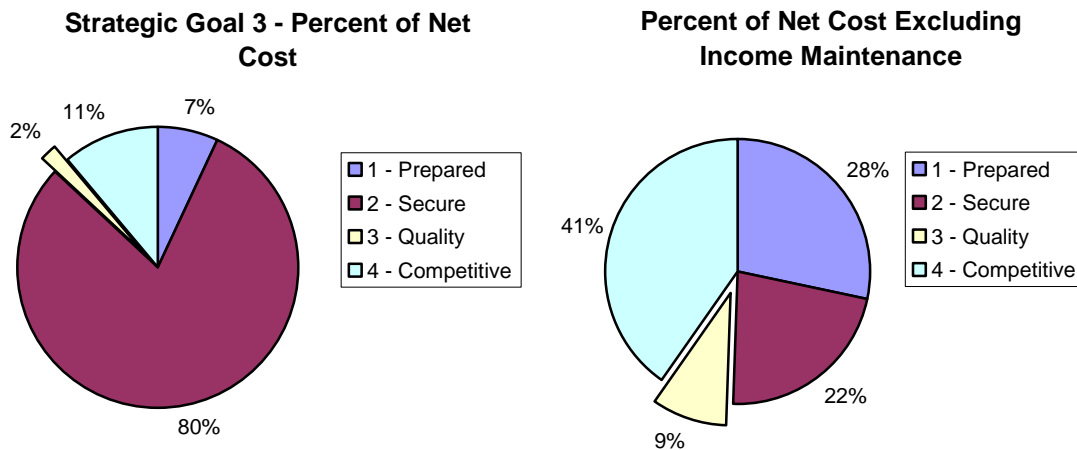


Strategic Goal 3: Quality Workplaces

Foster Quality Workplaces that are Safe, Healthy and Fair

All workers are entitled to safe, healthy, and fair workplaces. The Department has committed to achieving this goal by promoting practices that minimize safety and health hazards and provide equal opportunities for workers. In recent years, significant progress has been made in these areas. However, rapid technological advances and dynamic workplace environments have changed the nature of work, leading to new challenges for our safety and health mission. DOL promotes equal employment opportunity by enforcing regulations that deal with Federal contracting practices and the reemployment rights of veterans. In recognition of the global nature of labor markets, DOL also promotes respect for internationally recognized core labor standards. Agencies with programs supporting this goal are the Mine Safety and Health Administration (MSHA), the Occupational Safety and Health Administration (OSHA), the Employment Standards Administration (ESA), the Veterans' Employment and Training Service (VETS), and the Bureau of International Labor Affairs (ILAB).

The net cost dedicated to Strategic Goal 3 in FY 2006 was \$1.114 billion. The first chart below is based on total Departmental costs of \$45.328 billion; the second is based on an adjusted net cost of \$12.101 billion that excludes the major non-discretionary program costs associated with Strategic Goal 2.²¹ Net cost dedicated to Strategic Goal 3 in FY 2005 was \$1.062 billion.



The Department's performance in achieving *Quality Workplaces* is determined by accomplishment of three broad objectives: Outcome Goal 3.1 – *Reduce Workplace Injuries, Illnesses, and Fatalities*; Outcome Goal 3.2 – *Foster Equal Opportunity Workplaces*; and Outcome Goal 3.3 – *Reduce Exploitation of Child Labor, Protect the Basic Rights of Workers, and Strengthen Labor Markets*. Their results, costs, and future challenges are discussed below.

Outcome Goal 3.1 – Reduce Workplace Injuries, Illnesses, and Fatalities

Under the provisions of the Federal Mine Safety and Health Act (Mine Act) of 1977 and the Mine Improvement and New Emergency Response Act of 2006 (MINER Act), the Department protects the health and safety of workers in the mining industry. More than 300,000 people work directly in the mining sector, and the mining environment is an inherently hazardous workplace. Critical to the Department's success is an effective blend of enforcement, technical support, and education and training, with compliance assistance as a fundamental ingredient of each. Four performance goals directly measure reductions in workplace injuries, illnesses and fatalities, across general industries and specifically within the mining industry.

The Mine Safety and Health Administration (MSHA) and the Occupational Safety and Health Administration (OSHA) strive to improve workplace safety – an important part of the Department's mission. OSHA enforces the

²¹ The excluded costs are referred to as Income Maintenance – unemployment benefit payments to individuals who are laid off or out of work and seeking employment (\$31.322 billion) plus disability benefit payments to individuals who suffered injury or illness on the job (\$1.905 billion).

Occupational Health and Safety Act of 1970 by responding promptly to imminent danger situations; investigating fatalities, catastrophes and worker complaints; enforcing whistle blower rights; and inspecting workplaces. The Department targets inspections and outreach to work sites and industries with the highest injury and illness rates. In addition to workplace inspections, the Department employs a variety of compliance assistance and educational and outreach programs to improve employer health and safety management systems.

Goal (Agency) and Statement	Performance Summary	Cost (millions)	
		FY 2005	FY 2006
06-3.1A (MSHA) Reduce work-related fatalities and injuries.	Goal not achieved. Neither target reached.	\$823 ²²	\$223
06-3.1B (MSHA) Reduce mining-related illnesses.	Goal not achieved. Three targets reached and one not reached.		125
06-3.1C (OSHA)²³ Reduce work-related fatalities.	Goal not achieved. One target not reached.		519
06-3.1D (OSHA) Reduce work-related injuries and illnesses.	Goal achieved. One target reached.		
Total for Outcome Goal 3.1	One performance goal achieved and three not achieved	\$823	\$868

Results Summary

MSHA did not achieve its fatality and injury reduction goal. From FY 2000-2005, fatalities and injuries in the mining industry declined dramatically. However, in 2006 tragedies at the Sago and Alma mines in West Virginia and the Darby mine in Kentucky claimed the lives of 19 miners, reversing the positive trend in fatalities. The injury rate declined, but not enough to reach the ambitious target. MSHA also failed to meet its health goal, despite reaching the noise target for coal mines and both silica dust and noise targets for metal and non-metal mines. The target for respirable coal dust was not reached, as the percent of samples exceeding standards rose to a level not seen since FY 2002. This result is in part attributed to a significant increase in production in response to higher energy prices and revisions to the coal sampling procedures to be more representative of today’s production level conditions.



Pam, mine owner and operator, did not realize the importance of first aid training MSHA asked her to take. Pam operates a small mine, frequently running the mine’s large front end loader herself. On December 31, 2005 her husband Curtis choked on a piece of food, resulting in a complete obstruction of his airway. Within seconds he collapsed to the floor and Pam realized she must act quickly. She immediately implemented the MSHA-required first aid training that she had recently taken at the American Red Cross. Pam and Curtis live in a remote area where emergency medical service is more than 40 minutes away. Due to her recent training, Pam was able to save her husband’s life. Pam stated that her husband would have died that night if she had not known immediately what actions she needed to take. Pam and Curtis credit the Southeastern District MSHA inspector Billy, and state that “this type of training is not only important at the mine but as in this case can benefit everyone.”

Photo Credit: Judith Etterer

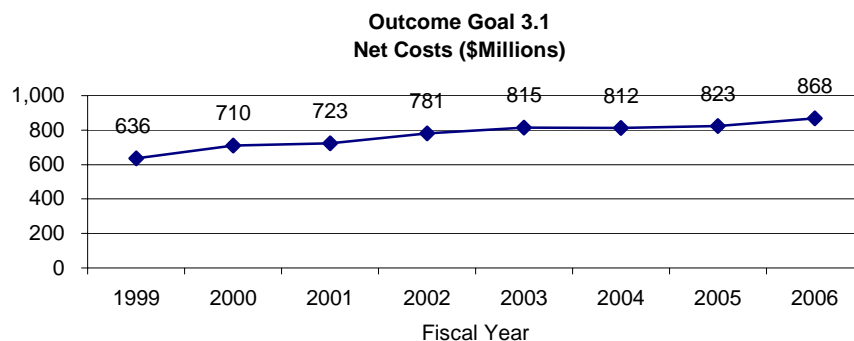
²² In FY 2005, MSHA and OSHA shared performance goals for which costs could not be separated (see next note).

²³ The same activities contribute to reductions in both injuries and fatalities, so costs are not separable between OSHA’s two performance goals.

