedure (FRCP), Sarbanes-Oxley, and other recent regulations mandate how electronically stored information (ESI) such as contracts, spreadsheets and email are handled internally, and more importantly produced to the courts when required

ORGANIZATIONAL EXCELLENCE**FY 2010 BUDGET REQUEST****FINANCIAL MANAGEMENT CAPITAL**

(In thousands of dollars)

	<u>FY 2008 Actual</u>	<u>FY 2009 Request</u>	<u>FY 2010 Request</u>
Financial Management Capital	0	5,000	5,000
Total	0	5,000	5,000

PERFORMANCE ISSUE:

For FY 2010, DOT is requesting \$5 million for a multi-year project to upgrade DOT's financial systems and business processes to improve the Department's financial management. This effort includes:

1. Implementing new government-wide accounting standards developed by the Financial Management Line of Business (FM LoB). This requires DOT to re-engineer our business process and modify our financial systems. These standards will allow better DOT-wide comparisons of data, will reduce DOT operational accounting costs through standardization, and will streamline the preparation of government-wide financial reports.
2. Developing a better way to relate program costs (inputs) to DOT strategic goals and program performance metrics (outcomes). This requires new analytical, business intelligence and reporting tools, as well as changes in the data structure (accounting classification) in Delphi and in various DOT "feeder systems" that electronically interface source data into Delphi.
3. Upgrading to the new version of the Oracle e-Business Suite (Oracle Financials) software. Using commercial off the shelf software requires keeping current with new versions of the software in order to retain support from the vendor. The new version, which will be tested and certified by the Financial Systems Integration Office (FSIO, which is run by GSA on behalf of OMB), has been so restructured and re-architected that migrating to it requires re-implementing Delphi, including converting existing data to the new data structure. This upgrade will provide several significant system enhancements that all Federal customers have been seeking for several years, as well as 2,000+ other software enhancements.

4. Implementing new mandates from the Treasury Department as they consolidate and streamline their own financial systems. This will improve government-wide financial reporting and streamline reconciliation of inter-agency agreements and will require major changes to Delphi and our feeder systems so that we can continue to interface required data to Treasury electronically.
5. Improving DOT's Earned Value Management (EVM) capability to meet increasing EVM requirements for all major mission projects and programs throughout DOT.

FY 2010 PERFORMANCE BUDGET REQUEST:

In FY 2010, \$5 million dollars is requested for a multi-year project to upgrade DOT's financial systems and processes as part of the Financial Management Business Transformation (FMBT) initiative. In addition, DOT Operating Administrations (OAs) will be contributing \$4 million dollars in FY 2010 to the FMBT and details for the intended use of the \$9 million dollars of total funding are detailed below:

\$9 Million for Improving Financial Management

Project Management (\$1.7M).

The Project Management Office is an integral component of the FMBT initiative's future success and the same level of support will be required in FY 2010 as in FY 2009. The PMO provides the tools, templates, plans, and methodologies for each of the five FMBT teams and manages the complex project plan for the entire initiative, including risk management, quality control, management reporting, milestone tracking, and stakeholder communications and engagement. The PMO team is responsible for assisting with the translation of business process reengineering results into business requirements for the future systems and this work will be significant in both the FY 2009 and 2010 timeframe.

Business Process Transformation (\$2.6M).

DOT began business process reengineering in FY 2009 as part of the FMBT initiative. In FY 2010 these efforts will accelerate and culminate in detailed process requirements that will be used by the Financial Management Business system team in FY 2011 and FY 2012 for a future migration to Oracle Core Financials Release 12. DOT has begun the process of documenting the business process framework, which outlines the scope of each major financial management process and subprocess for business transformation initiative purposes. The plan is to move forward with the analysis of the current state, the identification of short and long-term transformation opportunities, definition of future state and system business requirements, and the development and modification of policies and procedures. The team will continue critical business process reengineering efforts for the budget, procure-to-pay, cost accounting, and grants (grants payment process) business processes, as well as begin work on Property, Plant, and Equipment (PP&E), Federal agreements (reimbursable agreements), financial reporting, and receivables management. Benefits of these efforts are:

- Elimination of redundancies in business processes, systems and overhead costs

- Gain operational and systematic efficiencies
- Minimization of errors and customized solutions as DOT move to a single solution to complex processes and sub-processes
- Improvement of project management and help achieving objectives of earned value management (EVM)
- Improvement in process-based training, communications, and documentation

Information Management (\$1.2M).

The implementation of the Common Government-wide Accounting Code (CGAC) will be a major undertaking for the Department based on the varied accounting classification structures (ACS) currently being managed for different OAs. In FY 2009, the Information Management team is addressing a comprehensive analysis and documentation of the current classification structures. In FY 2010, the team will develop the Department's CGAC model and crosswalk the current classification structures to CGAC. The current financial reporting inventory will be finalized also, so that work can begin in FY 2010 on future reporting requirements and specifications. Benefits of these efforts are:

- Standardization of accounting classification structures for management and external reporting and analysis
- Minimization of data-related errors
- Reduction in and standardization of financial reports

Current and Future Systems (\$3.0M).

In FY 2009, DOT is undertaking a focused effort on discovery and education of the Department's future financial management system (Oracle Release 12iFSIO product line). Additionally, the current system's functionality is being analyzed to identify immediate opportunities for process reengineering, reporting, and data management success. In FY 2010 experts will begin to apply this knowledge to planning new system design activities and will demonstrate system capabilities through proof of concept sessions. This will be a highly collaborative effort with the OA subject matter experts and other stakeholders to ensure results are meeting anticipated expectations prior to the build phases of the new financial system's layout for future implementation. Additionally, in FY 2010 emerging technology research will be used to pilot product line opportunities to further enhance current systems (for the interim period prior to migration to the new system) and the future system. For example, the team anticipates introducing a business intelligence solution as a tool to better meet managerial needs and requirements. Benefits of these efforts are:

- Improve Reporting on a Departmental level
- Provide a consolidated Departmental financial statement process
- Enhance data integrity to continue to support clean audit opinions
- Improve efficiencies through automated solutions

Change Management and Learning (\$0.5M).

Change management will be a critical component of this business process reengineering effort, as the team seeks to minimize the inherent risks of process changes by preparing the stakeholder community for these changes, what they mean to them, and how the changes will be implemented through the FMBT effort. For the Change Management and Learning team, FY 2010 will involve a transition from strategic planning to execution, particularly in the area of business process reengineering launch activities (communications, training, and leadership briefings) and Oracle R 12 training.

**PERFORMANCE BUDGET FOR THE WORKING CAPITAL FUND
FY 2010 BUDGET ESTIMATE**
(In thousands of dollars)

<u>Program</u>	<u>FY 2008 Actual^{1/}</u>	<u>FY 2009 Enacted^{1/}</u>	<u>FY 2010 Estimate^{1/}</u>
WCF DOT Activities	128,094	128,094	147,596
WCF Non-DOT Activities	<u>244,732</u>	<u>349,424</u>	<u>438,953</u>
Total	\$ 372,826	\$ 477,518	\$ 586,549
 <u>Staffing</u>			
Reimbursable Positions	219	219	213
Reimbursable FTE	172	219	213

^{1/} Refer to Section 5 – Additional Justifications for a “Transparency Paper: Total Program Resources for Offices of the Assistant Secretary for Administration and Office of the Chief Information Officer” for a complete description of total funds managed by those offices.

PERFORMANCE ISSUE:

The WCF, through the Office of the Assistant Secretary for Administration (OASA) and the Office of the Chief Information Officer (OCIO), provides a wide range of technical and administrative services including personnel operations, facilities management, parking management, transit benefit programs, printing and graphics, mail operation, library and docket management operations, building security, IT security and infrastructure, telecommunications, and procurement and acquisitions services. The fund’s services are delivered to customers through an organizational structure of individual business lines providing related services or products. This consolidation of services allows the WCF to achieve economies of scale, eliminate redundancies, promote consistency in service, and reduce administrative costs across the Department.

The WCF is a fee-for-service operation which receives no direct appropriations. Instead, the WCF is a fully self-sustaining organization and must achieve full cost recovery which includes an equitable distribution of overhead and indirect costs. During the budget formulation stage, the WCF provides cost estimates to the WCF customers based on historical data and projected demand and service levels. During the year of execution, customers are billed for actual use of common services.

The WCF continues to enhance utilization of performance based metrics and expand management control plans. Documentation and testing is performed for the new internal controls over financial reporting as required by the Sarbanes-Oxley Act and the Federal Managers Financial Integrity Act. The WCF has documented and performed testing on all key

areas of the financial statements.

The WCF continues to balance mission priorities with customer needs and available resources while building upon a sound administrative infrastructure that consolidates services for common Department-wide functions throughout the Operating Administrations. WCF services are financed through customer reimbursements based on actual customer usage. Customers are provided with estimates based on historical usage and detailed discussions occur to determine new and changing requirements. Billings, however, are based on actual usage of common services.

The WCF facilitates efficiencies by:

- placing policy offices and service providers together in the same organization;
- making the best use of employee expertise, increasing communication, and reducing costs to the taxpayers;
- identifying and eliminating redundancies and reducing organizational layers;
- providing best value to the government through compliance with OMB and Congressional directives to consolidate and deliver services more efficiently; and
- consolidating Operating Administrations' infrastructures into a single Departmental infrastructure to improve service delivery, increase security, and reduce costs.

To promote greater efficiencies, it is necessary for the fund to be flexible and responsive. The WCF maintains an operational reserve of 4% of annual income. This reserve protects the fund from exceeding the amounts authorized and adds an acceptable margin for both flexibility and responsiveness.

ANTICIPATED FY 2009 ACCOMPLISHMENTS:

Focusing on accountability, integration, and efficiency, the WCF continues to enhance the Department's common services in human resources, security, procurement, consolidating redundant Information Technology operating administrative infrastructures, shared common IT operating environments and other essential administrative services.

The WCF will focus on new efficiencies as a result of the departmental move and continue to build on a consolidated infrastructure for common services provided to all the Operating Administrations.

The Office of the Assistant Secretary for Administration will build upon the Department's culture to reflect its commitment of being citizen-centered, results-oriented, and market-based by managing the Strategic Management of Human Capital and Commercial Services Management.

FY 2010 PERFORMANCE BUDGET ESTIMATE:

The FY 2010 budget request was developed based on assumptions of the new DOT headquarters operations and one year of historical usage. As historical operations become more predictable, estimates will stabilize and the WCF can begin taking advantage of any economies of scale that can be realized.

The WCF estimates a total obligation level of \$586.5 million for FY 2010. This represents an increase of 22.8% or \$109 million more than the FY 2009 estimate levels.

\$95.7 million relates to the P.L. 111-5 American Recovery and Reinvestment Act of 2009 that increased Transit Benefit subsidies up to \$230 per person. Transportation Services (TRANServe) delivers transit benefit services to DOT operating administrations; delivers transit benefit services to Non-DOT agencies; and provides parking management services to DOT employees.

An increase of \$3.1 million is requested for One DOT PRISM Management - this program supports the Department-wide strategy of migrating to a standard consolidated procurement system that is integrated with DOT's Delphi Financial System. Consolidation of the multiple DOT procurement systems that now exist will significantly enhance Department-wide spend analysis and reporting capabilities while reducing the cost of software maintenance, application support and system hosting obligations. Integration of the procurement system with Delphi will enhance the financial reconciliation and management reports provided to Congress, the Office of the Secretary, the Inspector General, the general public, other departmental Offices and other Federal Agencies, streamline business processes, eliminate duplicate data entry into multiple systems and support commitment accounting.

FY 2010 will be the first full year of the One DOT PRISM program being supported via the WCF. The operating administrations are currently paying for their own instances of PRISM directly (i.e. outside of the Working Capital Fund). The associated costs include contract costs for licenses, maintenance, training, support, and staffing (7-FTEs) to support program management, database administration, and help-desk support.

The billing methodology will be based on an allocated process. The allocation will be based upon the annual number of transactions from the PRISM data. The numbers will be pulled each annual budget cycle and applied to the upcoming Request budget estimates.

An increase of \$.797 million is requested for the Rental Payments to GSA. This increase is required as a result of the dramatic increase in property taxes and a slight increase in square footage occupied by the WCF in the new DOT headquarters building.

An increase in Copier, Printing and Multimedia Services of \$1.1 million is requested. The FY 2009 estimate originally projected for Multi Functional Printers (MFPs) is well below the current reality. The Fy 2009 estimate was based on the Satellite Copier Program fleet in the Nassif Building. At the time of the FY 2009 projection, orders for the larger, upgraded and networked fleet were still in flux.

The MFP program provides upgraded equipment which copies, faxes, prints, and scans. The program currently has 259 machines in active use connected to the Department's network; the previous fleet was only 33% networked. Two on-site technicians make repairs and provide maintenance.

A \$.376 million increase has been requested for Utilities. The move from the Nassif Building to the new building at 1200 New Jersey Avenue has caused difficulty in estimating utilities as FY 2008 was the first full year of operation. There is little historical data, the building is undergoing final system commissioning, and the process of working through operational and comfort issues is still underway. Thus each budget request incorporates the latest information available to estimate what future utilities expenses will be.

A \$1.2 million increase is being requested for Dockets Operations. The Department migrated to the Federal Docket Management System (FDMS) and decommissioned its legacy system in FY 2008. This migration is expected to increase efficiency by centralizing the rulemaking and adjudicatory dockets, improve docket access through minimized search and retrieval times, and enhance customer service.

With the implementation of the consolidated service, the Department started to pay operational costs through the Working Capital Fund as opposed to e-Rulemaking contributions. These costs were previously paid by the operating administrations thru interagency agreements administered by the Office of the Chief Information Officer. The Departmental program must maintain a support staff to meet the needs of the Department but has reduced contractor support and miscellaneous supplies and equipment to help off-set the increase in user fees.

The Office of the Chief Information Officer's (CIO) request includes \$15M in Desktop Services to accommodate the migration of desktop support from the field to the Common Operating Environment. The affected modes are currently paying for this support directly (i.e. outside of the Working Capital Fund). In FY 2010 the support will be provided by IT Services and funded by the modes through the Fund.

If field offices are not consolidated into the Common Operating environment:

- The Department will not meet the Office of Management and Budget's mandate to reduce the number of Trusted Internet Connections
- The Department will not be able to achieve efficiencies of scale since procurement and support will be fragmented.
- Security vulnerabilities due to a fragmented network will continue and compliance with Federal Information Security Management Act requirements will be at risk.

These increases total \$117.3 million, however some of the increases have been offset by savings in the WCF overhead program (\$.4 million) and Space Management Services (\$.3 million). The CIS/GIS program has been reduced by (\$.9 million) because the plan for DOT and HUD to form a consortium to be a service provider of back-end grants processing services to other Federal agencies under OMB's Grants Management Line of Business (GMLOB) initiative was not approved. Another \$1.1 million was saved through program efficiencies in the Library (\$.45 million), Publications Distribution (\$.38 million), Security Operations (\$.15 million), and

Human Resource Services (\$.13 million). A decrease of \$4.7 million is attributed to the refinement of workload requirements in Information Assurance & Privacy and the Campus Area Network Business Lines. Other minor decreases (\$.9 million), which are the result of shifts in customer demand for services, have been incorporated in various programs and will be reflected in our revenue estimates to our customers, but are not discussed in this narrative. As a result the net increase is \$109 million.

The following tables display the obligation budget by WCF business lines:

**FY 2010 ESTIMATE
WCF DOT AND NON-DOT OBLIGATIONS
BY BUSINESS LINE
(\$000)**

<u>Description</u>	<u>DOT Obligations</u>	<u>Non-DOT Obligations</u>	<u>2010 Total</u>
Assistant Secretary for Admin			
Acquisition & Procurement Operations	5,001	0	5,001
Building Security	14,547	0	14,547
Commercial Services Management	538	0	538
Consolidated Federal Funds	132	0	132
Copier, Printing & Multimedia	7,959	51	8,010
Disability Resource Center	1,630	453	2,082
Dockets Management and Operations	2,596	202	2,798
Facilities Services & Utilities	9,275	371	9,645
Federal Laboratory Consortium	21	0	21
FEMA COOP Facility	1,075	0	1,075
Financial Mgmt, Accting & Admin	6,867	0	6,867
Flexible Spending Account	415	0	415
Grants Information System	527	0	527
Human Resource Services	4,443	41	4,484
Library & Information Services	2,110	0	2,110
Mail Services & Postage	3,081	81	3,162
Publications Distribution	128	115	242
Rent & Space Management	7,413	0	7,413
Security Operations	4,547	0	4,547
Substance Abuse Awareness & Testing	1,458	3,742	5,200
Transit Benefits & Parking	4,411	433,227	437,638
Unemployment Compensation	2,107	75	2,182
Warehouse	698	60	758
Assistant Secretary for Admin Subtotal:	<u>80,978</u>	<u>438,418</u>	<u>519,396</u>
Chief Information Office			
Campus Area Network	4,227	0	4,227
Desktop Services	27,567	0	27,567
Information Assurance & Privacy	15,121	0	15,121
Server & Messaging Services	9,582	0	9,582
Voice, Cable & Wireless	10,122	535	10,657
Chief Information Office Subtotal:	<u>66,618</u>	<u>535</u>	<u>67,153</u>
Grand Total:	<u>147,596</u>	<u>438,953</u>	<u>586,549</u>

Note: Numbers may not add due to rounding

**OFFICE OF THE ASSISTANT SECRETARY FOR
ADMINISTRATION
WORKING CAPITAL FUND
FY 2010 BUDGET ESTIMATE
(In thousands of dollars)**

<u>Program</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Estimate</u>
DOT Activities	75,467	73,791	80,978
Non-DOT Activities	244,226	348,788	438,418
Total	<u>\$319,693</u>	<u>\$422,579</u>	<u>\$519,396</u>

Staffing

Reimbursable Positions	198	198	192
Reimbursable FTE	155	198	192

PERFORMANCE ISSUE:

The Office of the Assistant Secretary for Administration continues to meet the challenge to think more globally, respond to customer needs, anticipate and plan for future impacts of services offered, and strategically define what should be done in order to best prioritize and deploy resources.

