



MESSAGE FROM THE SECRETARY



I am pleased to submit the U.S. Department of Transportation's Performance and Accountability Report for Fiscal Year 2008. When I was sworn in as Secretary, I pledged to find the best ways to address our most pressing transportation challenges by focusing on safety and improving system performance and reliability, all the while finding 21st century solutions to 21st century problems. I am proud to report significant progress in many areas, which you will learn more about in this report.

INCREASE SAFETY

At the Department of Transportation (DOT) we know that safety is the most important issue we address. We have made tremendous progress over the decades through a variety of solutions such as road safety improvements, auto manufacturing safety standards, commercial driver regulations, and public awareness. About 30 percent of DOT's budget is devoted to targeted safety improvement through a variety of initiatives.

Safety on our Roads

Highway fatalities account for about 95 percent of transportation fatalities each year; therefore, we devote substantial attention to targeted highway safety initiatives, such as seatbelt usage, child safety seats, motorcycle safety and rural safety.

I am proud to report that 83 percent of vehicle occupants used seatbelts during daylight hours this year, up from 82 percent in 2007. This was, in large part, due to high visibility enforcement campaigns, such as Click It or Ticket, and effective enforcement laws in 26 States. We estimate that approximately 270 lives are saved for every one percent increase in belt use.

I am also proud to report that child safety restraint use for children is at an all-time high — more than 98 percent for those less than 1 year old and 96 percent for 1 to 3 year-olds — due to the network of more than 30,000 dedicated child passenger safety technicians that DOT has helped develop over the past 10 years. When properly used, child safety restraint systems reduce fatalities by 71 percent in infants and 54 percent in toddlers. I was disappointed to learn, however, that 7 of 10 child safety seats are installed improperly, so we launched a new campaign this year that educates parents on proper installation and provides a new 5-star rating system that tells consumers which child-safety seats are easiest to install.

Our challenges in motorcycle safety require similar rider-focused solutions. In 2006, 4,810 motorcyclists were killed — an increase of 5 percent over 2005. So this fiscal year, I announced a new Departmental Action Plan to Reduce Motorcycle Fatalities and proposed legislation that would allow States the flexibility to spend available funds on helmet use education. This is a cost-effective solution that can have a more immediate impact than any new program that would require additional funding.



One other troubling safety area is that of rural roads, which carry less than half of America's traffic yet account for over half of the Nation's vehicular deaths. To address this imbalance, we launched a new Rural Safety Initiative to bring focus and a comprehensive approach to rural safety. This initiative will result in safer drivers, better and smarter roads, better trained emergency responders, and stronger partnerships to help improve safety.

Safety in the Air

We continue to meet our targets in aviation safety; however, after a series of high-profile events earlier this year raised questions about the U.S. aviation safety program, I asked an outside team of aviation and safety experts to conduct an independent review. I subsequently directed the Federal Aviation Administration (FAA) to move forward on all 13 of the safety team's recommendations in order to stay ahead of the risk factors. Already, the FAA has changed its procedures for reviewing reported findings, planned for a new automated safety data system, and developed more clear guidance to ensure that safety requirements are fully understood by both FAA field offices and the airlines.

REDUCE CONGESTION

We have seen increased mobility among Americans and now we are seeing the impacts of our very mobile society – increased congestion. Nearly 55 percent of DOT's budget goes toward congestion reduction and other mobility initiatives. Our ability to move people and goods across the domestic transportation system has become insufficient for modern transportation patterns in both passenger and cargo transport.

Congestion in Surface Transportation

Americans already lose 4.2 billion hours and 2.9 billion gallons of fuel sitting in traffic jams annually, yet highway vehicle-miles traveled (VMT) have been projected to grow substantially by 2030 making the likelihood of increased congestion probable. Therefore, I have placed considerable emphasis on congestion initiatives such as new sources of transportation financing and broad transportation reform giving state and local leaders greater flexibility to invest in their transit and highway partners.

Reliance on the Federal gas tax for financing transportation projects is not working and is actually worsening the funding problem as the price of gas rises and driving patterns change, thereby decreasing tax revenue and subsequently transportation funding. However, we have examples of state and local government shifting away from our reliance on the regressive flat fee gas tax in favor of a more equitable user fee system that charges drivers only when and where they drive.

I have proposed that we make use of efficient pricing mechanisms that can reduce the number of trips taken, alter trip routes and the time of day that trips are taken, reduce trip duration, decrease variation in travel speeds, and facilitate more pollution-efficient travel speeds. And I have proposed that we unleash the greatest new wave of investment in highways and transit this Nation has ever seen by tapping into the more than \$400 billion in private-sector capital for transportation infrastructure.

I also issued a challenge to America for completely overhauling the way U.S. transportation decisions and investments are made. The proposal includes plans for fundamental changes to our Nation's surface transportation planning and management approach including:



- A fund that rewards cities willing to combine a mix of effective transit investments, dynamic pricing of highways, and new traffic technologies;
- Drastic reduction in the 100+ Federal transportation programs down to eight comprehensive, intermodal programs that focus transportation investments and cut red-tape; and
- Significant reduction in the average 13-year planning and review process it now takes to design and build new highway and transit projects.

Congestion in Air Transportation

As challenging as the congestion issue is on our highways, we see similar challenges in air transportation. Almost 30 percent of flights nationally are now cancelled or substantially delayed resulting in Americans wasting \$9.4 billion a year on lost time. Air travel is projected to nearly double by 2030 making this problem even worse. Fundamental changes in our air transportation system are required.

I have proposed that caps be implemented in heavily congested airports to limit the number of flights during peak hours and distribute some flights to non-peak periods. Currently, many airlines schedule more arrivals and departures into each peak hour than what runways can efficiently service, resulting in relatively predictable delays. Our proposed caps should limit these scheduling practices. I have also proposed that the rights to operate designated flights be auctioned for a five-year lease allowing us to implement market mechanisms on a small scale, gauge interest and determine a slot's true market value. The real winners will be consumers, who stand to benefit from more reliable air service that costs less in terms of both time and money by providing stronger incentives for more efficient use of resources.

But demand-based solutions represent only one facet of a comprehensive solution. We know that we are not meeting our targets for on-time performance in air travel. About 70 percent of delays are caused by weather. The trend indicates that the problem is only getting worse. By 2025, air traffic is projected to increase at least twofold placing unmanageable stress on the system. To address this challenge, over the next 20 years the Next Generation Air Traffic System (NextGen) is being deployed to improve our air traffic management procedures so that aircraft can choose more efficient routes and make quicker in-flight decisions to avoid weather and other traffic by replacing old World War II-era ground-based radar technology with satellite operations.

In conclusion, I am proud of the work we are doing at the Department of Transportation. Not only are we identifying the most significant challenges facing our Nation's transportation system, but we are also digging deeper to understand the core causal factors behind those problems to make sure we address the right things moving forward. It will take disciplined and persistent effort to continue the progress we are making in safety and to follow through on the long-term challenges we face in congestion. You will find evidence of both recent progress and long-term challenges in many areas of transportation throughout this report.

Mary E. Peters
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