The workplace fatality rate decreased slightly, but OSHA had targeted a significant reduction, so the goal was not achieved. Data show that both the number of deaths and the fatality rate have been fairly constant for at least six years. A substantial and disproportionate percentage of deaths still occur in the construction industry. The safety and health goal was achieved. The estimated days away from work case rate equaled its target, continuing a steady four year-decline. Contributing to this success are OSHA's cooperative programs, such as the Voluntary Protection Programs (VPP). In FY 2006, an evaluation of the VPP program concluded that injury rates at the VPP sites declined from the inception of the decision to participate in the VPP through to their full participation.

Net Cost of Programs

FY 2006 program costs of \$868 million, which supported MSHA and OSHA programs to reduce worker fatalities, injuries, and illnesses, is five percent higher than FY 2005 costs of \$823 million. Cost containment efforts, including operating and administrative efficiencies, have kept safety and health compliance assistance and enforcement costs relatively flat for the last several years.



Future Challenges

In the Department's FY 2006-2011 Strategic Plan, MSHA combined its safety and health goals and OSHA combined its fatality and safety and health goals. Both are part of the new *Safe and Secure Workplaces* goal (still Goal 3). Prominent in MSHA's immediate plan is to successfully implement the MINER Act of 2006, which is the most significant mine safety legislation in 30 years. The Act requires each underground coal mine to have an up-to-date emergency response plan; to have experienced rescue teams, each with a one-hour response time; and to be equipped with wireless two-way communications and electronic tracking systems within three years. It gives MSHA the authority to request an injunction to shut down a mine in cases where the mine operator has refused to pay a final MSHA penalty, and raises criminal and civil penalty caps dramatically. DOL will continue expanding its active partnerships with industry, labor, and equipment manufacturers in order to identify and evaluate new technologies for their potential to strengthen miners' health and safety, reduce accidents, and strengthen mine rescue efforts. Outreach efforts will address priority issues, and MSHA will ensure that its training specialists and technical support personnel are readily accessible to assist the mining industry in its efforts to mitigate hazards.

OSHA will continue to protect the safety and health of America's workers through a balanced approach utilizing enforcement and compliance assistance. Regulations and standards will continue to be developed or revised under the agency's focused regulatory agenda. DOL will continue to direct inspections and outreach at establishments and industries with the highest injury, illness, and fatality rates and will respond to complaints of serious workplace hazards. Since construction fatalities occur more than six times as often as all workplace fatal incidents, OSHA is addressing the growth in the construction field of immigrant and non-English speaking workers and workers in hard-to-reach work sites via a new Voluntary Protection Program for Mobile Workforce in Construction. OSHA is also further implementing its Enhanced Enforcement Program, which focuses on employers who repeatedly ignore safety and health obligations and targets inspection resources where they can have the greatest impact.

Outcome Goal 3.2 – Foster Equal Opportunity Workplaces

The Department is committed to fostering workplaces that provide equal opportunities to all working Americans. DOL pursues this commitment through two performance goals addressing equality in the workplace. The Employment Standards Administration's (ESA's) Office of Federal Contract Compliance Programs (OFCCP) protects the employment rights of thousands of American workers by enforcing laws and providing compliance assistance regarding equal employment opportunity in companies that do business with the Federal government.

DOL’s Veterans’ Employment and Training Service (VETS) administers the Uniformed Services Employment and Reemployment Rights Act (USERRA), which protects the employment and reemployment rights of uniformed service members who encounter barriers in civilian employment related to their service. VETS educates employers and service members about rights established by the law and investigates complaints filed by veterans who believe their rights have been violated.

Goal (Agency) and Statement	Performance Summary	Cost (millions)	
		FY 2005	FY 2006
06-3.2A (ESA) Federal contractors achieve equal opportunity workplaces.	Goal achieved. Two targets reached.	\$99	\$97
06-3.2B (VETS) Reduce employer-employee employment issues originating from service members’ military obligations conflicting with their civilian employment.	Goal not achieved. One target not reached.	16	17
Total for Outcome Goal 3.2	One performance goal achieved and one not achieved	\$115	\$114

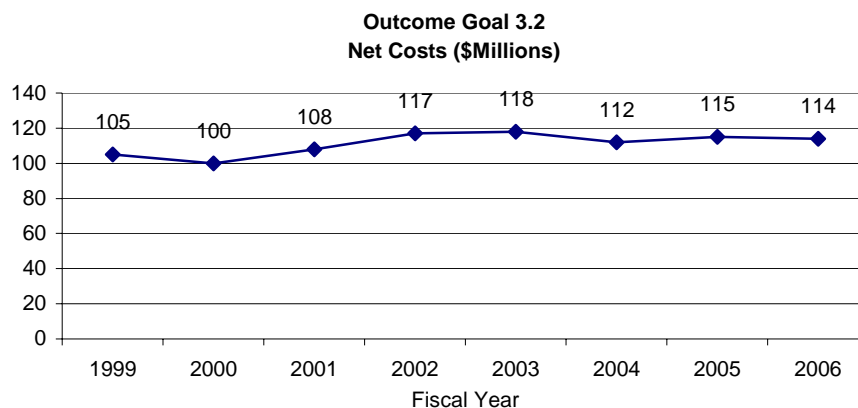
Results Summary

OFCCP exceeded its targets of reducing the incidence of discrimination and increasing compliance in all other aspects of EEO standards among Federal contractors. OFCCP believes its efforts to more effectively target non-compliant Federal contractors and utilize compliance assistance largely contributed to its continued success in exceeding its annual and long-term goals.

The USERRA goal was not achieved, despite improvement in the comprehensive Progress Index, which measures reduction of violations and meritless complaints. Claims and violations increased, primarily due to continued mobilizations and demobilizations of Guard and Reserve units fighting the War on Terrorism. Claims also increased due to the introduction of a new electronic form that enabled filing via the Internet. The improvement in USERRA performance according to the Progress Index is attributed to a significant reduction of average case processing time.

Net Cost of Programs

FY 2006 program costs of \$114 million supported programs to assure that Federal tax dollars do not support workplace discrimination or discrimination in the availability of program services. Costs associated with this goal have been virtually constant for several years.



Future Challenges

Continued efforts to achieve equal opportunity workplaces will emphasize compliance assistance to inform Federal contractors of their obligations and to help them comply with requirements. In addition to vigorously enforcing compliance with Federal equal employment opportunity laws, DOL will evaluate its data collection processes and review program regulations and requirements to identify areas for improvement or reform.

USERRA plans include increasing the quantity and quality of information available on the World Wide Web for both service members and employers. DOL will also continue to work with the Department of Defense and the individual Military Services to maximize the direct delivery of information to Reserve and National Guard members and units.

Outcome Goal 3.3 – Reduce Exploitation of Child Labor, Protect the Basic Rights of Workers, and Strengthen Labor Markets

Today's global economy is having an undeniable impact on the 21st Century American workforce. The well-being of American workers is increasingly tied to international stability, which is in part a function of broad-based economic prosperity. Through its complementary missions of supporting the expansion of free and fair trade and providing technical assistance grants to eliminate exploitive child labor and promote basic rights of workers, the Department's Bureau of International Labor Affairs (ILAB) strives to increase economic well-being around the world.

ILAB-supported international technical assistance programs focus on raising living standards through labor and workplace-related interventions. These programs focus on supporting initiatives to combat the trafficking and commercial sexual exploitation of children; promote education in developing countries; increase compliance with labor laws; and fulfill the Department's role in negotiating international trade agreements.

Goal (Agency) and Statement	Performance Summary	Cost (millions)	
		FY 2005	FY 2006
06-3.3A (ILAB) Contribute to the elimination of the worst forms of child labor internationally.	Goal achieved. Both targets reached.	\$74	\$95
06-3.3B (ILAB) Improve living standards and conditions of work internationally.	Goal not achieved. One target reached and two not reached.	43	30
Other ILAB programs		7	7
Total for Outcome Goal 3.3	One performance goal achieved and one not achieved	\$124	\$132

South-West Railway is one of the successful examples of HIV/AIDS workplace prevention programs implemented in cooperation with DOL-funded SMARTWork project in Ukraine. It employs about 70,000 workers and covers 6 regions in Ukraine, including Kyiv. In 2005, the Youth Council of the Trade Union of Railway Workers and Transport Builders of Ukraine began to work with SMARTWork to implement a pilot HIV/AIDS Workplace Education project on the South-West Railway with future plans to transfer the project to all Ukrainian railways. Through this HIV/AIDS prevention program, young trade union leaders mobilized themselves at the railway subdivisions to unite young people and to inspire them to work towards the goal of increasing HIV/AIDS awareness among their coworkers. In the future, South-West Railway intends to increase workplace activities, making HIV/AIDS workplace prevention one of the highest priorities for workers' health. Plans include the adoption of an HIV/AIDS workplace prevention policy by the railway administration, wider use of trainers and volunteers, and adaptation of South-West Railway's HIV/AIDS workplace prevention activities for other railway networks.