ANTICIPATED FY 2009 ACCOMPLISHMENTS

The WCF will continue strategic management of human capital through its workforce planning, training and recruitment activities; increase planned value of acquisitions to the Department through strategic sourcing, collaborative buying and effective capital planning; and will continue to identify and implement performance measurement tools to enhance transparency and accountability across the organization. Funding will also be used for transitioning transit benefits to electronic delivery, thereby reducing Federal program costs while achieving DOT's mission related goal of increasing mass transportation usage.

FY 2010 PERFORMANCE BUDGET ESTIMATE:

The DOT obligations and Non DOT obligations have been held steady for FY 2010. The Office of Assistant Secretary for Administration is estimating projected obligations of \$519.4 million, an increase of \$96.8 million or 22.9 percent from FY 2009.

MISSION/VISION/VALUES

The OASA provides the Department with a competitively priced, comprehensive range of administrative services while continuously improving administrative activities to ensure effective performance through the use of best practices. The Office provides expertise to the Department on human resource management policies, administrative and internal security management, leadership for the headquarters building and space management programs, procurement and grants management while ensuring administrative support services are responsive to limitations and DOT strategic policy direction.

The OASA staff plans, develops, evaluates, and provides support programs in the areas of: security; personnel; procurement; employee wellness; occupational health and safety; personal property; mail and copy management; motor pool; parking and transit benefits; graphics; printing, photography, warehousing, distribution, and library services; and space management. The staff consists of experienced government FTE and contractors who oversee the technical and business operations.

FY 2010 BUSINESS LINES BY PROGRAM

Acquisitions & Procurement Operations \$5,001 thousand

Acquisition Services administers two sources of funding in performing its various roles in support of DOT. The funding directly tracks to the four areas of Acquisition responsibility:

- Working Capital Fund (WCF) cost reimbursements for providing and supporting the DOT Procurement Operations, and Contract Information System (CIS)/Grants Information System (GIS) programs.
- Credit Card rebates provide cost reimbursement to the Purchase Card program.

The Procurement Operations Program provides the full range of procurement functions from acquisition planning through contract closeout including pre-award contract and grant services, post award contract and grant services, simplified acquisition services, and purchase card administration and oversight. This program acts as the servicing procurement office for the Office of the Secretary (OST), Research Information Technology Agency, Office of the Inspector General, and Surface Transportation Board and does limited procurement work for other customers as requested. Acquisition Services awards between \$150 million and \$400 million in new obligations annually processing over 500 transactions per year. At any one time, Acquisition Services is managing over \$500 million in existing contracts and grants. Acquisition Services also manages DOT's \$200 million per year purchase card program. Contracts meet all applicable Federal Government procurement regulations and supports customer needs on a timely basis.

Building Security \$14,547 thousand

The Building Security program provides security for the DOT Headquarters buildings and FAA's FOBs 10A and 10B. The program provides security services for these buildings on a 24-hour per day basis. Building security functions include providing both security guard services

for these buildings and updated security equipment within the buildings and on their perimeters, ensuring a safe and secure work environment for employees, contractors, and visitors.

At all DOT Headquarters buildings, contract security guards perform entry control functions for both pedestrians and vehicles. They are the first responders for security and life safety incidents. In addition, they provide escort services for special visitors (VIPs) when enhanced security is required. They also serve as escorts for employees and contractor employees who are being dismissed from employment and/or from the building, in situations where it is necessary to monitor a person's actions until he/she leaves the building.

The security guards monitor alarms (fire, intrusion, and duress) and the closed-circuit television system (security cameras) at all of the buildings.

Building Security – SE Federal Center

A new guard contract will be awarded in FY 2009 and it is anticipated it will result in significantly higher costs due to inflation, the Department of Labor's health and welfare cost increase, and the additional expenses to cover the cost of recruiting, pre-employment screening, uniforms, footwear, weapons, overtime, and training of the guard force.

The guard force requirements have increased by two-thirds as the result of DOT's move to the Southeast Federal Center -- a headquarters facility consisting of two buildings. While new physical security equipment and vehicle barriers provide a more thorough screening of personnel and vehicles entering the buildings, they also require an increased number of guards to operate them.

Building Security – Orville Wright (FOB 10A) and Wilbur Wright (FOB 10B)

A new guard contract will be awarded in FY 2009. It is anticipated it will result in significantly higher costs, as explained above.

Commercial Services Management

\$538 thousand

The Commercial Services Management Program provides an infrastructure that institutionalizes the culture of competition within the agency. One of DOT's goals for Commercial Services Management is to deliberately link human capital and Commercial Services Management programs to ensure Commercial Services Management supports achievement of DOT's human capital strategy.

Since 2005, Office of Commercial Services Management and its contractor staff have supported OST's Human Resources Management staff in conducting strategic alignment and human capital assessments of mission critical occupations and this effort will continue beyond 2009 and into the future. The intended outcome of this workforce analyses endeavor is to leverage Commercial Services Management and other human capital tools to achieve savings and performance improvements in mission critical occupational areas. Competitions resulting from workforce analyses are required by OMB and Congress to undergo post-competition accountability reviews and independent validations of savings, which will be performed by Office staff and contractors. Future costs include continuing support for Commercial Services

Management activities and workforce analysis and solutions implementation for all 53 occupations in DOT's Top 10 Mission Critical Occupational categories (for which the Office of Personnel Management expects staffing and skill gap closure by 2009).

Ongoing Office of Commercial Services Management program functions include: fund and oversee support contractor staffs who assist Office staff in program planning and operations; coordinate and provide oversight in managing and reporting competitions' progress for all OAs to departmental and OMB staffs; assisting OAs to identify and manage contractor support requirements to ensure proper competitions execution; consolidate and analyze workforce and FAIR Act inventory data provided by OAs to identify opportunities for cross-cutting competition efforts; validating the estimated \$2.3B savings from 23 completed competitions by performing and overseeing analyses of contracts and/or MEO performance; prepare the annual Congressional report on competitive sourcing; and, provide technical guidance to assist OAs to ensure consistent policy and procedure interpretation and implementation. The outcome of these actions culminate in a well-managed departmental Commercial Services Management program that accurately reports savings and performance improvements achieved to Congress annually.

Consolidated Federal Funds

\$132 thousand

Consolidated Federal Funds business line provides centralized billing services. This program processes payments to the Census Bureau to cover the cost of preparing the Consolidated Federal Funds Report and the Federal Assistance Award Data System (FAADS) maintenance. The Census Bureau is the executive agent for the Office of Management and Budget for this effort and requires a single point of contact for billing purposes. Department of Commerce bills the Department of Transportation yearly for their participation in this program. The costs are distributed to the appropriate operating administrations.

Copier, Printing & Multimedia

\$8,010 thousand

Contract Printing and Graphics:

The Contract Printing and Graphics Program utilizes the Government Printing Office's (GPO) Simplified Purchase Agreement Program (SPA), and Direct Deal Contracts to procure both printing and graphic services. This allows faster processing time by going directly to the vendors, plus receiving top quality with volume prices. The SPA program offers Graphics access to five-hundred vendors to obtain competitive pricing, faster processing time and quick turnaround deliveries. Contract Printing is approved to the Maximum \$10,000 limit for the SPA program. Direct Deal Term Contracts allows DOT to write contracts that fit DOT's specific needs for print, and graphic design procurement. These contracts allow DOT to deal directly with the vendor and submit paperwork to GPO. This provides the staff the ability to calculate the final price before the job is released; jobs are processed faster, and with knowledgeable print buyers, cost savings when used properly. Graphics provides expert consultation including design specifications, multi-media presentations, and CD-ROM layout services, web pages, publications, posters, plaques, and certificates. Contract Printing, through GPO's access to over 15,000 printing contractors nationwide, offers a complete range of printing, binding and finishing services with volume pricing. Contract Printing will evaluate job requests to be

produced in the Digital Document Center as a first option before sending jobs out through the GPO procurement methods. With the acquisition of variable data software future plans are to implement personalization and processing of small self mailer jobs internally.

Additional improvements planned for the program include:

- Increase Direct Deal Term Contracts by riding existing contracts or writing new ones that fit DOT needs.
- Utilize GPO Regional offices to reduce the time it takes to award jobs.
- Pursue alternate vehicles for print procurement authorized under Title 50.
- Market expertise to the Modes through seminars and training.
- Procure more work through the Digital Document Center.

Digital Document Center:

The Digital Document Center (DDC) provides on-site, state-of-the-art, high-speed digital copying and document automation and conversion. It provides basic office documents and reports, multi-colored digital copying and the conversion of “hard copy” documents to a variety of digital file formats. The center also provides finishing services such as drilling, collating, perfect binding, spiral/comb-binding and saddle stitching. Future plans for the DDC include implementing consistent front end fiery systems to improve color uniformity and allow editing of PDF to reduce color copy cost to customers.

The DDC revamped its operation by improving the printing equipment to include in-line finishing capabilities to increase production and reduce printing costs for the operation and DOT customers. The DDC is carefully analyzing large production jobs and color rates to ensure the prices are competitive to industry costs.

Improvements planned for the program include: Implementing a Document Advisor Program

Multi-Media & Photography Services:

Multi-Media Center (MMC) & Photography Services provides on-demand multi-media services to the Secretary of Transportation, and the DOT operating administrations. These services produce results that meet the communication objectives of the diverse DOT customer base through technical support and execution of press conferences, live and prerecorded press interviews and teleprompter presentations, web casting, on site and on location presentation/meeting video documentation, video teleconferencing support, satellite uplink programming, and satellite downlinks. MMC and Photography are in-house resources that provide digital prints and creation of audiovisual and video programs, which are distributed via tape, CD, DVD and the internet.

The photographers interpret programs and situations and use innovative and improvised techniques and methods to achieve high quality photographs using digital technology, producing prints of a professional, technical, and artistic standard. The photographers photograph the Secretary and other members of the highest offices of the government, and foreign dignitaries while quickly commanding the subject’s confidence in their technical and aesthetic capabilities.

Multi-functional Printers:

This program provides 259 black/white and color multi-functional printers (MFPs) to OAs, resulting in excess of 35 million clicks annually. [The term “clicks” is used for any MFP action. It would include making a copy, receiving a fax, or printing a document from an electronic file.] Centralizing this service opens the door to many advantages for the WCF customers and the Department. For example, individual offices are relieved of the burden to procure and maintain individual desktop printers, faxes, copiers, and scanners. The program allows the Department to procure units in large quantities to obtain volume discounts that enables DOT to be cost-effective. The program also provides on-site maintenance technicians through a centralized location to provide prompt service to customers when any troubleshooting is needed. Training is available to customers so they may utilize all the benefits and features the equipment has to offer. All supplies including paper are included in the program and delivered directly to each office on a regular basis.

Disability Resource Center

\$2,082 thousand

The DOT Disability Resource Center (DRC) was established as a centralized resource to provide reasonable accommodation, technical assistance, training and outreach to all modal employees and job applicants under DOT. Program costs are allocated based on national population and with adjustments made to exclude certain position series (i.e., Air Traffic Controller-2152).

The DOT DRC continues to provide valuable services and support to agencies throughout DOT including regional and field offices. The services can be divided into three main categories:

- Accommodations Support – these are the core of what DRC provides;
- Technical Assistance – consultation, explaining the accommodation process, information on products and services;
- Customer Outreach/Selective Placement – including disability awareness, and information and support for hiring, retention and promotion of individuals with disabilities.

DRC also assists agencies in understanding accessibility and Section 508 compliance issues related to training, video and multimedia presentations.

In addition to direct costs, DRC provides the staff time required in supporting the assessment, identification and procurement of the products and/or services and the follow-up conducted to ensure products/services are provided and are fulfilling the customers’ needs. This relieves the programs employing people with disabilities not only of the costs for products/services needed, but the indirect costs to manage contracts, locate qualified providers, monitor costs, and consistently manage performance and activities in accordance with various procurement and HR regulations.

Docket Services**\$2,798 thousand**

The Dockets Operations Program uses image-based technology to provide the public with on-line access to DOT rulemaking and adjudicatory docketed material. Members of the public can electronically submit comments to the DOT Docket. The OA's docket offices have been consolidated into Docket Operations, which processes all DOT-generated material and public comments into the docket, provides docketing support to all DOT Counsel Offices, and conducts research assistance. Additionally, the system includes the Data Quality and Peer Review initiatives for the OCIO.

The Department transitioned to the new Federal Docket Management System (FDMS) managed by EPA. FDMS serves as a central, electronic repository for all Federal rulemaking dockets, which include Federal Register notices, materials such as scientific or economic analyses, and public comments as well as non-rulemaking dockets. It empowers and encourages all segments of the public to participate in the rulemaking process while achieving significant costs savings by eliminating redundant regulatory information technology systems across the Federal Government.

Facilities Services & Utilities**\$9,645 thousand**

Transportation & Facility Services entails managing a diversified and complex, mission-essential building management program for the DOT Headquarters facilities totaling over 1,350,000 square feet of space which houses the Secretary of Transportation and over 5,500 employees. This line item is also responsible for paying the Department's \$4 million in utility expenses. The following program responsibilities are carried out by the office:

Facility Services:

The Facilities Office is the first point of contact for all facilities support. The office receives and tracks all customer requests for service. This office is also responsible for lease management of the DOT leased facility. This effort entails conducting periodic inspections to ensure compliance with lease terms, maintaining a record of all complaints and their resolutions and written notification to the lessor to take corrective action on items which are included in the lease. The Facilities Office monitors building custodial services ensuring that the lessor provides custodial services in accordance with the terms in the lease agreement. The office conducts daily inspections to ensure that the facilities are clean, healthful and present an attractive environment. The office also coordinates with the Operating Administrations for special cleaning services not included in the lease, coordinates concession activities such as facilities operated by the blind under the Randolph-Sheppard Act, and provides oversight responsibility for the contracted cafeteria. As such, the Facilities Office oversees functional management reviews and performs analytical duties related to food service management. It formulates, develops, and implements nutritional awareness, menu initiatives, and equipment requirements. The office identifies, installs, and maintains signage throughout DOT HQ facilities ensuring office suites, utility rooms and common areas are easily identified making the DOT HQ facility understandable and welcoming for all employees and visitors. The Facilities Office is responsible for handling all customer requests for special events. Requests for audio visual services and equipment are received from the customers. Facilities also manages and

operates the Central Receiving Office and is responsible for the receipt for all deliveries to the DOT Headquarters facility.

Building Maintenance and Utilities:

The Facilities Office is responsible for managing the DOT Headquarters annual energy budget and the electrical and steam distribution infrastructure required to light, heat and cool the facilities. The office ensures that maintenance and recurring repairs are completed on electrical transformers and other electrical and mechanical systems. This office is also responsible for implementing the National Energy Conservation Program requirements in the DOT headquarters building. The office ensures all Government-maintained mechanical, electrical and utility systems are operated in accordance with energy conservation guidelines contained in the Federal Property Management Regulation (FPMR) 101-20-107. The office maintains an energy management and conservation plan in accordance with the lease and coordinates overtime utility services for DOT customers. The office is responsible for payment of utility and fuel bills, retains all copies of utility bills and makes them available to GSA upon request. The office maintains an established preventive maintenance program for the building operating systems. Such a program requires a complete inventory of the equipment to be maintained, with identification of maintenance to be performed and frequencies.

Special Facility Services:

The office is responsible for managing all tenant renovation and alteration projects including, installing or removing walls, and configuring/reconfiguring system furniture. This effort entails maintaining a record of all projects and financial reports of completed alteration projects, and updating all as-built drawings showing all changes made to the building as a result of the completed work. The office manages and coordinates all major construction and improvement projects required under the building lease renewals and ensures that all work is completed in accordance with the lease specifications; schedules phases of work with contractors and develops sketches and diagrams to be included as part of contract specifications; and reviews work requests and consults with requesting organizations to ascertain specific requirements, time schedules, special materials, manpower requirements, labor costs, material costs, and other factors.

Contract Labor Support:

The Facilities Office provides labor support to the DOT workforce. Such support is generally requested to assist in event planning, setting up conference rooms, moving equipment and or furniture, hanging/removing photos and portraits and other special requests.

Motor Pool:

The office provides transportation/fleet management support to the DOT headquarters through the operation of an executive vehicle service program, U-drive vehicle service, and courier service. The Motor Pool program provides professional, cost effective, dependable motor vehicle service and support to the Operating Administrations (OAs) within the Headquarters Department of Transportation. The program implements Departmental administrative policy for motor vehicle operations; maintains a physical environment which supports the needs of the OAs; and provides innovative fleet solutions ensuring safe, dependable, transportation utilizing cost effect fleet strategies and efficient repair and replacement methods. The office manages the

vehicle lease agreement with GSA; prepares the monthly billing report, and ensures vehicle accidents, abuses, and damages are investigated; serves as a liaison to GSA Fleet Management Center (FMC)/Fleet Management Offices (FMO) for vehicle matters; reviews vehicle lease requirements annually to ensure a vehicle lease does not expire without making appropriate arrangements to retain vehicles; and manages the U-Drive fleet of vehicles.

Personal Property/Records Management:

This program provides personal property, asset (acquisition, use and disposal), and inventory management, shipping and receiving, storage, transporting materiel, property repair and rehabilitation, computer donation to schools, and records management. The office conducts comprehensive reviews and evaluations on departmental programs, systems and procedures ensuring procedures are consistent with governmental laws and regulations, and applicable industry standards and practices. As the Department's representative to external groups such as Central Managing Agencies, General Services Administration, and Government Accountability Office, the office negotiates, and defends DOT on matters related to personal property policies, programs, systems and procedures. The office manages the development, implementation and maintenance of an automated property management system for the Department, maintaining a data base of all personal property and equipment (minus IT equipment). The office conducts a 100% physical inventory annually of all accountable property and ensures property records accurately reflect on-hand quantities. Additional services provided include:

- Manage Reports of Survey for property which is destroyed, lost, or damaged.
- Manages the Utilization/Surplus Personal Property and Exchange/Sale Transaction Program.
- Develops, recommends, and implements standardized electronic record retrieval and disposal processes.
- Manages the Department's loan agreements for art work on loan to the Office of the Secretary of Transportation from National Galleries.