Photo Credit: DOL/ILAB



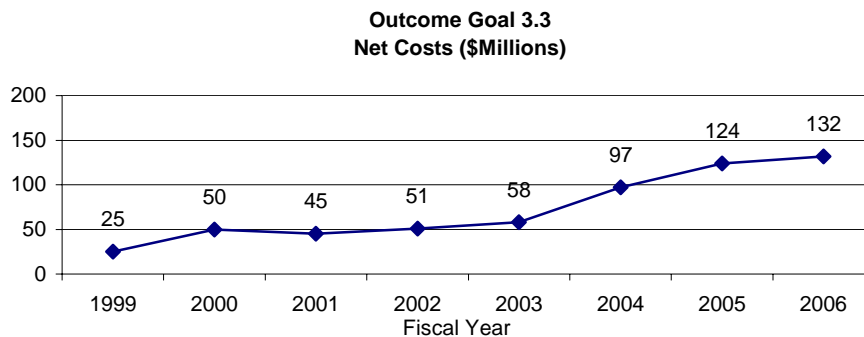
Results Summary

The child labor goal was achieved. In 2006, 236,787 children were removed or prevented from exploitive work through the provision of education or training opportunities in programs funded by DOL, exceeding the target by over 20 percent. Increasing capacity to address child labor is defined by a country’s legal framework, public policy, and monitoring of child labor. To this end, DOL reached its target, as DOL-funded programs increased the capacity of 53 countries to address child labor.

DOL did not achieve its goal to improve living standards and working conditions internationally. ILAB projects exceeded expectations for measures to reduce employment discrimination against persons living with HIV/AIDS. However, the target for improving beneficiaries’ perception of DOL-funded projects’ impact on conditions of work was not reached. Labor law improvement performance was significantly below the target due to measurement changes in one of the compliance projects.

Net Cost of Programs

FY 2006 program costs of \$132 million supported ILAB’s efforts to reduce the worst forms of exploitive child labor internationally and to address core international labor standards issues. The growth in spending since FY 2003 is attributable to increased budget authority from FY 2001-03 that was largely expended via grants to foreign entities. ILAB grants traditionally have their highest expenditures two to three years after grants are obligated.



Future Challenges

Key strategies for ILAB include research, monitoring and reporting on international labor developments, including the labor dimension of U.S. trade and investment agreements, the application of labor standards, and exploitive child labor in foreign countries; policy development and representation in the negotiation of trade agreements, in international organizations such as the International Labor Organization and the Organization for Economic Co-operation and Development, and at international forums where labor issues are addressed.

Reduce Mine Fatalities and Injuries

Performance Goal 06-3.1A (MSHA) – FY 2006

Reduce work-related fatalities and injuries.

Indicators, Targets and Results	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
Mine industry fatal injury incidence rate (per 200,000 hours worked)	.018	.021	.026**	N
Mine industry all-injury incidence rate (per 200,000 hours worked)	3.93	3.13	3.65**	N
Cost (millions)	–	–	\$223	
*Indicator target reached (Y), substantially reached (S) or not reached (N)			Goal Not Achieved	
**Estimated (3 rd Qtr.)				

Program Perspective and Logic

The purpose of the Mine Safety and Health Administration is to enforce the Federal Mine Safety and Health Act of 1977 and the Mine Improvement and New Emergency Response (MINER) Act and their implementing regulations. The MINER Act was signed into law by the President on June 15, 2006, and it is the most significant mine safety legislation in nearly 30 years.

The MINER Act builds upon MSHA's efforts to improve mine safety and calls for the modernization of safety practices and development of enhanced communication technology. It requires each underground coal mine to develop and continuously update a written emergency response plan which includes making available two experienced rescue teams capable of a one-hour response time. Underground coal mines will be required to have wireless two-way communications and electronic tracking systems in place within three years. The MINER Act gives MSHA new enforcement authorities, including the authority to request an injunction to shut down a mine in cases where the mine operator has refused to pay a final MSHA penalty. The Act also raises the criminal penalty cap to \$250,000 for first offenses and \$500,000 for second offenses, and establishes a maximum civil penalty of \$220,000 for flagrant violations of the Mine Safety and Health and MINER Acts.

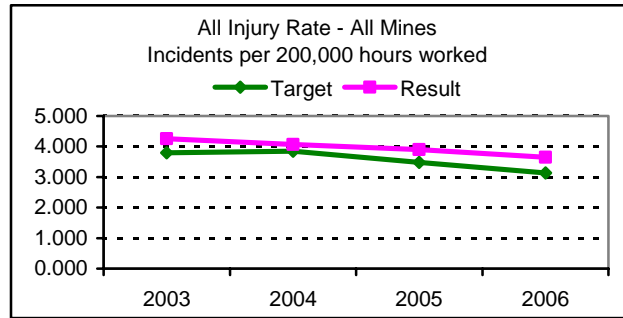
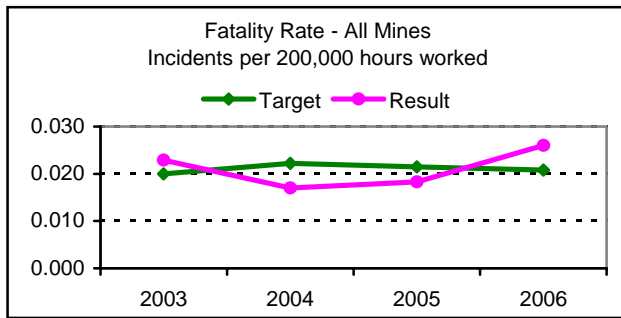
MSHA's performance indicators assess effectiveness of assistance to miners and mine operators in attaining safer workplaces. Incidence rates, which measure the number of fatalities and injuries per 200,000 hours worked by miners, are used by MSHA to report on performance because they reflect not only the number of fatalities and injuries that occur each year but also the amount of time miners are exposed to potential hazards. In establishing performance targets, MSHA considers factors such as the increased demand for coal and the consequent opening of new mines and re-opening of previously inactive sites, which create new work environments and safety challenges. The fatality rate target (.0208) represents an eight percent reduction from the FY 2003 baseline (.0229) and was selected as an ambitious but potentially attainable goal. The all-incidence injury rate is a calculation of all mining injuries and fatalities per 200,000 hours worked at mining facilities. The all injury target represents a 38 percent reduction from the FY 2000 baseline of 5.07.

Analysis and Future Plans

MSHA did not achieve the goal. From FY 2003 to FY 2005, fatalities in the mining industry declined to the lowest levels since 1910 when statistics were first recorded. The all-injury incident rate also dropped in that same time period. These were outstanding achievements. However, in January 2006 the nation witnessed the tragedies at the Sago Mine and Alma Mine in West Virginia and the Darby Mine in Kentucky which claimed the lives of 19 miners. These incidents are the primary cause for the fatality rate increase in FY 2006. Although the target was not reached, the all-incidence injury rate dropped for the third year in a row in FY 2006 to 3.65.

MSHA initiated comprehensive accident investigations for the incidences at the Sago, Alma, and Darby mines, which will include an evaluation of potential causes and mine operator compliance with health and safety standards. In addition, MSHA issued an emergency temporary standard to strengthen mine safety practices in four key areas: Self-Contained Self Rescue Devices, lifelines, training, and accident notification. The MINER Act of 2006 will

build upon MSHA's efforts to improve mine safety nationwide. Future plans include successfully implementing the MINER Act while continuing to remain vigilant in its safety and health efforts. Strong enforcement will be supplemented by helping mine operators understand the law and how to comply with the law's requirements.



PART, Program Evaluations and Audits

The Program Assessment Rating Tool review of the MSHA program in 2003 produced a rating of Adequate. The improvement plan includes continuing targeted enforcement and compliance assistance actions at high-risk mines beyond the requirements of the Mine Act with initiatives such as the Cooperative Accident Reduction Effort, analyzing the costs and benefits of major regulatory alternatives in the agency's Regulatory Impact Analyses for proposed regulations, and developing efficiency and cost-effectiveness measures for a larger percentage of the agency's program activities.

In January 2006, GAO was asked to submit to Congress a statement for the record, *MSHA's Programs for Ensuring the Safety and Health of Coal Miners Could be Strengthened* (Study 28 in Appendix 2). This statement highlighted findings from a 2003 GAO report on how well MSHA oversees its process for reviewing and approving critical types of mine plans and the extent to which MSHA's inspections and accident investigations help ensure the safety and health of underground coal miners. Revisions to MSHA's corrective actions may result from a GAO follow-up study now in progress. MSHA is developing its response to the GAO recommendation to collect hours by independent contractors at the mine level and to develop a plan to improve services to independent contractors as a part of its plan to implement the MINER Act.

Two recent OIG audits addressed MSHA's oversight of its Coal Mine Safety and Health Program. *Coal Mine Hazardous Condition Complaint Process Should Be Strengthened* (Study 29 in Appendix 2) addressed MSHA's coal mine hazardous condition complaint process and recommended that the process be strengthened. The OIG also issued a Management Letter regarding MSHA's accountability program (*MSHA Accountability Program: Coal Mine Safety and Health*, Study 30 in Appendix 2). Normally, the OIG provides a Management Letter in conjunction with an accompanying audit report. However, the OIG issued this letter in advance of its completed ongoing audit to assist MSHA with the reviews it is currently conducting. To address the letter's one open recommendation, MSHA is drafting a policy memorandum to require that mine visits are included in all Headquarters Reviews and the District Peer Reviews include visits to a percentage of mines selected for review.

Data Quality and Major Management Challenges

Data quality for this goal is rated Good. The data for fatality and the all-injury rate are calculated by dividing the number of fatalities and injuries times 200,000 hours worked by actual hours worked at mines. Mine operators are required by regulation to submit, either electronically or manually, information on all injuries and fatalities as well as data on the number of hours worked at mines.²⁴ Information quality assurance is maintained through the use of built-in edit checks of the data at the electronic and manual points of data entry as well as through audits conducted by MSHA enforcement personnel of accident, injury, and hourly data.

Ensuring the Safety and Health of Miners is a Major Management Challenge (MMC) for the Department (see item VII in the MMC section of the Executive Summary). MSHA has an initiative in place to replace the mine inspectors who will be retiring in the near future. MSHA has developed and implemented systems that ensure that mine

²⁴ Certain independent contractors are exempt from reporting employment and injury information if they participate in "low hazard" mining activities as defined by MSHA policy. Non-exempt contractors report employment information for aggregate work locations, not by individual mine site.

operators and contractors comply with the Mine Act including the Mine Plan Approval Database which enables headquarters to monitor the timely submission and approval of all required and optional plans including critical ventilation and roof control plans; and the Hazardous Condition Complaints Database which tracks hazardous condition complaints from receipt to investigation and resolution for complaints received by online, telephone, written or verbal submissions. Headquarters and district management can monitor daily activities to ensure that complaints which allege imminent danger are followed up with timely field office inspections.

Reduce Miners' Exposure to Health Hazards

Performance Goal 06-3.1B (MSHA) – FY 2006*Reduce mining-related illnesses.*

Indicators, Targets and Results	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
Percent of respirable coal dust samples exceeding the applicable standards for designated occupations	10.8%	9.5%	12.2%**	N
Percent of noise samples above the citation level in coal mines	5.3%	5.0%	4.4%**	Y
Percent of silica dust samples with at least 50% of the permissible exposure limits in metal and non-metal mines	16.3%	17.1%	19.3%**	Y
Percent of noise samples with at least 50% of the permissible exposure limits in metal and non-metal mines	20.9%	21.9%	24.3%**	Y
Cost (millions)	–	–	\$125	
*Indicator target reached (Y), substantially reached (S) or not reached (N)			Goal Not Achieved	
**Estimated (3 rd Qtr.)				

Program Perspective and Logic

The MSHA program also ensures compliance with regulations to prevent serious occupational illnesses and health hazards in the mining industry. Overexposures to respirable dust and noise are significant health concerns in the mining industry. Health issues such as lung diseases and impairment of respiratory function among miners caused by respirable coal mine dust, silica-bearing dusts, asbestos, diesel exhaust, and toxic chemicals remain pervasive, but preventable. Noise exposures above regulatory standards could lead to permanent loss of hearing. MSHA is committed to strengthening the protections for miners exposed to these health hazards and to reducing their incidence. Because these conditions develop gradually after repeated exposures, determining the rate at which miners are overexposed to respirable dust and noise is a proxy measure of future miner health. Reducing miner exposure to well-known health hazards in the near term, MSHA believes, contributes to the longer term goal of reducing the incidence of black lung disease, silicosis, and hearing loss.

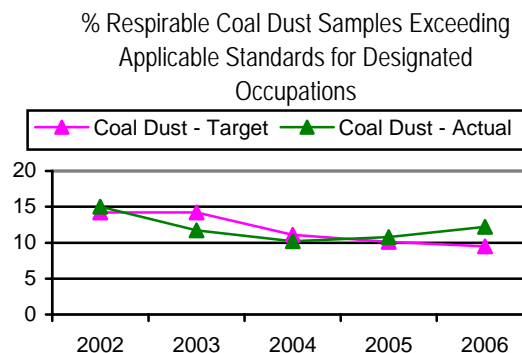
There are two sets of health indicators for this performance goal, including two indicators for coal mines and two indicators for metal and non-metal mines. The coal mine health indicators assess MSHA's performance in reducing miner overexposures to respirable coal mine dust and noise. For the coal mine health program at MSHA, targets are set for decreasing the percent of respirable coal mine dust samples exceeding the applicable standards for designated occupations and the percent of noise samples above the citation level in coal mines. By reducing the number of miner overexposures to coal dust and noise, the future health of the coal miners is better protected. Six years ago, MSHA issued a uniform rule for coal and metal/non-metal mining industries so that all miners, regardless of the commodity in which they work, are protected from occupational noise. The noise standard is performance-based; mine operators can install and implement controls to fit their needs and comply with the provisions of the regulations. The regulation also recognizes the importance of engineering or administrative controls, or a suite of controls, to minimize miners' occupational noise exposures and to achieve compliance.

For the metal/non-metal mine program MSHA undertook an internal process improvement for sampling practices of MSHA inspectors. This goal is for the metal/non-metal MSHA inspectors to identify more silica and noise hazards and near hazards in the short term. By finding more areas that need improvement, metal and non-metal mine operators will be provided with appropriate notice and will be able to initiate abatement and personal protective actions and improve health of the miners in this way.

Analysis and Future Plans

MSHA did not reach its target for reducing coal miners' over-exposures to respirable coal mine dust. The agency has set ambitious targets for reducing miner exposure to coal dust since FY 2002 and targets further reduction to a low of

6.9 percent in FY 2011. Reduced exposure to coal dust reduces the miners' risk of developing black lung disease. The attainment of this target is complicated by many factors, including increased coal production due to high natural gas and oil prices. Coal production in the U.S. for the first three quarters of FY 2006 alone was 864 million tons, which exceeded the entire FY 2005 production of 846 million tons. MSHA has revised its sampling procedures to be more representative of today's production level conditions. This strategy is intended capture the increased number of new sampling entities with inadequately verified dust control parameters that came on line to meet the increased production demand. It is also intended to capture the higher dust generation rates produced in more difficult mining conditions. To achieve this ambitious goal, MSHA will examine respirable coal mine dust overexposures, trends, and operations plans to promote adequate controls.



MSHA reached its target for reducing noise samples above the citation level for coal mines. The U.S. coal mining industry overall has made significant progress in controlling occupational noise since the implementation of the noise rule in FY 2001. Benefits include reduced workers' compensation costs, better running equipment, improved working conditions and productivity, and satisfied employees who do not suffer from hearing loss.