Occupational Safety and Health/Emergency Preparedness:

This program is responsible for maintaining a viable safety program for the DOT HQ which includes ensuring alarm monitoring systems are adequately maintained and reporting all incidents resulting in personal injury related to building design to the proper authorities. This program conducts periodic fire, safety and health inspections and air quality inspections. Provide employees with a comprehensive occupational safety and health program which includes evaluating, assessing and monitoring the facility to reduce operational risks to employees, thereby providing a safe and healthful workplace. It also provides DOT Headquarters employees with the basic emergency preparedness procedures to include evacuation of the building and sheltering-in-place drills.

Fitness Center:

The DOT Health and Fitness Program develops and promotes Department-wide employee health and fitness policy and guidelines thereby improving employee's ability to enhance their work performance. The core programs offered by the DOT Fitness Center are well-rounded and are designed to address physical fitness, weight management, specialized wellness and lifestyle behaviors, nutrition education, stress reduction, and other programs that are appropriate to the prevention of disease and other health conditions. The Center conducts health appraisals,

lifestyle and physical risk factor assessments; including better ways to incorporate healthy strategies and approaches for improved intervention in Body Mass Index, pulse, blood pressure, aerobic strength and flexibility levels; which are vital to optimal health. These strategies provide employees with increased knowledge in handling self care and thereby may decrease absenteeism and health care costs. The Center plans to conduct an annual survey of members to determine from their perspective how much the Center contributes to their productivity, decreased absenteeism, improved health, their ability to manage stress, and retention. Almost 24% of DOT Headquarters employees are members of the DOT Fitness Center. Funding for the program is primarily membership driven; with almost two-thirds of the Fitness Center budget supported by DOT employee membership fees and the other one-third supported by the DOT Operating Administrations (OA).

Federal Laboratory Consortium

\$21 thousand

The Federal Laboratory Consortium Program provides centralized billing services. This program processes payments to the National Institute of Standards and Technology for the support of the Federal Laboratory Consortium. The Federal Laboratory Consortium provides a linkage between Governmental agencies and industry in order to promote the transfer of Federal technology to improve the domestic economy. This transfer of funds is required by statute Title 15 U.S.C. Section 3710. The National Institute of Standards and Technology requires a central billing point of contact in each cabinet level office for these costs. Funds are provided to the National Institute of Standards and Technology according to Title 15 U.S.C. Section 3710 (7)(A) at the rate of “An amount equal to .008% of the budget of each Federal Agency from any federal source, including related overhead, that is to be utilized by or on behalf of the laboratories of such agency”. Distribution is based on the National Science Foundation’s *Federal Obligations for Total Research and Development By Agency and Performer* report for each fiscal year.

FEMA COOP Facility

\$1,075 thousand

This program provides centralized billing services for the Federal Emergency Management Agency (FEMA) Continuity of Operations (COOP) facility utilized by DOT leadership. This program reimburses FEMA for costs associated with leasing the COOP relocation site at FEMA’s Mt. Weather Emergency Assistance Center, and provides funding for equipment necessary for the operation of the facility. FEMA bills the Department of Transportation yearly for participation in this program.

Financial Management, Accounting & Administration

\$6,867 thousand

Office of Financial Management:

The Office of Financial Management (OFM) provides financial administration, guidance and support to the OASA and the program offices within the WCF to include the WCF programs within the Office of the Chief Information Officer. It manages budget formulation and execution; provides financial management and accounting services; and manages the overall financial operations of the WCF. The OFM is an overhead function within the WCF.

The OFM funds all of the accounting service functions performed by a shared service provider, including the preparation and issuance of WCF financial statements and reports. The OFM ensures that a sound system of financial management controls exist in all programs, organizations, and functions and meets the objectives and requirements of the Federal Managers' Financial Integrity Act and OMB Circular A-123, Management's Responsibility for Internal Control. The OFM provides monthly financial reports to program managers; manages customer agreements and performs billings; identifies and resolves overdue balances and charge backs; manages invoice processing to maintain minimal interest penalties; and develops and distributes monthly performance indicator charts.

The OFM provides services to approximately 130 DOT and non-DOT customers and has an established agreement for each. The OFM meets periodically with all the DOT Operating Administrations (OAs) to discuss the WCF revenue estimates and ongoing services. The OFM conducts the WCF Steering Committee meetings that provide oversight to the fund and ensures that WCF goods and services are provided to all DOT OAs in the most cost-effective and efficient manner. Specific functions and activities of the Committee include: recommending goods and services that comprise the WCF; approving all WCF funding levels; evaluating the WCF performance in meeting service plans; and evaluation and approval of capital asset purchases in excess of \$50,000.

Office of the Deputy Assistant Secretary for Administration:

The Office of the Deputy Assistant Secretary for Administration is responsible for planning, coordinating and implementing cross-organizational and Departmental objectives, especially those supporting DOT's Strategic Plan. Objectives include communication strategies, program reviews, and ad-hoc strategic project support. The customer base is the entire Office of the Assistant Secretary for Administration organization as well as senior management across the Department.

Flexible Spending Account

\$415 thousand

This program provides centralized billing services for the Flexible Spending Account fees. The Flexible Spending Account (FSA) program resulted from the National Defense Authorization Act for Fiscal Year 2004, Public Law 108-136. It requires all executive branch agencies, which provide the FSA program to its employees to cover the administrative fees on behalf of their employees. The FSA program is administered government-wide, through a contract held by the Office of Personnel Management (OPM). OPM determined that each Department must appoint a single point of contact for billing and payment of planned administrative costs. The WCF was appointed as the Departmental point of contact for these payments. The costs are distributed to the OAs based on actual usage information provided by OPM.

Grants Information System

\$527 thousand

The Acquisition and Grants Management Program consists of the Grants Management System (GIS) which is a database that records awards of grants and other Federal financial assistance actions and transmits information to the FAADS system managed by the Census Bureau. The

Performance Management Assessment Tool (PMAT) is a survey tool used to provide customer feedback on the quality of procurement services to the DOT Chiefs of Contracting Offices. This program also includes contracting for program management support for e-Grants. This initiative will also enable DOT to comply with the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107) which requires all Federal grant-making agencies to work collaboratively in streamlining and simplifying Federal grant processes and policies.

The Federal Funding Accountability and Transparency Act was signed in September 2006. The Act requires Federal agencies to make available to the public information about obligations of Federal funds by contracts or grants awards. The Office of the Senior Procurement Executive manages the department-wide system, known as the Grants Information System (GIS) that collects and reports this information. Based upon interface requirements to the government-wide system that are currently being developed, there is a need to make substantial modifications to GIS. Following this system upgrade, another certification and accreditation of the system will have to be performed. GIS reports upwards of 100,000 actions and over \$50 billion in grants annually.

The Office of Management and Budget, Office of Federal Procurement Policy (OFPP) recently issued a memorandum highlighting the importance of reporting accurate and timely procurement data to comply with the Transparency Act. The memo mandates that each Chief Acquisition Officer establish an agency-wide requirement for routine, statistically-valid data verification and validation. To accomplish such a review would require not only review of data reported to the Federal Procurement Data System, but also comparison of those records with contract files to verify accuracy. The memorandum further requires that the review be conducted by an organization or person that did not award the contracts being reviewed.

This requirement was discussed at the DOT Procurement Management Council and the Operating Administration Chiefs of the Contracting Office indicated it would be more efficient to take a corporate approach to comply with this mandate by having the WCF award a contract for independent validation and verification of procurement data. The initial estimate for this contract support is \$150K; however, the actual amount could be higher once OFPP further defines the requirement. This will be an on-going requirement to support annual certification of procurement data by the Senior Procurement Executive. DOT processes over 65,000 actions and awards over \$5 billion annually through the procurement process.

Human Resource Services

\$4,484 thousand

Personnel Operations:

The Personnel Operations Program provides human resource services to the Office of the Secretary (OST) and the Research and Innovative Technology Administration (RITA) Headquarters (HQ). This program provides human resource services that include recruitment, skill and competence assessment; payroll support and time-and-attendance administration; workforce and succession planning; employee recognition and performance management; employee relations, benefits; labor management; workers compensation and unemployment compensation assistance; and management of the automated human resources personnel systems; In addition, evaluate human resources management activities; adherence to merit

principles and prevention of prohibited personnel practices. Plan, develop, and coordinate activities for executive management and develop human resource programs for managers and employees.

Human Capital Planning & Solutions Program:

In compliance with 5 CFR Part 250 and in support of the DOT Strategic Plan, the Human Capital Planning & Solutions Program focuses on human capital goals, continuous learning, and leadership development; and ensures objectives are achieved. In addition, this program supports the department's succession planning effort. The department's program uses a wide variety of methods including formal training and mentoring. Specifically, OST provides the DOT-wide *Leaders for Tomorrow* mentoring program, SES Forums, leadership training, and the DOT-wide pre-supervisory program, "So You Want to be a Leader". Furthermore, the department develops solutions in response to competency gaps identified in government-wide assessments for HR, IT, leadership, and acquisition, as well as DOT's Mission Critical Occupations; the results are published in the annual update to the Workforce Plan.

Departmental Programs:

The Departmental Special Programs Office provides centralized coordination of programs that cross all DOT operating administrations, Departmental offices, and the Surface Transportation Board (STB). The program is responsible for establishing policies and procedures, setting guidelines, working with OAs and other Departmental components to improve the effectiveness and efficiency of these programs. Program responsibilities include: Secretary's Annual Awards Program, Combined Federal Campaign, Incentive Awards Program, various OPM Performance Management Awards Program, Public Service Recognition Week, Blood Donor Program, Volunteer Program, and Voting Assistance Program.

Employment and Executive Resources Program:

The Employment and Executive Resources Program coordinates DOT participation in the Presidential Management Fellows Program and the Transportation Career Residency Program. The program works with OAs to identify positions and develop Department-wide recruitment strategies to hire a diverse workforce.

This program provides advisory services to the Secretary's White House Liaison and Chief of Staff for all Departmental political appointees including case processing for all Departmental political hires; advises OAs on the full range of technical and procedural requirements for all political actions; serves as liaison to OPM for all human resources matters pertaining to the Department's political workforce; serves as liaison to the White House Clerk's Office and the Department of State for matters pertaining to Presidential appointees confirmed by the Senate; prepares comprehensive reports on each political position; and prepares for Presidential/senior leadership transitions.

The Executive and Political Resources Program coordinates Departmental approvals for SES actions including providing support to the DOT Executive Resources Review Committee; manages Departmental SES allocations; assists OAs in position establishment and classification; advises OAs on the full range of technical and procedural requirements involving

performance management, bonuses and awards, staffing, adverse and performance-based actions.

Outcomes from this program include increased accountability of executives, increased diversity and outreach among the SES recruitment and hires, SES performance Management system certification, maintaining a high level of Qualifications Review Board approvals and improvement in the time it takes to hire an SES member.

DOT Work-life Program:

The Work-Life Program provides vast information, resources and referral support to employees nationwide on a wide range of issues including, but not limited to, life transitions, wellness, telecommuting, time management, effective communication, financial health, parenting, child care, elder care, and long-term care planning. Support is provided over the phone, by e-mail, and via one-on-one work-life coaching consultations under the guidance of a work-life professional.

Additional services include facilitated discussion groups and the delivery of customized seminar topics designed to address employees' most commonly identified needs and interests that also complement Operating Administration (OA) initiatives. An average of about four seminars are provided each month; such as, "Thriving in the Midst of Change", "Effective Communication", and "Building a Successful Retirement." To expand the reach of educational seminars and address employees' request for greater ease in participating in seminars, the Work-Life Program is working to offer more teleconferenced seminars. In addition to monthly seminars, monthly work-life newsletters are developed for employees, granting relevant information on topics of interest. Employees are also provided with a comprehensive lending library of supportive materials covering a wide range of work-life issues that employees face. The Work-Life program also facilitates the use of an on-site lactation room at DOT's headquarters. Additional support services continue to develop as new needs are identified, i.e., elder care and new mothers support groups.

The Child Care Advisor, a component of the Work-Life Program provides DOT child care centers with training for their boards of directors, directors, teachers, and family resource coordinators. Topics include developmentally appropriate practice, brain development, multi-age grouping and curriculum planning, discipline and guidance, emergent curriculum (train-the-trainer model), etc. In addition to the training, the Child Care Advisor performs on-site visits, which include observations of classrooms, mentor teaching in classrooms, and accreditation preparation. The Advisor is also available to work one on one with child care coordinators and directors on program design, evaluation of RFP's, and assist with needs assessment and interpretation of new accreditation guidelines.

Library & Information Services

\$2,110 thousand

The DOT Library Program is one of the largest transportation libraries in the United States. The Library collects materials in all areas of transportation, in both print and electronic format. Through years of on-the-job experience, as well as specific training, the Library staff has developed the expertise essential to providing the specific research and reference assistance

necessary to meet the requirements of US DOT customers across a variety of transportation and legal resources. In addition, the Library provides circulation, interlibrary loan, serials routing, acquisitions and cataloging services. The Library serves approximately 3,800 DOT customers each year. The Library is transitioning its collection and selection practices from hard-copy to electronic formats. Consolidating orders from all DOT modes into one online subscription lowers the costs to all participants. Examples of online subscriptions include the DOT Westlaw services, the National Journal Group Custom Gateway, HeinOnline (nine databases), EBSCOhost (e-journals database), and NetLibrary (e-books.) By seeking to increase electronic access to DOT customer at the rate of 5% per year, the Library continues to avoid costs of approximately \$1 million (per year) for DOT by centralizing the acquisition and management of these and other online research subscription contracts.

Mail Services & Postage

\$3,162 thousand

Mail Services Program:

The Mail Services Program provides complete office and mail delivery services to the DOT HQs and its satellite locations. Over 10 million pieces of government mail is handled annually. The services include managing the DOT and FAA Mail Centers and all associated duties to include: sorting and distributing all incoming mail, processing Federal Express and UPS Mail, and delivering all accountable mail through an automated tracking system. The handling of this mail is prioritized by class: First Class mail is sorted first and all overnight mail is delivered within two hours; Second Class mail and periodicals are delivered the same day but at a later time. A record of all deliveries that require a signature is kept in the Mail Center for reference if needed by the customer for their records.

An A-76 review of the operation during the late 1980s and early 1990s found that a contractor workforce would be more cost-effective for the department. The Department chose to stay with the NISH vehicle in support of national disability initiatives. The vendor, ServiceSource, is flexible and through contract modification can meet emerging requirements quickly due to their size and background in the field. They have a large pool of dedicated workers to quickly draw on in an emergency.

Postage Program:

This program is responsible for the direct billing of actual postage and shipment fees by each mode at all locations throughout the Washington Metropolitan area. These fees are for Standard Ground shipment of large packages and parcels to include large boxes. Letter mail is processed at a discounted price through our presort vendor (Jetsort now PSI), saving the department about five cents per piece on each letter mailed out or approximately \$65 thousand annually.

Publications Distribution

\$242 thousand

Subsequent Distribution Program:

The Subsequent Distribution Program (SDS) receives requests from government organizations, businesses, and the general public for copies of stored publications and distributes these publications worldwide. In addition, customers can now search, view and download desired publications from the On-line Publication (OLP) System. In FY 08, SDS distributed over 5

million hard copy publications and received over 11 million downloads of publications via the OLP system Transportation Inventory Management System (TIMS). Subsequent Distribution is currently serving over 5,000 DOT publications via the Internet and is working to make more information available via OLP and to reduce the amount of publications being stored in the Warehouse. Internal customers benefit from OLP because it allows for less hardcopies to be created resulting in printing, storage and postage savings.

Distribution Requirements:

The Distribution Requirements Program assists customers in determining the correct audience for their mailings. The mailing lists and addresses are maintained in a database called MOMS2 (Mail Out Management System 2) which is updated regularly to keep data current and accurate. There are 7,445 mailing lists with approximately 144,005 addresses. The program prepares all types of publications for distribution worldwide.

Rent & Space Management

\$7,413 thousand

Headquarters Space Management:

The Space Management Program provides oversight and management of all DOT headquarters workspace and provides various support services, as required, involving the Department's nationwide real property and field space inventory. The program manages three buildings totaling 2,147,400 square feet.

A key goal of this program is improved space utilization and to reduce costs. The specific services include:

- acquisition, assignment, release or disposal of space and other real property; review of major real property acquisitions and disposals;
- space requirements development; space planning and interior design;
- tenant "build out" coordination and oversight;
- on-site real property and space utilization surveys;
- coordination and preparation of Departmental real property reports;
- maintenance of a Department-wide real property inventory and Headquarters space assignment data;
- and acts as DOT's liaison with GSA and other Federal agencies for real property actions and issues.

Rent Program:

The WCF rent obligation in the amount of \$6M, which includes the Federal Protection Services cost, is tracked under this business line and distributed to the other WCF programs.

Security Operations

\$4,547 thousand

Security & Investigations:

In FY 2009, the Department is requesting, via a reprogramming request, to transfer the Executive Protection Program, including eight Special Agents and two Drivers, from the Office of Security in the Office of the Assistant Secretary for Administration to the Office of Intelligence, Security, and Emergency Response. This transfer will realign the Department so

that one office director oversees the day-to-day executive protection function as well as the protection of the Secretary during an emergency. Beginning in FY 2010, the Department is proposing that the funding source for the Executive Protection Program be shifted from the Working Capital Fund to the Salaries and Expenses appropriation for the Office of Intelligence, Security and Emergency Response.