Strategies for achieving MSHA's health goals include making the technical support program – which applies scientific and engineering solutions to mitigate hazards – available to mine inspectors and mine operators. Education and training for the mining industry is also crucial to the reduction of miner illnesses. MSHA will be working to continue to ensure that its training specialists and technical support personnel are readily accessible to the mining industry.

Joe is a Virginia coal miner with an outstanding safety record – thirty-five years in coal mining without a single lost time accident. In recognition of this accomplishment, MSHA's Coal District 5 Manager Edward Morgan presented Joe with a Certificate of Appreciation from MSHA. Because this was such an extraordinary achievement, Joe was also presented with a Certificate of Honor at the April 13, 2006 regular meeting of the Lonesome Pine Council of the Joseph A. Holmes Safety Association.

Photo Credit: DOL/MSHA



PART, Program Evaluations and Audits

See discussion in Performance Goal 3.1A.

Data Quality and Major Management Challenges

Data quality for this goal is rated Good. MSHA safety and health compliance specialists conduct dust and noise sampling in accordance with established written procedures. While data for some health indicators lacked timeliness in the past, MSHA has worked diligently to correct this issue. Over the past year, MSHA has implemented more rigorous sampling protocols to concentrate resources on the higher risk occupations by identifying and controlling mining conditions where excessive silica exposures in metal and nonmetal mines are more likely to occur. In addition, the metal and non-metal data indicators have been recently revised to enhance their use by the agency and to assist the public in drawing conclusions about program performance.

Reduce Occupational Fatalities

Performance Goal 06-3.1C (OSHA) – FY 2006

Reduce work-related fatalities.

Indicators, Targets and Results ²⁵	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
Workplace fatalities per 100,000 workers (for sectors covered by the Occupational Safety and Health Act) ²⁶	1.71	1.47	1.73**	N
*Indicator target reached (Y), substantially reached (S) or not reached (N)			Goal Not Achieved	
**Estimated				

Program Perspective and Logic

The Occupational Safety and Health Administration (OSHA) aims to promote employee safety and health in the United States by working with employers and employees to create safer working environments. As the agency celebrates its 35th Anniversary, it is proud of its long-term record of reduced injuries, illnesses, and fatalities. A strong, fair, and effective enforcement program establishes the foundation for OSHA’s efforts to protect the safety and health of the nation’s employees. As a complement to its enforcement program, OSHA seeks to assist employers through compliance assistance. The agency strategically focuses its enforcement resources on sites in more hazardous industries. Additionally, outreach, education and compliance assistance enable OSHA to play a vital role in preventing on-the-job injuries, illnesses and fatalities.



Falls continue to be a leading cause of construction fatalities. Falls from roofs and through roof openings produce a significant number of construction fatalities. Employees doing roofing work must contend with unprotected sides, edges and through roof openings while working on slightly to steeply sloped surfaces. Weather conditions confound the employee attempts to find secure footing. Wind, rain, ice, snow, and dust all affect the employees’ ability to see the walking working surface and to achieve stable footing. Loss of footing on a residential roof can result in an outright fall through a hole in the roof (as for a skylight or dormer), over the eaves, or rake edge. The same loss of footing can result in a long slide down the roof and over the eaves followed by a fall to the ground. The employee pictured is wearing a full body harness, which is attached to a lifeline running from the self-retracting reel (yo-yo) anchored to the pole mounted at the roof’s peak. The

system allows freedom of movement at normal speeds but locks like an automotive seatbelt within two feet if the employee accelerates too quickly as in a fall or slide. In addition, the employee is wearing head protection and sturdy work footwear necessary for placing the roofing tile and doing this kind of roofing.

Photo Credit: DOL/OSHA

External factors affecting performance include changes in the economy and employment, emerging and new technologies, and workforce characteristics. The entirety of OSHA’s budget is directed towards achieving the outcomes of reducing workplace fatalities and injuries and illnesses. OSHA helps reduce on-the-job deaths by intervening at the workplaces where it has evidence that fatalities are most likely to occur and by responding to reports about potentially life-threatening workplace hazards. OSHA uses fatality data from its Integrated Management Information System (IMIS) to track fatalities, looking for emerging fatality patterns in order to focus

²⁵ Costs are not shown for OSHA’s two performance goals because the same activities contribute to reductions in fatality and injury/illness indicators, i.e., their costs are not separable.

²⁶ For target setting and reporting, OSHA uses a three-year moving average to smooth year-to-year fluctuations. The result provided for FY 2006 is calculated using data for July 2004 – June 2006.

interventions and implement national and local emphasis programs. Using FY 2000-2002 as a baseline, OSHA set a challenging goal to reduce workplace fatality rates by 15 percent by 2008. The FY 2006 target is a nine percent reduction from the baseline and the result is an estimate of the average fatality rate for FY 2004-2006 (see table below).

Analysis and Future Plans

The goal was not achieved. Based on the most recent data, DOL estimates a slight decrease in the workplace fatality rate – from 1.75 in FY 2005 to 1.73 in FY 2006 (see following table). However, the estimated three-year average rate of 1.73 is an increase over the corresponding FY 2005 average of 1.71 and falls short of the target of 1.47. Total fatalities and the fatality rate have been increasing slightly. As shown in the table, a substantial and disproportionate percentage of deaths are in the construction industry. OSHA is working to enhance fatality analysis and statistical modeling capabilities to plan specific interventions to address particular types of fatalities.

Estimating Year (July-June)	Construction Fatalities	Construction Employment (thousands)	Construction Fatality Rates	Total Fatalities	Total Private (Nonfarm) Employment (thousands)	Total Fatality Rates
2000	736	6,704	10.98	1,729	109,989	1.57
2001	749	6,823	10.98	1,846	111,368	1.66
2002	744	6,774	10.98	1,773	109,524	1.62
2003	741	6,694	11.07	1,827	108,528	1.68
2004	784	6,840	11.46	1,849	108,913	1.70
2005	808	7,128	11.34	1,940	110,744	1.75
2006	802	7,419*	10.81	1,943	112,563*	1.73
2000-2002 BASELINE	743	6,767	10.98	1,783	110,294	1.62
2002-2004 AVERAGE	756	6,769	11.17	1,816	108,988	1.67
2003-2005 AVERAGE	778	6,887	11.30	1,872	109,395	1.71
2004-2006 AVERAGE	798	7,129*	11.19	1,911	110,740*	1.73

Data sources are the OSHA Integrated Management Information System (IMIS) for the number of fatalities and Bureau of Labor Statistics (BLS) Current Employment Statistics (CES) for the employment data. *Indicates preliminary data.

OSHA has been emphasizing the importance of timely input of fatality data both from OSHA's field offices as well as from State plan partners operating their own OSHA programs. OSHA believes that in addition to the benefit of having more accurate and timely fatality data, some of the recent increases to the fatality numbers result from this effort, as a greater emphasis of timely inputting of fatality data into the system. The construction fatality rate is more than six times the fatality rate for all industries. OSHA is addressing the growth in the construction field of immigrant and non-English speaking employees; and employees in hard-to-reach work sites. Fall hazards continue to be an occupational safety issue. The expanding population of mobile workers also requires the agency to think of safety and prevention in a new way. To achieve the targeted reductions in fatalities, OSHA has identified and targeted sectors and hazards that require interventions and has increased its compliance assistance efforts.

In FY 2006, OSHA unveiled its Voluntary Protection Programs (VPP) Mobile Workforce Demonstration for Construction. The initiative aims to provide greater flexibility for eligibility, which will enable all qualified employers in the construction industry to apply for VPP without regard for duration of a project or worksite control.

By removing some of the barriers found in the traditional VPP, OSHA allows construction companies with mobile workforces to develop alternative safety and health management systems that are shown to provide protections equal to those found at fixed VPP worksites. At the same time, OSHA will have opportunities to explore and test appropriate modifications to VPP that will help bring the benefits of this program to the entire construction industry.

Other compliance assistance efforts are paying off. In the last three years, OSHA's trenching initiative, which aims to reduce accidents related to excavation, has shown positive results. These results include greater awareness of trenching hazards through a concentrated outreach effort. The agency is also undertaking a new residential fall protection initiative. Additional efforts include local and special emphasis programs that aim to prevent accidents and illnesses by identifying workplaces in selected geographic regions or industries for inspections and compliance assistance. Also, OSHA continues to implement its Enhanced Enforcement Program, which focuses on employers who repeatedly ignore safety and health obligations. The Enhanced Enforcement Program has been a useful tool to continue to help target inspection resources where they can have the greatest impact.