Due to the increased scheduling requirements for local and nationwide travel and advance actions, the Special Agents in the Executive Protection Program are no longer able to perform Departmental physical security duties. To meet the requirements of the Physical Security Operations, minimize Departmental security risks, ensure operations are not jeopardized, and protect employees from incidents, four full-time Physical Security Specialists are needed in FY 2010 to support the Assistant Secretary for Administration's Office of Security. The Working Capital Fund will be the funding mechanism for the four Physical Security Specialists. The net effect on the Working Capital Fund of (1) moving the Executive Protection Program to the Office of Intelligence, Security and Emergency Response and funding it from Salaries and Expenses and (2) backfilling four Physical Security Specialists in the Office of Security in the Working Capital Fund is a reduction of 6 FTEs and \$1.057 million of costs.

Security Personnel coordinate criminal and administrative investigations of individuals and incidents occurring within the DOT headquarters facilities, and assist in resolving security-related problems for DOT regional offices. Personnel review and conduct follow-up investigations on guard incident reports executed for headquarters facilities. Personnel also serve as liaisons with their security counterparts in Federal, state, and local law enforcement agencies, as well as at the DOT headquarters buildings. Security personnel are part of a crisis management team that works with human resources and law enforcement offices, employee assistance programs, and managers to help resolve potential workplace violence situations, and are frequently present during volatile disciplinary actions. Staff also provide security awareness seminars for DOT employees to deter thefts and ensure adequate protection of government and personal property.

The S&I program also includes the installation, operation, and maintenance of security systems, closed circuit TV cameras, monitors, X-Ray fluoroscope machines, magnetometers, and card access systems located within the three DOT headquarters buildings. The new Lenel OnGuard® system installed at the new headquarters facility is an access control and alarm monitoring system. The basic purpose of this system is to control access to secure areas via proximity card and reader technology, as well as to monitor alarm points for intrusion detection. Other functions include credential production, visitor management, and video and graphical map display to assist in video surveillance and deployment of assets in response to an incident.

This program also includes lock and key services for all DOT OAs in the headquarters buildings. On staff is one locksmith who maintains a proprietary lock and key system. In the event that the locksmith is on leave, a back-up contract locksmith is available on call. The locksmith conducts periodic combination safe changes throughout the headquarters buildings.

The entire Security and Investigations Program is an integral and crucial part of DOT's effort to ensure a safe working environment for its federal and contractor employees and visitors; and to

protect DOT facilities, equipment, and sensitive and classified information.

Personnel Security Program:

The personnel security program includes the initiation and processing of required background investigations on all DOT federal employees; the review and adjudication of all completed investigations; and, as necessary, the granting of security clearances for access to classified information. The security staff provides this service for all operating administrations except FAA, which has delegated authority to run its own personnel security program. Under this program, the security staff is responsible for ensuring that DOT complies with laws, Executive Orders and regulations pertaining to personnel security. The staff also provides DOT liaison with other Federal agencies on behalf of the operating administrations.

This program must operate at a level of performance that will ensure that background investigations are initiated in a timely manner as required for all federal and contractor employees, and that the completed investigations are promptly adjudicated according to Government-wide standards and criteria. The Intelligence Reform and Terrorism Prevention Act of 2004 places stringent requirements on agencies for timely initiation of background investigations and adjudication of the completed investigations with regard to the granting of security clearances for access to classified information; and OMB has issued specific timeliness requirements to implement that law.

Homeland Security Presidential Directive 12 (HSPD-12, Policy for a Common Identification Standard for Federal Employees and Contractors) has increased the personnel security program's workload because of stringent requirements to integrate personnel security operations even more with the process of issuing identification cards to federal and contractor employees, to adjudicate the results of criminal history checks prior to issuing any ID cards, and to conduct background investigations on certain personnel (e.g., contractor employees requiring HSPD-12 cards for logical access) to whom DOT did not previously issue ID cards.

Industrial Security Program:

The industrial security program includes the initiation of required background investigations on DOT contractor employees, and the adjudication for suitability of completed reports of investigation. The security staff initiates and adjudicates investigations on contractor employees for all DOT organizations other than FAA. When it is necessary for a contractor employee to have a security clearance for access to classified information, the security staff works with the Defense Security Service and the individual's employer as necessary to ensure that the necessary investigation has been conducted and the clearance granted. The HSPD-12 requirements have increased the workload with regard to contractor employees, as has the general increase in contractor employment as a percentage of the overall DOT workforce. With an increasing number of contractor employees actually working on-site at DOT facilities, it is especially important to ensure that background investigations have been conducted on them and that they are suitable for employment in the DOT work environment.

Identification Media Program:

With the exception of FAA, the Volpe Center, and a few field operating administration offices, the security staff issues federal and contractor employee photo identification cards for DOT

nationwide and also issues official credentials. The identification media automated system assists in identifying persons working within the DOT buildings and is essential for proper management of both identification cards and credentials.

HSPD-12 Implementation:

HSPD-12 requires the Office of Security to establish and follow stringent procedures to ensure a separation of functions in the issuing of these new identification cards. Specifically, those who serve as registrars cannot be the same ones who issue cards to DOT personnel. The Federal Aviation Administration (FAA) has agreed to be the Office of Security's HSPD-12 service provider; thus, the Office of Security and FAA will enter into an Intra-Agency Agreement for these services. Full HSPD-12 implementation will require extensive, ongoing coordination between FAA and the Office of Security. The Office of Security will be responsible for registering and enrolling employees and certifying that the background investigation requirements have been met, and the Identification Management System and the Investigations Tracking System will have to be linked with FAA's Card Management System in order to properly manage card issuance.

Passport Program:

The Secretary of State has designated the Office of Security as the Passport Agent for DOT and this office has the authority to execute and verify official passports on behalf of the Department of State. The office maintains a passport unit to support all DOT personnel, in all operating administrations and Secretarial offices, who require official passports and visas. Obtaining passports and visas in a timely manner is crucial to DOT personnel meeting foreign travel requirements. Because of the various DOT programs that provide assistance to foreign countries, travel requirements often occur with little advance notice and it is important for the Office of Security to respond promptly to the passport and visa requests. New requirements for U.S. citizens to have passports to travel to countries where they did not previously need them, such as Canada and Mexico, have increased the passport processing workload.

Information Security Program:

This program includes managing the primary security control point for classified documents at DOT headquarters and providing advice and assistance to all operating administrations on matters pertaining to classified information. The control point coordinates destruction of all classified and sensitive information at the headquarters building, and the office is the point of contact to request sensitive security containers used by many offices to properly dispose of sensitive, but not classified, material. The security staff also conducts both initial and refresher briefings for DOT personnel granted access to classified information. Because of the increasing numbers of DOT employees requiring security clearances for access to classified information, the need for briefing sessions has increased significantly. There is also an increasing number of employees with higher level clearances (e.g., Sensitive Compartmented Information access), which results in a need for more specialized briefings for additional personnel.

The Office of Security is the DOT focal point to ensure that all classified information held by DOT that is 25 years or older receives a declassification review before it is automatically declassified. In addition, the security staff polls all of the operating administrations to provide two consolidated reports annually to the Information Security Oversight Office (ISOO) as

required by Executive Order. The office must work closely with all DOT organizations to ensure proper review of classified information and referral of documents to other agencies for review as necessary. DOT has an obligation to all Government agencies to fully protect their equities in classified information that will become 25 years old and therefore subject to automatic declassification.

Government-wide initiatives with regard to sensitive unclassified information are resulting in a need for the Office of Security to devote additional attention to the management of such information within DOT, including its categorization, marking, control, protection, review, and destruction. In order to properly manage controlled unclassified information within the Information Sharing Environment (ISE), especially that related to terrorism prevention, DOT will implement a Government-wide regime for its control and protection, and demands on the Office of Security to educate DOT personnel with regard to those requirements will be significant. It is important for DOT to make as much information available to the public as possible while protecting from release information which could cause harm to U.S. interests if available to unauthorized persons. DOT will also implement additional requirements to protect the privacy of individuals by properly protecting personally identifiable information.

Technical Security Program:

This program includes managing several security programs that fall under a general security category called Technical Security. These programs include communications security (COMSEC), control of compromising electronic emissions (TEMPEST), and technical surveillance countermeasures (TSCM), and require the expertise of persons highly trained in complex technical matters. The Office of Security provides this expertise for all operating administrations. The technical security programs are concerned with the protection of classified national security information and other sensitive information when it is discussed or processed during meetings or on information technology systems; or when it is electronically transmitted. These activities are potentially susceptible to the intentional or unintentional loss of information to unauthorized persons. The security staff provides technical guidance on these matters to operating administrations, essential for the protection of national security.

The Office of Security directly manages the COMSEC program for DOT Headquarters and those field facilities (excluding FAA) that process classified information. This responsibility includes management of the DOT COMSEC account, conducting required inventories of controlled cryptographic equipment and material, and issuance of secure communications equipment, including Secure Terminal Equipment (STE) units and secure wireless phones. The program must perform these functions properly and in a timely manner in order to meet all National Security Agency and Committee on National Security Systems (CNSS) requirements. Failure to do so can affect DOT's ability (including the ability of the Secretary of Transportation) to exchange classified information with the White House and with other agencies in both routine and emergency situations.

Substance Abuse Awareness & Testing

\$5,200 thousand

The DOT Federal Employee Drug and Alcohol Testing Program is the second largest program in the Federal Government with over 80,000 federal employees in the testing pool. Services

under this program are provided to all DOT operating administrations, the U.S. Merchant Marine Academy and to the following agencies within the Department of Homeland Security (DHS): Transportation Security Administration (TSA), U.S. Coast Guard (USCG) and the Federal Air Marshals (FAM) program. Services are provided on a nationwide basis and include setting program policy requirements; briefings to unions on policy changes; providing testimony at third party hearings; random selection process; follow-up drug and/or alcohol testing program for employees who have completed rehabilitation; urine collection and laboratory testing services for pre-employment, random, follow-up, reasonable suspicion, and post accident; breath alcohol testing services for random, follow-up, reasonable suspicion, and post accident; split specimen testing services; Medical Review Officer services; managing, coordinating and conducting employee awareness programs and mandatory supervisory training; and coordination of the Employee Assistance Program. Drug and alcohol collection and testing services are provided through contract vendors. Funding for these primary contracts constitutes 77 % of the total SAATO budget.

Transit Benefits & Parking

\$437,638 thousand

Transportation Services (TRANServe) delivers transit benefit services to DOT operating administrations; delivers transit benefit services to Non-DOT agencies; and provides parking management services to DOT employees. This program receives funding under three different authorities in performing its various roles in support of DOT and Non-DOT agencies.

- Working Capital Fund (WCF) cost reimbursable agreements under U.S.C. 49.327.
- Non-DOT WCF reimbursable agreements under the Economy Act of 1932.
- Employee Parking Deposits for parking spaces to DOT employees under GSA Federal Management Regulation.

The Transit Benefit Program:

The program was established in 1991 when the Department's Federal Transit Administration (FTA) began pilot testing a transit benefit program, which provided up to \$21 per month in transit fare media to its employees. The Energy Policy Act of 1992 raised the monthly tax-free limit to \$60 and linked the limit to changes in the Consumer Price Index. The Federal Employees Clean Air Incentive Act, signed into law in 1993, permanently authorized Federal participation in this program, resulting in its expansion throughout the Department of Transportation and other Federal agencies. In April 2000, Executive Order 13150 was signed which sought to reduce Federal employees' contribution to traffic congestion and air pollution and expand their commuting alternatives. The executive order called upon DOT, the Environmental Protection Agency, and the Department of Energy to implement a nationwide pilot program, and ascertain its effectiveness in reducing single occupancy vehicle travel and local area traffic congestion. In a 2003 final report to the Office of Management and Budget, DOT reported that the interagency group found transit benefits to be successful in reducing Federal employees' contribution to traffic congestion and air pollution, and expanding their commuting alternatives. The report estimated that the transit benefit program resulted in over 15,000 fewer single occupancy vehicles on the roads of the National Capital Region, saving over 8 million gallons of gasoline, and eliminating emissions of almost 40,000 tons of carbon dioxide from the air, as well as reducing other tailpipe emissions. In 2005, the Safe, Accountable, Flexible, Efficient, Transportation Equity Act (SAFETEA-LU) required Federal

agencies to implement transit benefit programs for all eligible employees in the National Capital Region.

As the transit benefit program took shape in its early years, the Department of Transportation decided that it would be most efficient to centralize the distribution services for its operating administrations, rather than replicate the resources necessary to obtain and safeguard fare media, and manage the distribution program. This organization has evolved over the years, to offer transit benefit distribution services nationwide, to organizations throughout the Federal government. P.L. 111-5 American Recovery and Reinvestment Act of 2009 increased the transit benefit to \$230 per person, and it is anticipated that the program will distribute over \$400 million in cash equivalent fare media in 2010 to over 233,000 participants employed by 108 Federal organizations nationwide.

From the perspective of providing an efficient, economical means to distribute transit benefits, TRANServe enables agencies to make use of a single established distribution system, with extensive and effective internal controls over the receipt, maintenance, and distribution of the fare media provided to Federal employees under the program. It eliminates the need to establish multiple systems duplicating these functions at agencies and individual offices throughout the country. It also offers some unique advantages due to its size and experience. For example, transit operators in some localities offer discounts for volume purchases of fare media, and these savings are then passed on to the participating agencies. There is no mandate to make use of TRANServe for transit benefit distribution; rather, each of the agencies now making use of its services decided it was in their interest to use TRANServe for transit benefit distribution. Participating agencies, TRANServe, and transit benefit recipients all have specific responsibilities to help ensure that the transit benefit program functions effectively and that individuals participating in the program receive only the fare media they are eligible for, and use it appropriately.

TRANServe has developed a Partnership Agreement to outline respective responsibilities of each partner in the implementation of transit benefit programs as administered by TRANServe, in both the National Capital Region and nationwide. These responsibilities include:

- TRANServe obtains and safeguards specific types and volumes of fare media in preparation for distribution to eligible employees at the federal agency.
- TRANServe processes all enrollment applications for the Program, once those recipients have been approved by the federal agency.
- TRANServe tests the controls over the activities which it performs for federal agencies on a yearly basis. These controls are highlighted in management's assurance statement provided to its customers in draft form in July and final copy in September.
- TRANServe provides a monthly invoice with detailed reports to the federal agency on employee participation in the Program. These reports include a description of specific services provided that month such as the name of each employee who received transit benefits, the fare media expenses, vendor fees, billable hours, travel, mailing expenses, administrative and distribution costs.
- TRANServe maintains a database that identifies all participants in the Program that are currently deemed eligible by the federal agency, the original effective date of program

participation, the value of fare media provided and the effective date of termination, as appropriate.

As the federal agency enters into an annual Customer Agreement with TRANServe for administrative and distribution services, the federal agency retains key management responsibilities for its transit benefit program. These responsibilities include: overall program oversight including identification of participants making false claims, selling, illegally transferring, or otherwise violating benefit requirements; designating a program coordinator; verify employee's eligibility; and, ensuring employees are aware of their responsibilities.

DOT's Implementation of the Transit Benefit Program

Inasmuch as DOT is both a participant in the transit benefit program and home to the TRANServe organization, the WCF is seeking to maintain a program with extensive participation and use of mass transit, in line with DOT's strategic goal for congestion reduction, while having effective and useful controls in place to ensure the program accomplishes its intended results. Each time a transit benefit recipient receives his or her fare media, the recipient is required to sign for it. On the form, there is an explanation of general requirements for continued participation in the program and recipient responsibility. Because recipients may not take the time to read the requirements on the signature form, in August 2006, TRANServe produced, and began distributing to DOT recipients, the plain language reminder. This action was initiated to ensure that transit benefit recipients are fully aware of the requirements associated with their receipt and use of the fare media.

To educate transit benefit recipients, TRANServe continues to distribute the plain language written explanation of responsibilities and requirements. TRANServe also developed an electronic learning package implemented through the electronic Learning Management System or eLMS. This training emphasizes recipient responsibilities, identifies prohibited practices such as unauthorized use by ineligible employees and inappropriate transfer of fare media.

To protect the integrity and preserve the benefits of the Federal Transit Benefits Program while eliminating the opportunity for waste, fraud, and abuse, the Department reviewed all transit benefit internal controls and implemented an increased level of oversight to ensure all participants are complying with these provisions and that any misuse or abuse is addressed promptly and effectively. In addition, the TRANServe Program created an Internal Controls Officer position in April 2007. This position heightens review of the organization's internal controls and ensures all policy and procedure requirements are effectively fulfilled.

TRANServe's evaluation of management controls includes:

- Continued financial management and infrastructure improvements for the transit benefit program by:
 - Requiring the transit benefit application to include the full home address of the employee, employee work address, certification of eligibility, and a warning against making false statements in the benefit application.

- Requiring the employee’s supervisor or approving official to verify eligibility and commuting costs (e.g., home address validated and commuting costs correctly calculated via the DOT Transit Benefit Verification Work Sheet).
 - Providing monthly invoices with detailed reports to customers on employee participation in the transit benefit program and performing Certification and Accreditation (C&A) on the data provided in order to ensure its accuracy which enables customers to validate those employees receiving benefits against the parking records.
 - Educating employees through broadcast messages, plain language memos, and employee meetings to adjust their benefits due to travel, leave, or change of address.
 - Requiring employees to identify each mode of transportation used in their commute and recertify on an annual basis.
 - Requiring quarterly Cost of Goods Sold (COGS) process and the expanded use of the Projects Accounting module to facilitate the cost distribution of inventory.
 - Mandating all DOT participants use SmartBenefits as their mode of transportation. Reducing or eliminating the purchase of paper fare media cards lowers TRANSServe’s administrative costs and increases efficiencies. Additionally, it can also reduce the incidence of fraudulent misuse of the fare media.
 - Requiring a Partnership Agreement outlining respective responsibilities of each partner in the implementation of transit benefit programs as administered by TRANSServe in both the National Capital Region (NCR) and nationwide.
- Initiatives to improve financial management and infrastructure for the transit benefit program consist of the following:
 - Implementation of an electronic solution to physical inventory distribution.
 - Continuing to update DOT Transit Benefit Program Policy and Guidance.
 - Continuing to update the Integrity Awareness Training Program to educate customers and their participants. Successful completion of the training is a requirement every time an application is submitted or amended.
 - Meeting with Federal agencies to discuss internal controls and best practices.
 - Identifying best practices to be published on TRANSServe’s website as a resource tool for all government agencies.

The Parking Management Program:

The Parking Management Program sells, issues, and administers weather-secure parking spaces in the new DOT headquarters building. In addition, the program provides oversight to FAA for the management of their parking fees.

The Parking Office collects money from the sale of parking permits for the regular monthly parking, temporary parking, and FAA parking. The money is processed and picked up for deposit by Brinks Armored Car Service twice a week.

Unemployment Compensation

\$2,182 thousand

The Department of Labor requires a central billing point in each cabinet agency for the unemployment costs of employees. The Working Capital Fund accepts unemployment compensation charges from the Department of Labor and bills each Operating Administration for their costs through a centralized billing service. Department of Labor (DOL) bills the Department of Transportation on a quarterly basis for their unemployment charges.

Warehouse

\$758 thousand

The Warehouse Program provides for storage, which includes furniture, equipment, bulk materials such as computer and copy paper, publications and forms, and other items as required for all DOT organizations in the Washington Metropolitan area. The Warehouse stores over 1,500 skids of furniture and publications monthly. As part of this program, truck services are provided for delivering internal mail, receiving and delivering furniture, equipment, bulk supplies and other items as required between the Warehouse facility in Landover, MD and the DOT Headquarters Buildings in Washington, DC.

Excess personal property is received, reported, and transferred for all DOT organizations in the Washington Metropolitan area. The excess program handles on average 850 pieces of furniture or equipment every month, sending almost half of the computer equipment to schools throughout the country as part of Executive Order 12999. In FY 2006, this equated to over 5,200 of the approximately 10,500 pieces of equipment going to various school systems.

**OFFICE OF THE CHIEF INFORMATION OFFICER
WORKING CAPITAL FUND
FY 2010 BUDGET ESTIMATE**
(In thousands of dollars)

<u>Program</u>	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Estimate</u>
DOT Activities	52,627	54,303	66,618
Non-DOT Activities	506	636	535
Total	\$ 53,133	\$ 54,939	\$67,153

Staffing

Reimbursable Positions	21	21	21
Reimbursable FTE	17	21	21

Background

Since December 2002, the DOT's Office of the Chief Information Officer (OCIO) has had the responsibility for the management and administration of the IT Shared Services portion of the Department's WCF organization, which supports the operation of an infrastructure that includes telecommunications, e-mail/directory services, a backbone network, help desk and other support.

Twenty-one government employees provide technical direction and oversight of more than 150 contractors. IT Shared Services provides more than \$54M in IT services annually to the Department's OAs on a cost recovery basis.

The FY 2010 request includes an increase of \$12M to support the addition of an estimated 5,000 users in the field offices to IT Shared Services support. Field IT support is currently being paid directly by the OAs and will be provided by IT Services through the WCF in FY 2010.

MISSION/VISION/VALUES

WCF OCIO/IT Shared Services provides the Department with a single source for a competitively priced, comprehensive range of IT services while continuously improving the technology and safety of the IT infrastructure for the Department. OCIO/WCF IT Services provides expertise to the Department with state-of-the-market technical expertise, institutional IT knowledge, and historical data that is not readily available from other sources.

WCF/OCIO IT Services staff maintain, operate, and oversee communications and core IT infrastructure for the Department. The Federal staff oversees the technical and business operations, with the majority of the day-to-day operations provided by contractors.

FY 2010 OCIO BUSINESS LINES BY PROGRAM

Campus Area Network (CAN)

\$4,227 thousand

The Campus Area Network, formerly called the Inter-Modal Data Network (IDN), provides support services for the network infrastructure, wide-area network and Internet connectivity for the DOT headquarters and connectivity between DOT HQ and other DOT buildings in the DC Metro area, including the FAA HQ (FOB-10A).

The FY 2010 request includes significant increases in infrastructure to remediate security vulnerabilities, including those identified by the Cyber Security Management Center (CSMC) and Federal Information Security Management Act (FISMA) audits. Our current estimate for the increase includes support for the Network and Security Operations Center (NOSC) and maintenance and support for new security software and appliances.

Desktop Services

\$27,567 thousand

The IT Services desktop, laptop, and engineering PC program provides quality, cost effective seat management, and related support under service level agreements with customers. IT Services currently supports more than 6,300 desktop users, and plans to expand consolidation to include additional regional and field users during FY09 and FY10. The FY 2010 request includes \$15M in Desktop Services to support approximately 5,000 additional users in the field offices. The affected modes currently pay for this support directly (i.e. outside of the Working Capital Fund). In FY 2010 the support will be provided by IT Services and funded by the modes through the Fund.

Information Assurance & Privacy

\$15,121 thousand

The Information Assurance and Privacy program is composed of the following five program areas:

IT Admin & Special Projects:

IT Admin & Special Projects program supports the overall management of the IT Services programs and certain special projects. The program costs are recovered through an equitable distribution to each IT Services program.

Financial Management Group:

Financial Management Group provides business management and full back-end accounting support to the IT Services programs and special projects. The program costs are recovered through an equitable distribution to each IT Services program.

Logistics & Support Services:

Program activities include direct management and oversight of IT Services programs, Continuity of Operations (COOP) and Disaster Recovery (DR) activities for IT Services programs, Inventory Management/Help Desk software implementation and maintenance, Stockroom, and Administrative services. The program costs are recovered through an equitable distribution to each IT Services program.

Enterprise Network Operations Center (ENOC):

ENOC is responsible for the monitoring, notification, and facility management in support of IT Services. ENOC was established to provide twenty-four hour handling of calls, problem management, staff notification, and system monitoring.. Areas monitored 24 X 7 include:

- Network monitoring
- Server monitoring
- Telecom systems monitoring
- Automated problem ticket generation and escalation
- After-hours service desk support.

These services are provided twenty-four hours a day regardless of physical location. ENOC costs are proportionally distributed to IT Shared Services programs.

Network Engineering:

The Network Engineering program provides planning, design, and implementation services for the network infrastructure, including:

- IP Address Management
- Network Design
- Network diagnoses and optimization
- Secure Remote Access

The Network Engineering Program is one of the focal points in enabling the consolidation of services under IT Services and establishing a consistent and secure network across DOT. Details on IT Services Secure Remote Access activities are shown below.

Secure Remote Access (SRA): In keeping with Public Laws 106-346, § 359 and 108-447, Division B, § 622 and the Secretary of Transportation's congestion initiative that, among other things, establishes urban partnerships to facilitate an increased use of telecommuting and flex scheduling, IT Services has implemented a secure remote access capability. IT Services has enabled Secure Remote Access for DOT staff and contractors who are members of the DOT Active Directory. A Client-Based Remote Access network (CISCO Virtual Private Network [VPN]) is now available as a telecommuting option. Users can access e-mail and personal files stored on the network from a remote computer, as well as access most DOT network resources. The charges will be allocated to each OA under the Network Engineering service line, based on the estimated number of desktops in the COE.

DOT has invested in and deployed the necessary equipment and software to provide system redundancy at our COOP/DR site as well as network access control, enhancing network security so that only those users with patched operating systems, current anti-virus signatures, and authorized access certificates have access to the DOT network.

Information Assurance:

The FY 2010 request includes significant increases in security infrastructure and operations, including support for the Homeland Security Presidential Directive 12 (HSPD-12) and the Cyber Security Management Center. IT Shared Services works to mitigate the impact of additional security expenses through reductions in other business lines.

The Information Assurance program is designed to ensure the protection, integrity, availability, and confidentiality of the DOT IT infrastructure across the DOT's hundreds of geographically separated locations. The program's primary function is to manage DOT's compliance with the Federal Information Security Management Act (FISMA) and other statutory requirements. FISMA support includes managing and reporting on security issues and remediation activity. Information is maintained on the Cyber Security Asset Management System (CSAM).

The Information Assurance program supports continuous operations of the DOT CSMC (formerly TCIRC), which has responsibility to detect, protect against, and report all cyber events across the entire DOT enterprise. The CSMC identifies cyber events, privacy violations and network interruptions. CSMC coordinates with DOT CIO's, ISSO's, the intelligence community, and DHS for incident management, monitoring, cyber threat analysis and responding to modal requests.

The Information Assurance program also supports Security Awareness training to the entire DOT community. The cost of these services will continue to be proportionately allocated to the OAs.

Server and Messaging Services

\$9,582 thousand

Server Operations, formerly Consolidated Server Services:

The Server Operations program consists of the following functional areas: Departmental Internet, Server Administration, Net Backup, Storage and Backup, and Server Hosting.

The Departmental Internet program provides server hosting and limited web design support for the DOT web page, as well as the GovDocs subscription service for e-mail management, and enhanced Google search capabilities.

Off-site server hosting services for HQ servers and other devices for Operating Administrations (with the exception of FAA) provides server hosting for most OA mission critical systems in a primary data center external to the Headquarters building. Direct costs to support the remote hosting location, including limited growth capacity and some security and hardware costs, have been spread proportionally to customers based on each OAs power requirements (watts) for

direct usage, while the infrastructure costs are spread to the OAs based on the adjusted total population of OA devices.

Directory & Messaging Services:

Directory & Messaging Services provides high quality, cost effective directory services, message routing, mail server hosting, wireless e-mail support and mailbox administration. IT Shared Services provides anti-spam and anti-virus protection for mail infrastructure. Email consolidation beyond DOT headquarters to add field and regional users will continue into FY-10. The Directory & Messaging Service offerings are described below.

Departmental Message Routing and Directory Services includes Departmental directory, messaging and routing, enterprise messaging backup, custom directory services, email security and spam filtering and virus protection. Mailbox administration includes the following services for more than 10,000 accounts: mailbox administration and mail storage and backup. Consolidation has increased IT Shared Service's messaging infrastructure and management responsibilities which were previously managed by the OAs.

IT Shared Services continues to increase its support of Wireless PDA devices. The reduced costs realized by the increased user base have been passed on to the users. Cost recovery is per device and includes technical support, licensing and server administration.

Voice, Cable & Wireless

\$10,657 thousand

The IT Services Voice, Cable, and Wireless (VCW) component offers customers a wide range of telecommunications services such as desktop telephone service with voice mail, wireless telephony, circuit analysis, cabling, billing analysis, inventory management, telecom coordination/customer service, teleconferencing and customer special projects.

Supporting both DOT's Washington, D.C. campus and remote communications, VCW services are an essential component of the DOT's IT support mission, and currently includes more than 15,000 telephone lines and 11,000 voice mailboxes, supported by the Southeast Federal Center's telecommunications switch.

A large majority of costs in this program area, more than \$5M per year, support local and long-distance communications and utilities costs for telephone, T-1 lines and circuits between regional offices and other remote sites, internet communications, and redundant systems to ensure continuity of operations.

IT Services has contained rising telecommunications costs over the past seven years, absorbing labor and maintenance increases by aggressively negotiating for better rates with its local and long distance service providers and monitoring telecommunications bills for potential cost savings.

DOT has been a leader in the transition to the GSA Network contracts. Circuit migration was initiated in FY09 and is expected to continue through June 2010. ITSS will work to minimize impact to the OAs as existing circuits are transferred to the new contract vehicle. Network

Transition cost estimates will be developed over the next year and are not included in the current customer estimates. We intend to continue our efforts to aggressively contain costs while providing technology and service improvements.

**Transparency Paper:
Total Program Resources for
Office of the Assistant Secretary for Administration
and
Office of the Chief Information Officer**

The Report accompanying the Senate FY 2008 appropriations bill for the Department of Transportation directed “the Department to provide the following information in its fiscal year 2009 budget justifications: the amount of funding for the Office of the Chief Information Officer and the Office of the Assistant Secretary for Administration from direct appropriations, and the amount of funding for those two offices from WCF reimbursements; a clear description of the WCF work that is completed under the appropriations cap, exempt from the cap, and completed under reimbursable agreements; and full supporting information for any request to lift the appropriations cap, including an inventory of work that cannot be supplied due to the cap.” The Explanatory Statement accompanying the Omnibus Appropriations Act, 2009 directs the Department to “update the transparency paper included in the justification for fiscal year 2009 and include it in the budget justifications for fiscal year 2010.”

The paper that follows is an update of the transparency paper in the FY 2009 Congressional Justification.

INTRODUCTION

The Working Capital Fund (WCF) was authorized under the Department of Transportation (DOT) Act, Public Law 89-670, enacted October 15, 1966, to provide technical and administrative services that allow the DOT Operating Administrations (OAs) to focus on core missions while reducing costs by consolidating administrative management structures. The WCF is funded through negotiated agreements with its customers. The WCF is an intragovernmental revolving fund established in order to finance a cycle of operations in which the customers reimburse the costs of goods and services received. Costs reimbursed by customers include direct and indirect costs including accrued annual leave and capital asset depreciation. To extend efficiencies and to increase economies of scale, the WCF also services customers outside of the DOT. These Non DOT customers include the Department of Homeland Security, specifically Coast Guard and Transportation Security Administration, and more than 100 agencies nationwide, including the House of Representatives, that use the WCF to manage transit benefits to their employees.

The WCF, through the Office of the Assistant Secretary for Administration (OASA) and the Office of the Chief Information Officer (OCIO), provides a wide range of technical and administrative services, including personnel operations, facilities management, parking management, transit benefit programs, printing and graphics, mail operation, library and dockets management operations, building security, IT security and infrastructure, telecommunications, and procurement and acquisitions services. The fund’s services are delivered to customers through an organizational structure of individual business lines providing related services or products. This consolidation of services allows the WCF to

achieve economies of scale, eliminate redundancies, promote consistency in service, and reduce administrative costs across the Department.

The WCF is a fee-for-service operation which receives no direct appropriations. Instead, the WCF is a fully self-sustaining organization and must achieve full cost recovery which includes an equitable distribution of overhead and indirect costs. During the budget formulation stage, the WCF provides cost estimates to the WCF customers based on historical data and projected demand and service levels. During the year of execution, customers are billed for actual use of common services.

A WCF Steering Committee was established in fiscal year (FY) 2003 to provide oversight and ensure WCF goods and services are provided in the most effective and efficient manner to all DOT OAs. The Committee is comprised of Associate Administrators of Administration and Chief Financial Officers/Budget Officers from each OA. Specific functions and activities of the Committee include: recommending goods and services that comprise the WCF; approving all WCF funding levels for each service; evaluating the WCF performance in meeting service plans; ensuring that systematic measures of performance against approved service plans are in place; and evaluating and approving capital asset purchases in excess of \$50,000.

The Office of the Assistant Secretary for Administration administers funds for the Working Capital Fund, receives appropriations for Salaries and Expenses for non-WCF functions, and administers Reimbursable Programs. The Office of the Chief Information Officer provides IT services, technical management, and business support through the WCF. The OCIO also receives appropriations for Salaries and Expenses for non-WCF functions. The following table shows the breakout of funds for both offices.

TOTAL OBLIGATIONAL AUTHORITY BY OFFICE
(In thousands of dollars)

	FY 2008 <u>Actual</u>	FY 2009 <u>Enacted</u>	FY 2010 <u>Estimate</u>
Assistant Secretary for Administration			
Salaries and Expenses	23,750	26,000	25,520
Working Capital Fund			
DOT	75,467	73,791	80,978
NON-DOT	244,226	348,788	438,418
Reimbursable	19,366	20,355	20,355
TOTAL	\$362,809 \$	468,934	\$565,271
 Chief Information Officer			
Salaries and Expenses	11,887	12,885	13,263
Working Capital Fund			
DOT	52,627	54,303	66,618
NON-DOT	506	636	535
TOTAL \$	65,020 \$	67,824 \$	80,416

Major Responsibility
Source of Funds
FY 2010 Request (in thousands)

Office of the Assistant Secretary for Administration Overview:

The Assistant Secretary for Administration is the policy and operations leader and principal advisor to the Secretary of Transportation on Department-wide and Office of the Secretary administrative functions. The Assistant Secretary serves as the:

- Department's Chief Human Capital Officer and provides leadership on all matters associated with the Chief Human Capital Officers Act of 2002. In this role, oversees the planning, implementation, reporting, and evaluation of personnel policies, programs, operating procedures, and systems that support DOT strategic objectives and performance goals.
- Deputy Chief Acquisition Officer for DOT (49 CFR §1.59(a) (6)). Formulates departmental policy, controls and standards to ensure that procurement and financial assistance management programs are in accord with applicable laws, regulations, and good business practices to meet departmental missions in support of the national transportation system.

The Assistant Secretary also delivers administrative services to DOT and Non-DOT customers through the WCF operations and ensures administrative support services are responsive to OST customer requirements and DOT strategic policy direction.

The Office of the Assistant Secretary for Administration administers three sources of funding in performing its various roles in support of the DOT. Each funding stream is maintained and reported independently. OASA funding directly tracks to the OASA three areas of responsibility:

- Annually appropriated Salaries and Expenses (S&E) for carrying out human resources and procurement policy, security management and follow-up and resolution of Government Accountability Office and Inspector General audit reviews of department programs, including preparation of required reports.
- Reimbursable funding for providing formal Administrative Procedure Act (APA) hearings to DOT operating administrations and management and oversight of human resource systems.
- Working Capital Fund cost reimbursements for providing and supporting Department-wide core administrative, security and facilities functions such as executive and political personnel operations, building security, and facilities management.

Specific breakdown of the uses of these funds follows.