PART, Program Evaluations and Audits

OSHA received a rating of Adequate in its Program Assessment Rating Tool (PART) review in 2002. In response to a PART recommendation, OSHA developed a new fatality indicator based on internal data sources and data from the Bureau of Labor Statistics. OSHA continues to address other PART findings; in addition to evaluating the agency's VPP program, OSHA has implemented peer reviews of scientific and technical data used to support new, significant regulations. The agency is also developing efficiency and cost effectiveness measures for a larger percentage of the agency's program activities, with five measures in place and two more proposed for the near future.

In 2006, OSHA conducted an evaluation to determine the efficacy of the development and implementation of its voluntary guidelines (see *Evaluation of OSHA Voluntary Guidelines – Study 32* in Appendix 2). Prior to this evaluation, employer awareness of specific guidelines was not known, and the extent to which employers used or implemented OSHA voluntary guidelines was not well documented. Evaluation findings are being used to determine future strategies for OSHA voluntary guidelines development and promotion.

In a study concluded in April 2006, *OSHA Could Improve Federal Agencies' Safety Programs with a More Strategic Approach to its Oversight* (Study 31 in Appendix 2), GAO recommended that OSHA implement a more strategic approach to its oversight of safety programs at federal agencies. In response, OSHA has initiated a program for targeted federal agency inspections and efforts are underway to develop an internal tracking system for appealed violations. Also, OSHA is altering its data collection system to ensure regular notification of appeal status.

Data Quality and Major Management Challenges

Data quality for this performance goal was rated Excellent. Strengths of the data include accuracy and reliability. OSHA estimates achievement for this goal using actual data from July 1st of the previous fiscal year to June 30th of the current fiscal year, which is an OMB-approved estimating methodology. The agency relies on its Integrated Management Information System (IMIS) for fatality data and BLS Current Employment Statistics for employment data because data from the BLS Census of Fatal Occupational Injuries are not as timely. The IMIS and the BLS Current Employment Statistics data are complete, reliable, accurate, and verifiable. IMIS, which has numerous automated quality control and edit checks, uses a well-defined and tested protocol for counting and is the best available data source for an actual fatality count. The agency will continue to expand its capacity to measure the impact of its program on occupational fatalities, injuries, and illnesses in the sectors where it intervenes in a timely way. OSHA has initiated the development of a revised data system which can be used to evaluate activity and set strategic planning goals. In FY 2007 the agency will continue development of this system.

Collecting complete and comprehensive data on OSHA's Voluntary Programs is a Major Management Challenge (MMC) of the Department (see item I, *Improve Accountability for Performance and Financial Data*, in the MMC section of the Executive Summary). While OSHA's voluntary compliance programs appear to have yielded many positive outcomes, much of the agency's data have had limitations. GAO recommended that OSHA identify cost-effective methods of collecting complete and comparable data on program outcomes. In response, OSHA is working to collect more complete and sufficient data on voluntary programs through voluntary program refinements and to develop a new OSHA Information System by September of 2009.

Reduce Workplace Injuries and Illnesses

Performance Goal 06-3.1D (OSHA) – FY 2006

Reduce work-related injuries and illnesses.

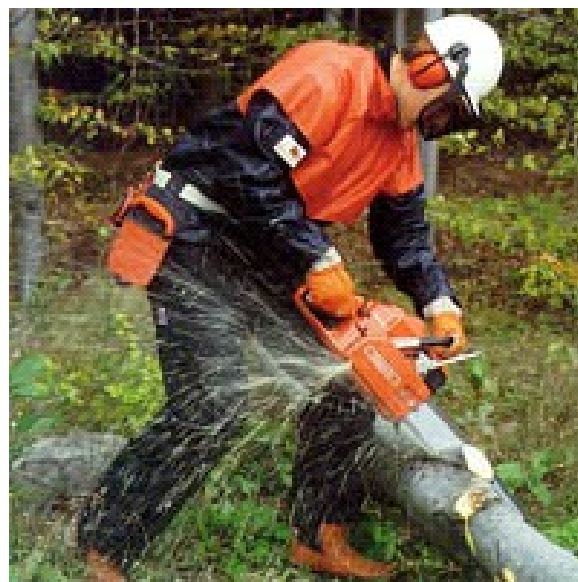
Indicators, Targets and Results ²⁷	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
Days away from work cases per 100 workers	1.4	1.4	1.4**	Y
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Achieved
**Estimated				

Program Perspective and Logic

The Occupational Safety and Health Administration aims to promote employee safety and health in the United States by working with employers and employees to create safer working environments. As the agency celebrates its 35th Anniversary, it is proud of its long-term record of reduced injuries, illnesses, and fatalities. A strong, fair and effective enforcement program establishes the foundation for OSHA's efforts to protect the safety and health of the nation's employees. As a complement to its enforcement program, OSHA seeks to assist employers through compliance assistance. The agency strategically focuses its enforcement resources on sites in more hazardous industries. Additionally, outreach, education and compliance assistance enable OSHA to reduce occupational injuries and illnesses, measured by the days away from work case rate.

By many measures, logging is one of the most dangerous occupations in the United States. The tools and equipment used in logging, such as chain saws and logging machines, pose real hazards. As loggers use their tools and equipment, they are dealing with massive weights and irresistible momentum of falling, rolling, and sliding trees and logs. Additionally, employees are exposed to hazards such as falls, being struck by moving equipment, hazards associated with wildlife, heat stress, and lacerations and amputations from power tools. The hazards are even more acute when dangerous environmental conditions are factored in, such as uneven, unstable or rough terrain; inclement weather including rain, snow, lightning, winds, and extreme cold; and remote work sites without health care facilities. The combination of these hazards presents a significant risk to loggers, regardless of the type of timber or location. The employee pictured is performing a task called "bucking" – the cutting of felled trees into logs. He is wearing appropriate personal protective equipment for the task, such as cut-resistant leg protection, eye and face protection, hearing protection, hand protection, and sturdy footwear.

Photo Credit: DOL/OSHA



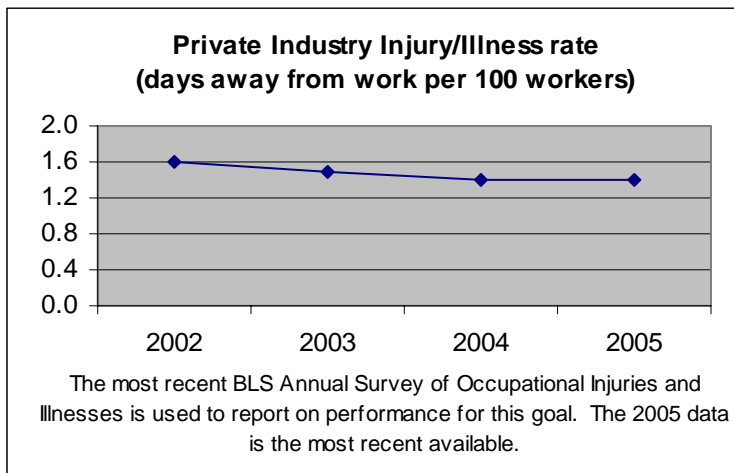
External factors affecting performance include changes in the economy and employment, emerging and new technologies, and workforce characteristics. The majority of working men and women in the nation come under the jurisdiction of Federal OSHA or Federally approved State plans (with some exceptions such as miners, transportation workers, some public employees, and the self-employed). OSHA's FY 2006 target of 1.4 days away from work case rate is part of a long-term goal of reducing the rate by 20 percent between FY 2002 and FY 2008. OSHA is committed to working with employers and employees to meet this goal, and is on track to achieve it. OSHA selected both the long-term goal and the annual target because they exceeded previous performance for injury and illness rate reductions, yet OSHA's managers believed that it would be attainable if the agency's injury and illness reduction strategies were successful. Strategies for achieving these goals include a balanced use of strong, fair and effective enforcement, outreach, education and compliance assistance, free and confidential consultation services in all states

²⁷ Costs are not shown for OSHA's two performance goals because the same activities contribute to reductions in fatality and injury/illness indicators, i.e., their costs are not separable.

and cooperative programs. OSHA managers track Federal inspection activity, the number of consultation visits, and new participants in cooperative programs, which include Voluntary Protection Programs (VPP), Strategic Partnerships and Alliances.