	FY 2010 (\$000)
<u>Assistant Secretary for Administration - Salaries and Expenses</u>	\$25,520
<p>The Office of the Assistant Secretary for Administration (OASA) annual Salaries and Expenses appropriation provides pay, compensation and benefits for the Assistant Secretary for Administration, the Departmental Human Resources and Security Directors, the Departmental Senior Procurement Executive, the Departmental Liaison to the Office of the Inspector General/General Accountability Office, as well as technical and administrative government staff. Annual OASA funding provides resources necessary for the Assistant Secretary to plan, develop, coordinate, evaluate, implement and monitor departmental strategic management initiatives; develop and evaluate policies for organization-wide human resource management, administrative and internal security management; formulate departmental policy, controls, and standards to ensure that procurement programs are in accordance with applicable laws, regulations and good business practices; evaluates policies and programs for Section 504 of the Rehabilitation Act of 1973; energy, environmental; motor vehicle management; personal and real property; recycling; safety and health; and seismic safety in DOT facilities. The Salaries and Expenses appropriation also provides the necessary resources to pay for consolidated rent payments to GSA and OST payment to the Working Capital Fund.</p>	
<u>Assistant Secretary for Administration - Working Capital Fund</u>	\$519,396
DOT:	\$ 80,978
NON-DOT:	\$ 438,418

The Working Capital Fund (WCF) provides Departmental services in human resources, security, acquisition and grants, information services, transportation and facilities, space management. In the transit benefits area, the WCF manages the program for over 100 agencies nationwide. These services include financial management of DOT's WCF.

The DOT's WCF provides an array of services in support of the Department's Office of the Secretary and Operating Administrations. The WCF is a full cost recovery, fee-for-service organization that receives no directly appropriated funds, but recovers costs through cost reimbursable and interagency service level agreements. The WCF has an obligation ceiling set by Congress which limits the amount of business the WCF may do for the Department that fiscal year.

Assistant Secretary for Administration - Reimbursable Programs \$20,355

Office of Hearings \$ 1,534

The Office of Hearings is located in the Office of the Assistant Secretary for Administration in order to separate the Office from all investigatory and prosecution functions. The Office of Hearings is composed of administrative law judges, who hold hearings under the Administrative Procedure Act (5 U.S.C. § 551 et seq.) (APA) for the Department's Office of the Secretary (primarily in aviation matters) and the Department's component modal administrations that need formal APA hearings, including the Federal Aviation Administration, Federal Motor Carrier Safety Administration, and the Pipeline and Hazardous Materials Safety Administration.

FY 2010
(\$000)

Departmental Office of Human Resource Management (HRM) \$18,821

The Office of HRM provides technical management, oversight and support for all consolidated HR systems, which include the Federal Personnel and Payroll System (FPPS), the Electronic Learning Management System (eLMS), the Enterprise Human Resources Integration (EHRI), Electronic Official Personnel Folder (eOPF) and Analytic Tools, the Secure On and Off Boarding Access Management System (SOAMS), and the Workers' Compensation Information System (WCIS).

Reimbursable funds for FPPS provide for HR and payroll support and processing for all of DOT. FPPS facilitates movement toward achieving strategic management of Human Capital by:

- Providing reports that enable diversity management plans to sustain a workforce that represents the face of America in all occupations and at all grade levels;
- Providing support to workforce planning reporting to identify mission critical competencies and gaps in those competencies.

Reimbursable funds for eLMS provides system support for the delivery of on-line learning, learner registration, learner training completion, the delivery and recording of assessments, and the reporting of eLMS EHRI data to OPM.

The eOPF allows for secure access to official employee HR records for employees and HR staff. The centralized management of and access to the data provides the technological means for consolidating HR operations and improves the government's ability to share and transfer data about employees moving between agencies.

The Department of Transportation has partnered with DOI/NBC to pilot two modules within the SOAMS. SOAMS is in relation to eGov HR integration and bolt-on projects and the Entrance on Duty system (EODS) is in line with OPMs HR LOB EOD Concept of Operations. These modules will interface with the Federal Personnel and Payroll System, automated staffing solutions and eOPF and include the following:

- The Workforce Transformation Tracking System module will allow managers and personnel specialists to 1) track projected gains; 2) track transfers and losses of federal staff and 3) allow HR specialists to develop checklists for entrance on duty.
- Entrance on Duty System module provides on-line forms for new employees to complete information required on entrance to duty. Forms are pre-populated with information captured by upstream business process and can be fed to eOPF.

Office of the Chief Information Officer Overview:

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT) and cyber security advisor to the Secretary. In this strategic departmental role, the CIO provides leadership on all matters associated with the Department's \$3 billion IT portfolio. This includes security, investment management, and improvements in the delivery of services to the American taxpayer through electronic government initiatives.

The DOT CIO also serves as the CIO for Office of the Secretary. Similar to the role of an operating administration CIO, the DOT CIO ensures that IT needs of OST employees are met. Funding is included in this request to address the CIO's strategic departmental, OST and infrastructure roles.

The DOT CIO delivers IT services to DOT customers through the operation of an IT infrastructure that includes e-mail services, a backbone network, and help desk support. Historically, operating administrations contract with the CIO for services and reimburse the CIO for the cost of those services. The WCF is the reimbursement mechanism for these services.

DOT CIO Managed Resources Overview:

The Office of the Chief Information Officer (OCIO) administers two sources of funding in performing its various roles in support of the DOT. Each funding stream is maintained and reported independently. OCIO funding directly tracks to the CIO's two areas of responsibility:

- Annually appropriated Salaries and Expenses (S&E) for carrying out IT policy, security and other mandates, guidance, monitoring and reporting; and
- WCF cost reimbursements for providing and supporting Department-wide core IT functions, such as IT security and support, voice, cable and wireless, inter-modal data network (IDN), desktop services, and server and messaging services.

A specific breakdown of the uses of this funding request follows.

	FY 2010 (\$000)
<u>Office of the Chief Information Officer - Salaries and Expenses</u>	\$13,263

The OCIO annual Salaries and Expenses appropriation provides pay, compensation and benefits for the Department's CIO, and Deputy CIO and Enterprise IT Architect, as well as technical and administrative government staff. Annual OCIO S&E funding provides resources necessary for the CIO to meet responsibilities to the Department as well as other Executive and Legislative Branch requirements, and for improving practices in the design, modernization, use, sharing, and performance of information resources. The CIO develops recommendations for information technology management policies, procedures, and standards and leads e-government projects to improve service delivery, and foster the effective use of IT communication technologies to enhance business activities performance. The Salaries and Expenses appropriation provides resources necessary for the security and management of the department's \$2.7 billion IT Program and WCF operations.

<u>Office of the Chief Information Officer - Working Capital Fund</u>	\$ 67,153
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DOT	\$ 66,618
NON-DOT	\$ 535

The DOT's Working Capital Fund provides an array of services in support of the Department's Office of the Secretary and OAs. The WCF is a full cost recovery, fee-for-service organization that receives no directly appropriated funds, but recovers costs through cost reimbursable and interagency service level agreements. The WCF has an obligation ceiling set by Congress which limits the amount of business the WCF may do that fiscal year.

WCF organizationally consists of two major components, personnel/facilities services, and IT services. The IT services fall organizationally and operationally under the OCIO. OCIO's WCF IT operations are essentially an outsourced environment, consisting primarily of contractors and a small cadre of government project managers and technicians. In addition to providing the DOT Washington metro area's campus-wide telephony, communications backbone infrastructure, and firewall security, OCIO WCF IT operations also provide a common IT operating environment, server hosting facilities, desktop management, as well as IT engineering and DOT intranet/internet support.

The following tables show the Budget Estimates, with a break out for both offices, for FY2008 through FY2010:

FY 2010 BUDGET ESTIMATES SUMMARY BY OFFICE

ASSISTANT SECRETARY FOR ADMINISTRATION

	<u>Salaries & Expenses</u>	<u>Working Capital Fund</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>			
Personnel Compensation and Benefits	8,076	21,181	2,688
Travel	67	1,204	0
Other Costs	<u>17,377</u>	<u>497,011</u>	<u>17,667</u>
TOTAL	25,520	519,396 1/	20,355

1/ Of the \$519.396 million, \$437.638 is for the Transit Benefits and Parking Program.

STAFFING

Direct Positions	66	0	0
Reimbursable Positions	0	192	20

OFFICE OF THE CHIEF INFORMATION OFFICER

	<u>Salaries & Expenses</u>	<u>Working Capital Fund</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>			
Personnel Compensation and Benefits	3,772	3,075	0
Travel	25	40	0
Other Costs	<u>9,466</u>	<u>64,038</u>	<u>0</u>
TOTAL	13,263	67,153	0

STAFFING

Direct Positions	25	0	0
Reimbursable Positions	0	21	0

FY 2009 BUDGET ESTIMATES SUMMARY BY OFFICE

ASSISTANT SECRETARY FOR ADMINISTRATION

	Salaries & Expenses	Working Capital Fund	Reimb Programs
<u>FUNDING LEVELS</u>			
Personnel Compensation and Benefits	7,843	20,689	2,688
Travel	67	1,458	0
Other Costs	18,090	400,432	17,667
TOTAL	26,000	422,579	20,355

1/ Of the \$422.579 million, \$340.620 million is for the Transit Benefits and Parking Program.

STAFFING

Direct Positions	66	0	0
Reimbursable Positions	0	198	20

OFFICE OF THE CHIEF INFORMATION OFFICER

	Salaries & Expenses	Working Capital Fund	Reimb Programs
<u>FUNDING LEVELS</u>			
Personnel Compensation and Benefits	3,702	3,004	0
Travel	25	35	0
Other Costs	9,158	51,900	0
TOTAL	12,885	54,939	0

STAFFING

Direct Positions	25	0	0
Reimbursable Positions	0	21	0

The following tables show the total Working Capital Fund estimate and a break out for both offices.

**TOTAL WORKING CAPITAL FUND
FY 2010 BUDGET ESTIMATE**
(In thousands of dollars)

<u>Program</u>	<u>FY 2008 Actual^{1/}</u>	<u>FY 2009 Enacted^{1/}</u>	<u>FY 2010 Estimate^{1/}</u>
WCF DOT Activities	128,094	128,094	147,596
WCF Non-DOT Activities	<u>244,732</u>	<u>349,424</u>	<u>438,953</u>
Total	\$ 372,826	\$ 477,518	\$ 586,549
<u>Staffing</u>			
Reimbursable Positions	219	219	213
Reimbursable FTE	172	219	213

**OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION
WORKING CAPITAL FUND
FY 2010 BUDGET ESTIMATE**
(In thousands of dollars)

<u>Program</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Enacted</u>	<u>FY 2010 Estimate</u>
DOT Activities	75,467	73,791	80,978
Non-DOT Activities	<u>244,226</u>	<u>348,788</u>	<u>438,418</u>
Total	<u>\$319,693</u>	<u>\$422,579</u>	<u>\$519,396</u>
<u>Staffing</u>			
Reimbursable Positions	198	198	192
Reimbursable FTE	155	198	192

**OFFICE OF THE CHIEF INFORMATION OFFICER
WORKING CAPITAL FUND
FY 2010 BUDGET ESTIMATE**
(In thousands of dollars)

<u>Program</u>	FY 2008 <u>Actual</u>	FY 2009 <u>Estimate</u>	FY 2010 <u>Estimate</u>
DOT Activities	52,627	54,303	66,618
Non-DOT Activities	506	636	535
Total	\$ 53,133	\$ 54,939	\$67,153
 <u>Staffing</u>			
Reimbursable Positions	21	21	21
Reimbursable FTE	17	21	21

The following table displays the WCF/OCIO cost estimates by Operating Administration:

**Working Capital Fund
Operating Administration Costs
And Other Expenses Estimate
(\$000)**

Operating Administration	FY 2009 Estimate			FY 2010 Estimate		
	WCF Administration	WCF OCIO	Total	WCF Administration	WCF OCIO	Total
OST	10,254	6,928	17,182	9,190	7,042	16,977
FAA	19,106	9,271	28,377	20,245	10,619	30,864
FHWA	7,941	7,775	15,716	8,096	8,431	16,527
FRA	2,587	4,235	6,822	2,890	3,319	6,209
NHTSA	4,746	5,598	10,344	5,065	5,861	10,926
FTA	2,803	3,773	6,576	3,056	3,826	6,882
SLSDC	174	157	331	184	217	401
VOLPE	37	3,508	3,545	10	226	236
MARAD	2,805	3,701	6,506	3,100	3,103	6,203
OIG	2,195	799	2,994	2,524	934	3,458
STB	133	0	133	152	0	152
FMCSA	3,253	2,407	5,660	3,448	2,608	6,056
RITA	2,385	2,412	4,797	2,657	2,501	5,158
PHMSA	2,902	3,182	6,084	3,143	3,841	6,984
DOT Unspecified	3,795	3,802	7,597	5,130	18,769	23,899
SUBTOTAL	65,116	57,548	122,664	68,890	71,297	140,932
<u>Other Expenses</u>						
Capital Assets	0	1,100	1,100	46	1,186	1,232
Depreciation	(215)	(3,832)	(4,047)	(210)	(4,051)	(4,261)
Net NON-DOT Intra fund Costs	7,085	0	7,085	7,704	0	7,704
Net WCF Intra Fund Costs	1,805	(513)	1,292	3,803	(1,814)	1,989
TOTAL	73,791	54,303	128,094	80,233	66,618	147,596

Note: Totals may not add due to rounding

Crosswalk of DOT Operating Costs/Expenses

The WCF is a fee-for-service operation which receives no direct appropriations. Instead, the WCF is a fully self-sustaining reimbursable fund. During the budget formulation stage, the WCF provides to its customers operating cost estimates they will need to contribute to the WCF. These estimates are based on historical data and projected on-demand service levels. The preceding chart is a summary of the DOT operating cost estimates to our customers based on full cost recovery. These operating costs represent the costs provided to each Operating Administration during the fiscal year.

To crosswalk the DOT customer operating costs to DOT obligations, it is necessary to account for items that are (a) at the time of budget formulation were not directly attributable to a specific customer or (b) not directly collected as operating costs.

- DOT Unspecified represents costs where the scope of the work for individual customers is not yet determined and it is not possible to determine a specific billing methodology or customer base, such as for IT consolidation and field office support and ONE-DOT PRISM.
- Capital Asset obligations will be expensed over the expected life of the asset and collected in the future as asset replacement reserve.
- Depreciation are expenses treated as a replacement reserve to enable capital assets to be refreshed on a regular cycle. These assets are typically significant technology investments, such as networking and telecommunications equipment that have a useful life of two or more years.
- Net Non DOT Intra Fund Costs provide support services to NON-DOT programs that are not reflected in the DOT cost numbers
- Net WCF Intra Fund Costs are the indirect expenses shared between WCF programs.

Customer Operating Costs:	<i>FY 2010</i> (\$000)
DOT Customer Total	117,033
DOT Unspecified	23,899
DOT Operating Administrations' Costs	<u>140,932</u>
Capital Assets	1,232
Depreciation	(4,261)
Net Non-DOT Intra Fund Costs	7,704
Net WCF Intra Fund Costs	1,989
Total WCF Obligations	<u>147,596</u>

The DOT unspecified amounts in FY 2010 relate primarily to on-demand services such as facility services, personnel services, and the phased implementation of IT field consolidation and enterprise license consolidations. These services are subject to fluctuations in customer demand. In addition, due to the move to the new headquarters building and the resultant change in consolidations and service delivery options, there is a lack of historical information that is necessary to provide individual customer breakouts of some services. A breakout of these amounts is provided in the following chart:

Service	Amount (\$000)	Reason
Personnel Services	\$907	Uncertain Customer Usage – Unemployment Comp.
ONE-DOT Prism	\$2,950	New Program - Allocation Formula not determined.
Voice, Cable, & Wireless	\$594	Changes in Customer Demand
Facility Services	\$82	Changes in Customer Base in New Building
WCF Rent	\$1,191	Square footage and pricing changes due to move to New Building
IT Consolidation and Field Office Support	\$18,175	New program requirements
Total	\$23,899	

The following tables display the obligation budget by WCF business lines:

FY 2010 ESTIMATE			
WCF DOT AND NON-DOT OBLIGATIONS			
BY BUSINESS LINE			
(\$000)			
<u>Description</u>	<u>DOT</u> <u>Obligations</u>	<u>Non-DOT</u> <u>Obligations</u>	<u>2010 Total</u>
Assistant Secretary for Admin			
Acquisition & Procurement Operations	5,001	0	5,001
Building Security	14,547	0	14,547
Commercial Services Management	538	0	538
Consolidated Federal Funds	132	0	132
Copier, Printing & Multimedia	7,959	51	8,010
Disability Resource Center	1,630	453	2,082
Dockets Management and Operations	2,596	202	2,798
Facilities Services & Utilities	9,275	371	9,645
Federal Laboratory Consortium	21	0	21
FEMA COOP Facility	1,075	0	1,075
Financial Mgmt, Accting & Admin	6,867	0	6,867
Flexible Spending Account	415	0	415
Grants Information System	527	0	527
Human Resource Services	4,443	41	4,484
Library & Information Services	2,110	0	2,110
Mail Services & Postage	3,081	81	3,162
Publications Distribution	128	115	242
Rent & Space Management	7,413	0	7,413
Security Operations	4,547	0	4,547
Substance Abuse Awareness & Testing	1,458	3,742	5,200
Transit Benefits & Parking	4,411	433,227	437,638
Unemployment Compensation	2,107	75	2,182
Warehouse	698	60	758
Assistant Secretary for Admin Subtotal:	80,978	438,418	519,396
Chief Information Office			
Campus Area Network	4,227	0	4,227
Desktop Services	27,567	0	27,567
Information Assurance & Privacy	15,121	0	15,121
Server & Messaging Services	9,582	0	9,582
Voice, Cable & Wireless	10,122	535	10,657
Chief Information Office Subtotal:	66,618	535	67,153
Grand Total:	147,596	438,953	586,549

**FY 2009 ESTIMATE
WCF DOT AND NON-DOT OBLIGATIONS
BY BUSINESS LINE
(\$000)**

<u>Description</u>	<u>DOT Obligations</u>	<u>Non-DOT Obligations</u>	<u>2009 Total</u>
Assistant Secretary for Admin			
Acquisition & Procurement Operations	1,916	350	2,266
Building Security	13,064	0	13,064
Commercial Services Management	534	0	534
Consolidated Federal Funds	123	0	123
Copier, Printing & Multimedia	6,869	1,438	8,307
Disability Resource Center	1,875	1	1,876
Dockets Management and Operations	1,416	149	1,565
Facilities Services & Utilities	8,759	0	8,759
Federal Laboratory Consortium	21	0	21
FEMA COOP Facility	1,051	0	1,051
Financial Mgmt, Accting & Admin	6,902	0	6,902
Flexible Spending Account	346	0	346
Grants Information System	1,432	13	1,445
Human Resource Services	4,195	271	4,466
Library & Information Services	2,449	0	2,449
Mail Services & Postage	3,024	20	3,044
Publications Distribution	461	156	617
Rent & Space Management	6,472	0	6,472
Security Operations	6,027	0	6,027
Substance Abuse Awareness & Testing	1,562	3,284	4,846
Transit Benefits & Parking	3,573	337,047	340,620
Unemployment Compensation	1,050	6,000	7,050
Warehouse	670	59	729
Assistant Secretary for Admin Subtotal:	<u>73,791</u>	<u>348,788</u>	<u>422,579</u>
Office of the Chief Information Officer			
Campus Area Network	1,974	0	1,974
Desktop Services	18,688	14	18,702
Information Assurance & Privacy	13,067	0	13,067
Server & Messaging Services	11,069	4	11,073
Voice, Cable & Wireless	9,505	618	10,123
Chief Information Officer Subtotal:	<u>54,303</u>	<u>636</u>	<u>54,939</u>
Grand Total:	<u>128,094</u>	<u>349,424</u>	<u>477,518</u>

**Transparency Paper
Executive Protection Program**

- Currently, the Executive Protection Program is located in the Office of Security in the Office of the Assistant Secretary for Administration. The Executive Protection Program includes eight Special Agents and two drivers. Historically, in addition to providing executive protection, the Special Agents have had collateral departmental physical security duties at Department of Transportation headquarters and facilities nationwide.
- The Executive Protection Program is funded through the Working Capital Fund. OST (Office of the Assistant Secretary for Administration) pays the full cost associated with two of the Special Agents and the two drivers (\$745,000 in FY 2010). The other Operating Administrations share the cost associated with the other six Special Agents.
- For the past year, the Department has been conducting a pilot to assess the operational benefits and mission compatibility of relocating the Executive Protection Program to the Office of Intelligence, Security and Emergency Response.
- Based on the results of the pilot, the Department is proposing in FY 2009, via a reprogramming request, to relocate permanently the Executive Protection Program from the Office of Security in the Office of the Assistant Secretary for Administration to the Office of Intelligence, Security and Emergency Response.
- During FY 2009, the funding mechanism for the Executive Protection Program will continue to be the Working Capital Fund.
- For FY 2010, the Department is proposing that the cost of the Executive Protection Program (\$1.857 million) be included in the Salaries and Expenses. The \$1.857 million increase for the Office of Intelligence, Security and Emergency Response is partially offset by a \$745,000 decrease in the payment that the Office of the Assistant Secretary for Administration makes to the Working Capital Fund on behalf of OST. So, the net increase to the Salaries and Expenses appropriation is \$1.112 million.
- One of the lessons learned from the pilot is that the increased scheduling requirements for local and nationwide travel and security advance work have resulted in the Special Agents no longer being able to perform adequately departmental Physical Security duties. To meet these requirements, four additional Physical Security Specialists will be needed in the Assistant Secretary for Administration's Office of Security in FY 2010. The Working Capital Fund will be the funding mechanism for the \$800,000 of costs associated with these four additional Physical Security Specialists.

**GENERAL PROVISIONS – DEPARTMENT OF TRANSPORTATION
– (INCLUDING TRANSFER OF FUNDS)
(INCLUDING CANCELLATIONS)**

Sec. 180. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

- ❖ Section 180 retains the provision that allows the Department of Transportation to use funds for aircraft, motor vehicles, liability insurance, uniforms, or allowances, as authorized by law.

Sec. 181. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for an Executive Level IV.

- ❖ Section 181 retains the provision that limits appropriations for services authorized by 5 U.S.C. 3109 to the rate for an Executive Level IV.

Sec. 182. None of the funds in this Act shall be available for salaries and expenses of more than 110 political and Presidential appointees in the Department of Transportation.

- ❖ Sec. 182 retains the provision that prohibits funds to be used for salaries and expenses of more than 110 appointees, but proposes to delete the requirement that none of the personnel covered by this provision can be assigned on temporary detail outside DOT.

Sec. 183. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

- ❖ Section 183 retains the provision that prohibits funds from being used to implement section 404 for title 23, United States Code.

Sec. 184. (a) No recipient of funds made available in this Act shall disseminate personal information (as defined in 18 U.S.C. 2725(3)) obtained by a State department of motor vehicles in connection with a motor vehicle record as defined in 18 U.S.C. 2725(1), except as provided in 18 U.S.C. 2721 for a use permitted under 18 U.S.C. 2721.

(b) Notwithstanding subsection (a), the Secretary shall not withhold funds provided in this Act for any grantee if a State is in noncompliance with this provision.

- ❖ Section 184 retains the provision that prohibits recipients of funds made available in this Act from releasing certain personal information

and photographs from a driver's license or motor vehicle record, without express consent of the person to whom such information pertains; and prohibits the withholding of funds provided in this Act for any grantee if a State is in noncompliance with this provision.

Sec. 185. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited respectively to the Federal Highway Administration's "Federal-Aid Highways" account, the Federal Transit Administration's "Research and University Research Centers" account, and to the Federal Railroad Administration's "Safety and Operations" account, and used for such expenses, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

- ❖ Section 185 retains the provision that permits funds received by specified DOT agencies from States or other private or public sources for expenses incurred for training to be credited to certain specified agency accounts.

Sec. 186. Notwithstanding any other provisions of law, rule or regulation, the Secretary of Transportation is authorized to allow the issuer of any preferred stock heretofore sold to the Department to redeem or repurchase such stock upon the payment to the Department of an amount determined by the Secretary.

- ❖ Section 186 retains the provision that authorizes the Secretary of Transportation to allow issuers of any preferred stock sold to the Department to redeem or repurchase such stock upon the payment to the Department of an amount determined by the Secretary.

Sec 187. None of the funds in this Act to Department of Transportation may be used to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than 3 full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling \$2,000,000 or more is announced by the department or its modal administrations from: (1) any discretionary grant program of the Federal Highway Administration including the emergency relief program; (2) the airport improvement program of the Federal Aviation Administration; (3) any grant from the Federal Railroad Administration; or (4) any program of the Federal Transit Administration other than the formula grants and fixed guideway modernization programs: *Provided*, That the Secretary gives concurrent notification to the House and Senate Committees on Appropriations for any "quick release" of funds from the emergency relief program: *Provided further*, That no notification shall involve funds that are not available for obligation.

- ❖ Section 187 retains the provision that prohibits funds from being used to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations no less than three

days in advance of any discretionary grant award, letter or intent, or full funding grant agreement, but proposes to increase the dollar amount to which this applies from \$500,000 to \$2,000,000.

Sec. 188. Rebates, refunds, incentive payments, minor fees and other funds received by the Department of Transportation from travel management centers, charge card programs, the subleasing of building space, and miscellaneous sources are to be credited to appropriations of the Department of Transportation and allocated to elements of the Department of Transportation using fair and equitable criteria and such funds shall be available until expended.

- ❖ Section 188 retains the provision that allows funds received from rebates, refunds, and similar sources to be credited to appropriations of the Department of Transportation.

Sec. 189. Amounts made available in this or any other Act that the Secretary determines represent improper payments by the Department of Transportation to a third party contractor under a financial assistance award, which are recovered pursuant to law, shall be available--

- (1) to reimburse the actual expense incurred by the Department of Transportation in recovering improper payments; and
- (2) to pay contractors for services provided in recovering improper payments or contractor support in the implementation of the Improper Payments Information Act of 2002: *Provided*, That amounts in excess of that required for paragraphs (1) and (2)--

(A) shall be credited to and merged with the appropriation from which the improper payments were made, and shall be available for the purposes and period for which such appropriations are available; or

(B) if no such appropriation remains available, shall be deposited in the Treasury as miscellaneous receipts: *Provided further*, That the Secretary shall report annually to the House and Senate Committees on Appropriations the amount and reasons for these transfers: *Provided further*, That for purposes of this section, the term "improper payments", has the same meaning as that provided in section 2(d)(2) of Public Law 107-300.

- ❖ Section 189 retains the provision that allows amounts from improper payments to a third party contractor that are lawfully recovered by the DOT to be available to cover expenses incurred in the recovery of such payments, but proposes an annual report of the transfer of such recoveries rather than congressional notification prior to each transfer.

Sec. 190. Funds appropriated in this Act to the modal administrations may be obligated for the Office of the Secretary of Transportation for the costs related to assessments or reimbursable agreements only when such amounts are for the costs of goods and services that are purchased to provide a direct benefit to the applicable modal administration or administrations.

- ❖ Section 190 proposes a provision that would allow the Office of the Secretary of Transportation to assess or enter into reimbursable agreements with the modal administrations only to the degree that such amounts are for the costs of goods and services that are purchased to provide a direct benefit to the applicable modal administration or administrations.

Sec. 191. Notwithstanding section 3324 of Title 31, United States Code, in addition to authority provided by section 327 of title 49, United States Code, the Department's Working Capital fund is hereby authorized to provide payments in advance to vendors that are necessary to carry out the Federal transit pass transportation fringe benefit program under Executive Order 13150 and section 3049 of Public Law 109-59: Provided, that the Department shall include adequate safeguards in the contract with the vendors to ensure timely and high quality performance under the contract.

- ❖ Section 191 would enable the Department to provide payments in advance to its vendor in order to carry out its contract for the implementation of a debit card program for distribution of transit benefits. The Department needs this authority because the debit card vendor is unable to front such funding, which would be approximately \$30 million per month. FAR provisions regarding advance payment are generally for payment for contract services only and may not cover this specific situation. The debit card program streamlines the transit benefit process from application to distribution, eliminates physical inventory, reduces distribution cost and infrastructure, strengthens internal controls and minimizes security vulnerabilities.

GENERAL PROVISIONS—THIS ACT

Sec. 401. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

- ❖ Section 401 continues the prohibition on the use of funds for pay and other expenses provided in the appropriation act for compensating non-Federal parties intervening in regulatory or adjudicatory proceedings funded by the act.

Sec. 402. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

- ❖ Section 402 continues the prohibition on obligations beyond the current fiscal year and transfers of funds to other appropriations unless expressly provided in the appropriations act.

Sec. 403. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

- ❖ Section 403 continues the limitation on expenditures for consulting service through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Sec. 404. Except as otherwise specifically provided by law, not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 2010 from appropriations made available for salaries and expenses for fiscal year 2010 in this Act, shall remain available through September 30, 2011, for each such account for the purposes authorized: *Provided*, That notice thereof shall be submitted to the House and Senate Committees on Appropriations prior to the expenditure of such funds.

- ❖ Section 404 continues the provision providing that 50 percent of unobligated balances are available for certain purposes.

Sec. 405. No funds in this Act may be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use: *Provided*, That for purposes of this section, public use shall not be construed to include economic development that

primarily benefits private entities: *Provided further*, That any use of funds for mass transit, railroad, airport, seaport or highway projects as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water-related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownsfield as defined in the Small Business Liability Relief and Brownsfield Revitalization Act (Public Law 107-118) shall be considered a public use for purposes of eminent domain.

- ❖ Section 405 continues the provision prohibiting the use of funds for eminent domain unless such taking is employed for public use.

Department of Transportation

The E-Government initiatives serve citizens, businesses, and Federal and state government employees by delivering high quality services more efficiently at a lower price. Instead of expensive "stove-piped" operations, agencies work together to develop common solutions which achieve mission requirements at reduced cost, thereby making resources available for higher priority needs.

The Department of Transportation (DoT) is providing funding in FY 2009 to the following E-Government Initiatives:		
<p>Government to Citizen Portfolio</p> <ul style="list-style-type: none"> Disaster Assistance Improvement Plan 	<p>Government to Business Portfolio</p> <ul style="list-style-type: none"> Business Gateway 	<p>Government to Government Portfolio</p> <ul style="list-style-type: none"> Grants.gov
<p>Internal Efficiency and Effectiveness Portfolio</p> <ul style="list-style-type: none"> Integrated Acquisition Environment - Loans and Grants 	<p>Lines of Business (LoB)</p> <ul style="list-style-type: none"> Budget Formulation and Execution LoB Financial Management LoB Geospatial LoB Grants Management LoB Human Resources Management LoB 	

Benefits realized through the use of these initiatives are as follows:

Government to Citizen Portfolio

Disaster Assistance Improvement Plan (Managing Partner DHS)

The Disaster Assistance Improvement Plan (DAIP) is a government-wide effort to improve the delivery of disaster assistance. The initiative includes member agencies which have active disaster assistance programs as well as those which do not. While some agencies are affected less than others in times of a disaster, all are affected in some way. It is imperative that all agencies work together to assist agencies and individuals in need of assistance.

While DAIP has not yet identified any disaster assistance programs within DoT, it remains important that the department participates in the plan to implement DAIP. For some agencies this will help to ensure that their non-disaster assistance programs and services continue to reach disaster victims who may be displaced or are otherwise out of contact. For other agencies, participation in DAIP will reduce the burden on other federal agencies which routinely provide logistical help and other critical management or organizational support during disasters, rather than direct assistance to individuals. For all of these agencies, participation in DAIP provides a platform to offer application intake in the event that a form of assistance is authorized as a result of a disaster, as well as to offer a resource to individuals who inquire with the agency about disaster assistance.

The DAIP program office is continuing to work through quantifying and reporting on the benefits and cost savings or cost reductions for each member agency. Participating in DAIP will help DoT and component bureaus (including the Office of the Secretary, Federal Aviation Administration, Federal Highway Administration, Federal Motor Carrier Safety Administration, National Highway Traffic Safety Administration, Federal Railroad Administration, Federal Transit Administration, Pipeline and Hazardous Materials Safety Administration, Research and Innovative Technology Administration, Office of Inspector General, and the Maritime Administration) comply with Executive Order 13411, which mandates that

disaster victims have prompt and efficient access to federal disaster assistance, as well as information regarding assistance available from government and private sector sources.

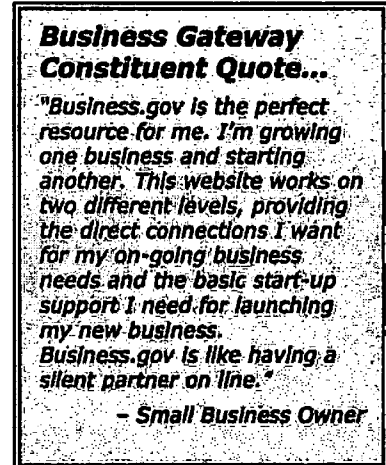
Government to Business Portfolio

Business Gateway (Managing Partner SBA)

By creating a single portal for business information, such as regulatory compliance information, Business Gateway directly benefits DoT's stakeholders, including airlines, motor carrier operators and suppliers, railroad operators and certifiers, and cargo vessel operators – many of which are subject to complex regulatory requirements across multiple agencies.

DoT's stakeholders can potentially receive significant benefits from Business Gateway. These benefits are outlined below.

- **Contact center savings:** Due to the use of Business.gov and Forms.gov a decrease in misdirected calls results in cost savings for DoT.
- **Maintenance savings:** Business.gov's search technology provides DoT with valuable user statistics and feedback, enabling it to simplify content management on its business compliance site.
- **Cost and time savings:** Businesses looking for DoT compliance regulations can save time and money by going to Business.gov. In FY 2008, 74 percent of Business.gov users who responded to the American Customer Satisfaction Index (ACSI) survey reported saving time at an average of nearly 10 hours per user, totaling 3,960,269 hours; 55 percent of survey respondents also reported saving money at an average of \$753 per user.
- **Increased forms management:** By making 167 forms available on Forms.gov, DoT saves agency time in forms management, and produces significant savings in paper and postage. DoT forms were accessed via Forms.gov 109,485 times in FY 2008.
- **Increased exposure:** Business.gov includes numerous compliance links for DoT providing cross-agency effectiveness to American businesses. In FY 2008, Business.gov directed 9,714 visits to DoT sites.
- **Reduced burden on field offices:** By directing compliance-related inquiries to Business.gov, agencies with field offices saved training and staff-time dollars.
- **Regulatory compliance:** The Business.gov website enables DoT to comply with the reporting requirement for the Small Business Paperwork Relief Act (SBPRA) and is also consistent with the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), which called on federal regulatory agencies to publish small business guides that assist small firms in complying with, and answer small businesses' inquiries about federal regulations.
- **Data harmonization:** Business Gateway is in a unique position to support data harmonization efforts indirectly through its content partnerships with various government agencies. DoT has the opportunity to identify and realize data harmonization benefits in many areas, such as Federal Motor Carrier Safety Administration.



Through increased outreach, more constituents will be able to realize these benefits.

Benefits provided by Business Gateway to DoT bureaus include:

- **Office of the Secretary of Transportation/Office of Aviation and International Affairs (OST/OAIA)** – Business.gov provides an informative and time-saving resource for the public and the aviation industry to gain access to materials central to the aviation regulatory process.
- **Office of the Secretary of Transportation/Office of Drug & Alcohol Policy & Compliance (OST/ODAPC)** – The Business Gateway portal will provide a point of access to the drug and alcohol testing rules and regulations established by DoT.
- **Office of the Secretary of Transportation/Office of Small and Disadvantaged Business Utilization Small Business Transportation Resource Center (OSDBU)** – The Business.gov portal provides a one-stop shop for the services provided by DoT's OSBDU.
- **National Highway Traffic Safety Administration (NHTSA)** – Business Gateway's portal provides a point of access to the rules and regulations imposed by the NHTSA as required by manufacturers and businesses, including 13 forms.
- **Federal Railroad Administration (FRA)** – Business Gateway provides access to rules and regulations imposed by the FRA, including 51 forms.
- **Maritime Administration (MARAD)** – Business.gov provides information about programs highlighted by MARAD such as the Ship Operations Cooperative Program (SOCP), including numerous compliance links and 8 forms.
- **Federal Aviation Administration (FAA)** – Business Gateway provides access to numerous compliance links and 57 forms for the FAA Small Business Office (SBO).
- **Federal Highway Administration (FHWA)** – Business Gateway assists the Federal Lands Highway program by supporting the small and medium-sized businesses that conduct engineering studies, perform bridge inspections, pave roads, and construct facilities. This includes 10 forms.
- **Pipeline and Hazardous Materials Safety Administration (PHMSA)** – Business.gov provides contracted businesses with greater access to information about PHMSA compliance regulations, such as how to file incident reports. Business Gateway provides access to 6 forms.
- **Federal Motor Carrier Safety Administration (MCSA)** – Business Gateway provides access to numerous FMCSA compliance including 19 forms.
- **Research and Innovative Technology Administration (RITA)** – Business Gateway augments RITA's mission of partnering with small businesses to develop new technologies (www.volpe.dot.gov/sbir) by helping these companies comply with federal law and have greater access to the forms they require.