Analysis and Future Plans

The goal was achieved. OSHA used CY 2005 data, which BLS published in October 2006, as an estimate of this year’s injury and illness rate. The days away from work case rate has declined over the last three years. Contributing to this success are OSHA’s cooperative programs, such as the VPP. A new VPP program was approved in FY 2006 – the Voluntary Protection Program for Mobile Workforce in Construction Program referenced under Performance Goal 06-3.1C.



PART, Program Evaluations and Audits

OSHA received a rating of Adequate in its Program Assessment Rating Tool (PART) review in 2002. This review, as well as studies conducted by independent contractors and by the GAO that apply to both OSHA performance goals are discussed in this section of the narrative for Performance Goal 06-3.1C.

Data Quality and Major Management Challenges

Data quality for this performance goal was rated Fair. While the BLS Annual Survey of Occupational Injuries and Illnesses is the most comprehensive and reliable information currently available on national levels of injuries and illnesses, there is a nine and a half month lag in the availability of this BLS injury and illness data after the end of the survey year or calendar year. The most recently available calendar-year BLS data that OSHA uses for program management include the first quarter’s data for OSHA’s just completed fiscal year (October 1 through December 31 of the BLS survey year). Historically, due to the DOL production schedule for the APAR, data for this performance report lagged by two calendar years. This year is the first year that OSHA, working with BLS, is able to report on more current data.

The Survey of Occupational Injuries and Illnesses is a Federal/State program in which employer's reports are collected annually (January 1 through December 31 period) from about 176,000 private industry establishments and processed by State agencies cooperating with the Bureau of Labor Statistics. Survey estimates are based on a scientifically selected sample of establishments. Even though the data that are used for this performance measure include some employers over which OSHA has no jurisdiction and others who have not received OSHA interventions, the data are the best available for representing the impact of the full OSHA program and its influence on increased employer and employee awareness and attention to occupational safety and health issues.

OSHA will continue to improve the effectiveness of agency use of available data, with improved targeting serving as the most reasonable, cost-effective means of reducing injuries and illnesses. The agency will continue to expand its capacity to measure the impact of its program on occupational injuries and illnesses in the sectors where it intervenes in a timely way. OSHA is working with a contractor to develop a model that will use information on the impacts of various establishment-level interventions on injuries and illnesses to estimate their larger impact based on the number of interventions.

Foster Equal Opportunity Workplaces

Performance Goal 06-3.2A (ESA) – FY 2006

Federal contractors achieve equal opportunity workplaces.

Indicators, Targets and Results	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
Incidence of discrimination among Federal contractors	2%	6%	1.7%	Y
Compliance among Federal contractors in all other aspects of equal opportunity workplace standards	86%	64%	87.2%	Y
Cost (millions)	\$99	–	\$97	
*Indicator target reached (Y), substantially reached (S) or not reached (N)				Goal Achieved

Program Perspective and Logic

ESA's Office of Federal Contract Compliance Programs (OFCCP) administers and enforces three equal employment opportunity laws which prohibit Federal contractors and subcontractors from discriminating on the basis of race, color, religion, sex, national origin, disability, and protected veterans' status: Executive Order 11246; Section 503 of the Rehabilitation Act of 1973; and the Vietnam Era Veterans' Readjustment Assistance Act of 1974.

OFCCP seeks to ensure that Federal contractors provide equal employment opportunity to all applicants and employees through the fair and effective enforcement of these laws. By continuing to reduce the incidence of discrimination among Federal contractors, OFCCP is able to demonstrate a positive correlation between its targeted enforcement and compliance assistance activities and its performance goal of achieving equal opportunity in Federal contractor workplaces. Budgetary resources are allocated to both enforcement and compliance assistance. Program-related strategies are shaped by the following external trends and factors: the total number of Federal contractors; company acquisitions and mergers; and turnover in the Federal contractor community. Compliance assistance efforts focus on raising contractor awareness of equal opportunity obligations and encouraging self-evaluations. The Compliance Assistance Program provides one-on-one customer assistance and easy-to-access information, including a growing number of resources and tools available online, that teach contractors how to comply with Federal employment laws.

Analysis and Future Plans

OFCCP's performance indicators track compliance evaluations of contractors, with a new group of contractors being evaluated every year. In FY 2006, OFCCP completed 4,012 compliance evaluations, of which 66 were classified as systemic violations. OFCCP exceeded its target of reducing the incidence of discrimination among Federal contractors to six percent. The 87.2 percent rate of compliance among Federal contractors in all other aspects of Equal Employment Opportunity standards also exceeded significantly the FY 2006 target of 64 percent. OFCCP believes its efforts to more effectively target non-compliant Federal contractors and to provide increased compliance assistance largely contribute to its continued success in exceeding its annual and long-term goals. Having consistently achieved these goals, OFCCP has established new, more ambitious long-term targets in DOL's FY 2006–2011 Strategic Plan in order to demonstrate continuous improvement.

During FY 2006, OFCCP focused on increasing the program's transparency while reducing the burden on the Federal contractor community and other stakeholders. OFCCP continually works to simplify regulations and reduce the information burden on Federal contractors. Since FY 2003, OFCCP has published four final rules and two notices that clarify its regulations. On September 8, 2006, OFCCP published the final rule rescinding the Equal Opportunity (EO) Survey, which failed to demonstrate its value as a tool for selecting contractors for audits. In addition, OFCCP continues to develop its performance and cost information using a logic model. OFCCP has calculated unit costs for program outputs on national, regional, and individual compliance officer basis. The program also identified cost drivers that were most likely to impact the cost of a particular activity. Outputs were selected based on the percentage of their contribution to the performance indicators. OFCCP will continue to provide compliance assistance in an effective and efficient manner with special emphasis on OFCCP's new Internet

Applicant record-keeping rule. OFCCP is working to increase the number of compliance assistance seminars and workshops provided to the Federal contractor community.

The costs for this performance goal decreased by two percent between FY 2005 and FY 2006; this is considered a minor variance.

PART, Program Evaluations and Audits

OFCCP was initially assessed through the PART in FY 2002 and was rated Results Not Demonstrated. The PART found that OFCCP could not quantify the impact of its civil rights enforcement efforts. OFCCP implemented the PART recommendations, which included developing measures to track the incidence of discrimination and level of compliance. Based on its new measures and its improved performance, OFCCP was reassessed through the PART in FY 2004. Its current rating is Adequate.

OFCCP continued progress on its PART improvement plan which included recommendations to set more ambitious targets, to review program regulations and requirements to identify areas for improvement, and to continue evaluating and modernizing agency data collection processes. OFCCP used the Departmental strategic planning process as well as completed program evaluations to address each of these recommendations. As noted in the performance analysis, OFCCP established more ambitious long-term targets using FY 2005 as a baseline. As mentioned in the preceding section, OFCCP recently published a final rule rescinding the ineffective EO Survey. By doing so, OFCCP can better direct its resources for the benefit of victims of discrimination, the government, contractors, and taxpayers.

OFCCP expects to improve the targeting of contractors engaged in systemic discrimination through more effective mathematical models. In mid-year FY 2006, OFCCP initiated a test to validate recommendations from program evaluations completed in FY 2003 and FY 2005 (*A Study to Refine the OFCCP Discrimination Prediction Model – Study 33 in Appendix 2*) that would improve their ability to select contractors more likely to discriminate for compliance reviews. These evaluations indicated that the predictive power of the U.S. Equal Employment Opportunity Commission's Employer Information EEO-1 Survey and U.S. Census data was only slightly better than selections made at random. In response, OFCCP developed different mathematical models that build upon the recommendations of the prior studies. By the end of FY 2007, OFCCP will begin assessing the effectiveness of these new modeling procedures.

OFCCP also implemented a new contractor jurisdiction verification system through the Contracts First initiative, designed to target contractors that had not been reviewed previously and to streamline further the contractor selection process. The initiative also directs more resources toward compliance. OFCCP will continue to use case history information and other databases to enhance the targeting methodology and will explore other statistical methods for identifying predictive relationships in the available data.