Government to Government Portfolio

Grants.gov (Managing Partner HHS)

The Grants.gov initiative benefits DoT and its component organizations, including the Federal Aviation Administration, Federal Highway Administration, Federal Motor Carrier Safety Administration, Federal Railroad Administration, Federal Transit Administration, Maritime Administration, National Highway Traffic Safety Administration, Office of the Secretary, Pipeline and Hazardous Material Safety Administration, Research and Innovative Technology Administration, Saint Lawrence Seaway Development Corporation, Office of Inspector General, and the Surface Transportation Board, by providing a single location to publish grant (funding) opportunities and application packages. Additionally, it provides a single site for the grants community to apply for grants using common forms, processes and systems. DoT derives its largest source of benefits from Grants.gov by not having to develop its own system for collecting electronic grant applications for paper-based discretionary grant programs.

In FY 2008, DoT received 2,040 electronic applications from the grants community via Grants.gov, with 57 total application packages posted. New discretionary grant programs in FY 2008 were able to use Grants.gov rather than having to modify DoT software systems to accept pre-award data collection.

Across DoT, Grants.gov has helped the Department standardize grant data items and procedures. Grants.gov has helped to improve accountability, reporting and to prepare for future GM LoB planning.

Internal Efficiency and Effectiveness Portfolio

Integrated Acquisition Environment - Loans and Grants (Managing Partner GSA)

All agencies participating in the posting and/or awarding of Loans & Grants are required by the Federal Funding Accountability and Transparency Act (FFATA) to disclose award information on a publicly accessible website. Cross-government cooperation with OMB's Integrated Acquisition Environment initiative allows agencies and contributing bureaus (including the Office of the Secretary, Federal Aviation Administration, Federal Highway Administration, Federal Motor Carrier Safety Administration, National Highway Traffic Safety Administration, Federal Railroad Administration, Federal Transit Administration, Saint Lawrence Seaway Development Corporation, Pipeline and Hazardous Materials Safety Administration, Research and Innovative Technology Administration, and the Maritime Administration at DoT) to meet the requirements of the FFATA by assigning a unique identifier, determining corporate hierarchy, and validating and cleaning up incorrect or incomplete data. The FFATA enhances transparency of federal program performance information, funding, and loans & grants solicitation.

Lines of Business

Budget Formulation and Execution LoB (Managing Partner ED)

BFE LoB provides significant benefits to partner agencies by encouraging best practices across all aspects of federal budgeting – from budget formulation and execution to performance to collaboration to human capital needs.

To benefit all agencies, including DoT, BFE LoB continues to support Department of Treasury as the system owner in the advancement of the Budget Formulation and Execution Manager (BFEM), the first shared fee-for-service budget formulation system. With support from BFE LoB, Treasury/BFEM made available a new Performance Measure Manager (PMM) module in early 2008. This module allows users to automate the definition, collection, and reporting of all types of performance measures. In 2009, Treasury/BFEM plans to integrate PMM with OMB's Program Assessment Rating Tool system and begin work on automating the transfer of apportionment data from BFEM to OMB's MAX system.

DoT purchased BFEM for its budget formulation process resulting in greater ease in collection of budget data and production of budget submissions. DoT avoided the costs of procuring and setting up a custom system by participating in a shared service system sponsored by BFE LoB. The BFEM formulation system services main DoT and it also continues as an option for any DoT component (including the Office of the Secretary; Federal Aviation Administration; Federal Highway Administration; Federal Motor Carrier Safety Administration; National Highway Traffic Safety Administration; Federal Railroad Administration; Federal Transit Administration; Saint Lawrence Seaway Development Corporation; Pipeline and Hazardous Materials Safety Administration; Research and Innovative Technology Administration; Office of Inspector General; Surface Transportation Board; and Maritime Administration) that is in need of a budget formulation or performance measurement system.

To help agencies assess their budget systems requirements, BFE LoB created a decision matrix and recently evaluated nine budget systems against the matrix. This evaluation is available for all agencies to use and provides cost savings to agencies by eliminating the need for agencies to review this many systems individually. DoT may benefit from using this matrix in working with Treasury/BFEM to ensure that BFEM can meet the full range of customer needs. In 2009, BFE LoB will research the possibilities for

additional fee-for-service budget systems. As an early adopter of a fee-for-service budget system, DoT will provide valuable input into this process.

BFE LoB's "MAX Federal Community," a secure government-only collaborative website, provides significant benefits for collaboration across and within agencies, as well as knowledge management. It is used within the budget community, as well as other related communities such as Grants, Financial Management, Performance, E-Government, and more. DoT currently has 412 users registered for the MAX Federal Community. The MAX Community site is commonly used for sharing information, collaboratively drafting documents (including the direct-editing of documents posted on the site), supporting workgroups, submitting central reports, and much more. DoT also has the option to use BFE LoB's online meeting tool for DoT budget meetings. Enhancements to both tools will continue in 2009 as these technologies advance.

DoT may choose to use BFE LoB's "Touchpoints" document and budget execution process maps to improve its own agency interactions between budget execution and financial management. BFE LoB will continue to work toward more automated data exchange to improve data quality in these areas.

BFE LoB's Human Capital Federal Budget Core Competency Framework is a resource for DoT to use in its internal workforce planning initiatives. BFE LoB plans to continue to expand this framework in 2009.

Financial Management LoB (Managing Partner GSA)

FM LoB enables DoT and component bureaus (including the Office of the Secretary, Federal Aviation Administration, Federal Highway Administration, Federal Motor Carrier Safety Administration, National Highway Traffic Safety Administration, Federal Railroad Administration, Federal Transit Administration, Pipeline and Hazardous Materials Safety Administration, Research and Innovative Technology Administration, Office of Inspector General, Surface Transportation Board, and the Maritime Administration) to leverage their information technology and financial processing expertise to provide services to additional federal agencies. DoT's Enterprise Services Center hosts financial systems and business operations for Department of Transportation's 14 bureaus, over four external branch agencies, boards, and commissions, and one legislative branch agency. As DoT's customer base continues to grow, the agency can create economies of scale and use the growth to gain leverage with the financial management software vendor community. DoT will be able to contribute to the cost savings that will be recognized through the reduction of redundant costs. This is the result of using standard business processes and a common system configuration promoted by FM LoB.

Geospatial LoB (Managing Partner DoI)

DoT is a major Federal producer and distributor of metadata and transportation geospatial data. Transportation data from the Bureau of Transportation Statistics and Federal Aviation Administration are used to model the geographic locations, interconnectedness, and characteristics of the transportation system within the United States that consists of both physical and non-physical components. Many other federal agencies, state and local governments, academia, and the private sector also collect and maintain transportation geospatial data. DoT anticipate potential cost savings through enhanced identification of and engagement with these other organizations, which will accrue with implementation of the common solutions identified in the business case developed for the line of business.

All operating administrations within DoT understand the need to have enhanced governance to ensure that their missions are met by leveraging all parts of the geospatial community. Coordinating requirements analysis will allow the Department to leverage activities across agencies as they continue to explore ways to develop support and promote safety in the development of national and local transportation systems. All DoT bureaus (including the Federal Highway Administration, Federal Motor Carrier Safety Administration, National Highway Traffic Safety Administration, Federal Railroad Administration, Pipeline and Hazardous Materials Safety Administration, and the Research and Innovative

Technology Administration) will benefit from the use of best practices and open standards to provide for shared and reusable geospatial assets.

Grants Management LoB (Managing Partners HHS and NSF)

DoT manages 92,538 grant awards equaling approximately \$80 billion in awards annually, and is the second largest federal grant-making agency. DoT anticipates the key benefit to its bureaus (including Office of the Secretary (OST), Federal Aviation Administration, Federal Highway Administration, Federal Motor Carrier Safety Administration, National Highway Traffic Safety Administration, Federal Railroad Administration, Federal Transit Administration, Saint Lawrence Seaway Development Corporation, Pipeline and Hazardous Materials Safety Administration, Research and Innovative Technology Administration, Office of Inspector General, Surface Transportation Board, and Maritime Administration) will be having a centralized location to download all applications, make awards, and track awards to closeout. Automated business processes available through Consortia will decrease agency reliance on manual and paper-based processing. Consortium lead agencies will spread operations and maintenance costs, and development, modernization, and enhancement costs across agencies, decreasing the burden that any one agency must bear. In 2006 due to the GM LoB initiative, DoT analyzed internal grant systems and programs; analyzed and documented core grant data items; helped facilitate grant system and program information exchange among DoT bureaus; identified DoT manual paper grant processes; began documenting and standardizing paper processes to prepare for automation; and started identifying systems for decommissioning.

As DoT's analysis of consolidation opportunities continues, GM LoB's efforts are expected to lead to a reduction in the number of systems of record for grants data across DoT and the government. The development of common reporting standards will improve DoT's ability to provide agency- and government-wide reports on grant activities and results. Continuing Department efforts will help DoT comply with the Federal Financial Assistance Management Improvement Act of 1999 and the Federal Funding Accountability and Transparency Act of 2006, while DoT's future eGrants strategy associated with current GM LoB efforts will meet long term objectives.

Service to constituents will be improved through the standardization and streamlining of government-wide grants business processes. The public will receive time savings as a result of quicker notification and faster payments due to an automated system for grants processing. Furthermore, GM LoB will minimize complex and varying agency-specific requirements and increase grantee ease of use on federal grants management systems. Constituents will benefit as they will have fewer unique agency systems and processes to learn; grantees' ability to learn how to use the system will be improved and reliance on call center technical support will be reduced. Consortium lead agencies will also provide grantees with online access to standard post-award reports, decreasing the number of unique agency-specific reporting requirements.

Human Resources Management LoB (Managing Partner OPM)

DoT benefits through its use of best-in-class HR services and systems provided by one of the approved service providers, the Department of Interior's National Business Center. During FY 2006, the Federal Aviation Administration completed DoT's migration to the National Business Center. Through its adoption of an approved service provider, DoT and participating bureaus (including the Office of the Secretary, Federal Highway Administration, Federal Motor Carrier Safety Administration, National Highway Traffic Safety Administration, Federal Railroad Administration, Federal Transit Administration, Saint Lawrence Seaway Development Corporation, Pipeline and Hazardous Materials Safety Administration, Research and Innovative Technology Administration, Office of Inspector General, Surface Transportation Board, and the Maritime Administration) can benefit from "best-in-class" HR solutions and offer DoT employees improved HR services without the costs of developing and maintaining their own HR systems. DoT's involvement in HR LoB allows the agency to utilize government-wide HR solutions, as well as access lessons learned and best practices developed by the task force and other agencies.

Revised Estimate E-Gov Agency Contributions by Mode for FY 2010 *

Operating Administration	Business Gateway**	DAIP**	IAE Loans & Grants	Grants.gov	FM LOB	Grants LOB	HRM LOB	Budget Form & Execution LOB	Geo Spatial LOB	IT Infrastructure LOB	Totals
FAA	\$ 29,703	\$ 42,793	\$ 71,393	\$ 232,539	\$ 77,399	\$ 24,802	\$ 108,926	\$ 20,687	\$ 52,524	\$ 31,640	\$ 692,406
FHWA	\$ 4,332	\$ 11,468	\$ 65,710	\$ 637,413	\$ 29,186	\$ 67,986	\$ 6,855	\$ 56,705	\$ 3,752	\$ 2,726	\$ 886,133
FMCSA	\$ 8,045	\$ 1,476	\$ 8,396	\$ 8,591	\$ 5,914	\$ 916	\$ 2,430	\$ 764	\$ 257	\$ 873	\$ 37,662
FRA	\$ 15,162	\$ 3,816	\$ 9,652	\$ 3,033	\$ 2,929	\$ 324	\$ 1,943	\$ 270	\$ 1,008	\$ 682	\$ 38,769
FTA	\$ -	\$ 1,776	\$ 6,568	\$ 160,950	\$ 6,543	\$ 17,167	\$ 1,245	\$ 14,318	\$ -	\$ 383	\$ 208,950
MARAD	\$ 9,901	\$ 550	\$ 52,345	\$ 4,971	\$ 2,771	\$ 530	\$ 1,816	\$ 442	\$ -	\$ 494	\$ 73,820
NHTSA	\$ 6,498	\$ 2,686	\$ 23,731	\$ 13,514	\$ 2,643	\$ 1,441	\$ 1,509	\$ 1,202	\$ 1,351	\$ 711	\$ 55,286
OIG	\$ -	\$ 675	\$ -	\$ 1,112	\$ 1,086	\$ 119	\$ 957	\$ 99	\$ -	\$ 263	\$ 4,311
OST	\$ 8,045	\$ 4,073	\$ 17,049	\$ 1,985	\$ 5,986	\$ 212	\$ 1,521	\$ 177	\$ -	\$ 894	\$ 39,942
PHMSA	\$ 1,857	\$ 111	\$ 5,083	\$ 2,668	\$ 1,714	\$ 285	\$ 871	\$ 237	\$ 2,229	\$ 347	\$ 15,402
RITA	\$ 3,404	\$ 5,387	\$ 24,816	\$ 190	\$ 6,243	\$ 20	\$ 1,681	\$ 17	\$ 879	\$ 984	\$ 43,621
SLSDC	\$ -	\$ -	\$ 827	\$ 508	\$ -	\$ 54	\$ 343	\$ 45	\$ -	\$ 53	\$ 1,830
STB	\$ -	\$ -	\$ -	\$ 415	\$ 443	\$ 44	\$ 338	\$ 37	\$ -	\$ -	\$ 1,277
Total by Initiative	\$ 86,947	\$ 74,811	\$ 285,570	\$ 1,067,889	\$ 142,857	\$ 113,900	\$ 130,435	\$ 95,000	\$ 62,000	\$ 40,000	\$ 2,099,409

*Based on FY2010 Passback (Amounts are subject to change)

**Business Gateway: SBA will fully fund Business Gateway in FY2010. DOT no longer has to contribute funding to this initiative.

**Disaster Assistance Improvement Plan (DAIP): Validation Study conducted and Managing Partner determined that DOT had no FOAs and therefore will not have to contribute funding in FY201

**The funding that was originally allocated for DAIP and Business Gateway should be used to fund other e-Gov initiatives.

Estimate E-Gov Agency Service Fees by Mode for FY 2010*

Operating Administration	E-Rulemaking	Integrated Acquisition Environment	EHRI	E-Payroll	GovBenefits	E-Training	E-Travel**	Recruitment One Stop	Total by Mode
FAA	\$ 191,663	\$ 68,113	\$ 572,719	\$ 11,665,906	\$ 86,422	\$ 2,138,955		\$ 46,156	\$ 14,769,934
FHWA	\$ 54,465	\$ 62,691	\$ 6,112	\$ 794,684	\$ 23,161	\$ 158,069		\$ 2,905	\$ 1,102,087
FMCSA	\$ 128,318	\$ 8,010	\$ 2,115	\$ 275,000	\$ 2,981	\$ 54,700		\$ 1,030	\$ 472,154
FRA	\$ 42,477	\$ 9,209	\$ 7,432	\$ 224,393	\$ 7,707	\$ 44,633		\$ 823	\$ 536,674
FTA	\$ 5,920	\$ 6,266	\$ 4,840	\$ 145,617	\$ 3,588	\$ 28,964		\$ 527	\$ 195,722
MARAD	\$ 6,660	\$ 49,940	\$ 1,562	\$ 203,147	\$ 1,110	\$ 40,407		\$ 769	\$ 303,595
NHTSA	\$ 350,026	\$ 22,641	\$ 5,229	\$ 169,727	\$ 5,424	\$ 33,760		\$ 639	\$ 587,446
OIG	\$ -	\$ -	\$ 8,817	\$ 111,958	\$ 1,364	\$ 22,269		\$ 406	\$ 144,814
OST	\$ 581,354	\$ 16,265	\$ 1,070	\$ 139,171	\$ 8,226	\$ 27,682		\$ 644	\$ 774,412
PHMSA	\$ 21,460	\$ 4,850	\$ 8,185	\$ 98,351	\$ 225	\$ 19,563		\$ 369	\$ 153,003
RITA	\$ 97,534	\$ 23,676	\$ 12,857	\$ 164,620	\$ 10,879	\$ 37,511		\$ 712	\$ 347,789
SLSDC	\$ 148	\$ 790	\$ 3,007	\$ 37,956	\$ -	\$ 7,550		\$ 145	\$ 49,596
STB	\$ -	\$ -	\$ 2,396	\$ 37,001	\$ -	\$ 7,360		\$ 144	\$ 46,901
WCF	\$ -	\$ -	\$ 4,248	\$ 65,263	\$ -	\$ 8,214		\$ -	\$ 77,725
Total by Initiative	\$ 1,480,025	\$ 272,451	\$ 640,589	\$ 14,132,794	\$ 151,087	\$ 2,629,637	\$ 3,202,413	\$ 55,269	\$ 22,564,265

*Service Fees are estimates as provided by the Managing Partners and are subject to change

** Specific Funding levels still pending