Data Quality and Major Management Challenges

Data for this performance goal was rated Good. Strengths of the data include its timeliness and accuracy. OFCCP's Case Management System captures performance outcome goal related activity data as data entries are made at field offices as compliance activities progress. Monthly, quarterly and yearly reports are available on all compliance activities. Using different query and categories, the data can be cross-referenced for accuracy. Given OFCCP's track record of consistently exceeding its targets, data is needed on performance areas where increased effectiveness can be demonstrated. In addition, OFCCP trend data would be more meaningful with the ability to capture those long-term improvements.

Assist Veterans' Return to Jobs After Military Obligations

Performance Goal 06-3.2B (VETS) – FY 2006

Reduce employer-employee employment issues originating from service members' military obligations conflicting with their civilian employment.

Indicators, Targets and Results	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
USERRA Progress Index (measures compliance and assistance performance)	100%	105%	101%**	N
Cost (millions)	\$16	–	\$17	
*Indicator target reached (Y), substantially reached (S) or not reached (N)				
**Estimated			Goal Not Achieved	

Program Perspective and Logic

The Department's Veterans' Employment and Training Service (VETS) is responsible for protecting employment and reemployment rights of persons who are current or former members of the uniformed services, and who encounter barriers in civilian employment related to their service. Legislative authority for protection of these rights is established by the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Over 50 percent of VETS' staff provide USERRA services, ranging from compliance assistance to employers and protected individuals to investigation of individuals' complaints alleging their rights have been violated. VETS seeks to reduce both employer violations and the filing of meritless complaints by protected individuals. The goal and associated indicators focus on resolving filed claims. Most violations and meritless complaints could be avoided with greater knowledge of the rights and protections established by USERRA. For this reason VETS has an active compliance assistance program directed to employers and members of National Guard and Reserve units to increase knowledge and understanding of USERRA's key provisions.

The two external factors having the greatest impact on achievement of this goal are the economy and increases in military active duty periods. Both of these factors cause more service members to face difficulties associated with their civilian employment or reemployment. While the economy remains steady, the U.S. war effort continues to increase Guard and Reserve active duty by significant numbers – a trend that will likely increase USERRA activity.

Goal achievement is measured using a comprehensive Progress Index that demonstrates reduction of violations and meritless complaints by consolidating indicators of cases and assistance (non-case-related contacts) using weights for each element that are determined by service priorities. It consists of seven compliance indicators and one assistance indicator. The compliance indicators are 1) Number of Guard/Reserve de-mobilized per USERRA claim filed by Guard/Reserve; 2) Number of Guard/Reserve de-mobilized per USERRA claim filed by Guard/Reserve in primary issues; 3) Number of USERRA violations; 4) Number of USERRA violations in primary issues; 5) Number of meritless USERRA claims; 6) Number of meritless USERRA claims in primary issues; and 7) Average days cases remain in VETS jurisdiction. The assistance indicator is Number of USERRA assistance contacts per Guard/Reserve mobilized and de-mobilized. Other Federal agencies that process USERRA claims are outside the scope of VETS' Progress Index: the Employer Support of the Guard and Reserve – an agency in the Department of Defense, and the U.S. Office of Special Counsel, which is conducting a USERRA demonstration project that is testing an alternate way of handling USERRA complaints filed by Federal employees.

Costs associated with this goal did not change significantly between FY 2005 and FY 2006.

Analysis and Future Plans

The goal was not achieved, although the Progress Index did increase from the FY 2005 baseline. After declining in FY 2005, claims increased by 10 percent in FY 2006, resuming an upward trend that began following the 9/11 terrorist attacks. Violations, which rose 14 percent in FY 2006, were another key factor in the Progress Index shortfall. Contributing to the increase in claims was introduction of a new electronic form that enabled claimants to

file USERRA claims via the Internet. Increasing claims made case resolution the key focus of VETS' FY 2006 USERRA efforts, taking priority over other forms of assistance. The extra attention to resolving cases led to a reduction of average case processing time from 84 to 72 days.

Both compliance and assistance efforts will continue to focus on National Guard and Reserve components because since FY 1997, they have been the source of 82 percent of all USERRA claims. This has been even more the case in recent years; in FY 2005, for example, Guard/Reserve claims accounted for 85 percent of the total. VETS expects this trend to continue and possibly increase due to mobilizations/demobilizations relating to the War on Terrorism.

PART, Program Evaluations and Audits

GAO's *Federal Management of Servicemember Employment Rights Can Be Further Improved* (see Study 34 in Appendix 2) found the multiple agencies involved in USERRA services – DOL, Department of Defense (DOD), Department of Justice (DOJ), and Office of Special Counsel (OSC) – lack reliable data on complaints and employer support, and are hampered by incompatible data systems, reliance on paper files, and a segmented process that lacks visibility. GAO recommended the agencies share information covering the entire USERRA complaint resolution process and automate complaint files. In FY 2006, DOL enhanced its USERRA Information Management System (UIMS), which became the central repository for USERRA case status reporting in October 2006. VETS is studying options to further upgrade UIMS to enable electronic case documentation files to be uploaded into UIMS case records – the first step toward a fully automated complaint file system tentatively planned for implementation in FY 2008.

Two other GAO studies of USERRA initiated during FY 2006 – one examining the USERRA Demonstration Project for Federal employer claims under the Veterans' Benefits Improvement Act of 2004 and another analyzing reemployment challenges faced by Guard and Reserve members – are expected to conclude during FY 2007.

Data Quality and Major Management Challenges

Data quality for this performance goal was rated Excellent. Strengths of the data include its accuracy, completeness and reliability. Validation and verification of UIMS data is accomplished periodically via Quality Assurance Reviews at State, regional, and national levels. UIMS data reflects official data documented in the hard-copy case records.

Reduce Child Labor in Developing Countries

Performance Goal 06-3.3A (ILAB) – FY 2006

Contribute to the elimination of the worst forms of child labor internationally.

Indicators, Targets and Results	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
Number of children prevented or withdrawn from child labor and provided education and/or training opportunities as a result of DOL-funded child labor elimination projects	150,708 ²⁸	178,000	236,787	Y
Number of countries with increased capacities to address child labor as a result of DOL-funded child labor elimination projects	39	39	53	Y
Cost (millions)	\$74	–	\$95	
*Indicator target reached (Y), substantially reached (S) or not reached (N)			Goal Achieved	

Program Perspective and Logic

The Bureau of International Labor Affairs (ILAB) has worked to reduce exploitive child labor worldwide since 1993, conducting research, and funding and overseeing projects that combat exploitive child labor in more than 70 countries. ILAB's activities include reporting on various aspects of international child labor, increasing public awareness and understanding of the problem, and supporting international projects to eliminate exploitive child labor and increase access to quality basic education. ILAB's international child labor technical assistance programs are implemented through two major initiatives. First, ILAB provides support to the International Program on the Elimination of Child Labor (IPEC), a worldwide technical assistance program of the International Labor Organization (ILO), to progressively eliminate exploitive child labor. Second, ILAB's Child Labor Education Initiative (EI), originating in 2001, provides funds for international projects focusing specifically on access to and quality of basic education as a means of reducing exploitive child labor. A wide variety of organizations implement EI projects. In recent years, ILAB has increasingly focused its assistance on large-scale national programs to eliminate the worst forms of child labor within a specific timeframe. This approach integrates child labor issues into national poverty and education plans and policies.

ILAB measures the progress of all of its technical cooperation projects on two levels: community-based direct interventions benefiting individual children and families and country-level activities to build institutional capacity and strength. ILAB establishes its annual targets for its indicators through close consultations with grantees and analysis of baseline information, individual project targets, past performance and external factors.

For FY 2006, Congress appropriated \$61 million to ILAB's child labor program. Seventy-eight percent of the funds directly contributed to ILAB's two performance indicators described above. Remaining funds contributed to ILAB's performance goal indirectly through administration and oversight funds, including child labor research and reporting.

Various external factors influence ILAB's targeted outcomes, such as the implementing environment of developing countries. ILAB-funded projects work in countries with diverse political, social, and economic environments. Civil unrest, natural disasters, economic shocks, frequent changes in governments, and poor infrastructure may also impact the progress of project implementation.

Costs for this performance goal increased by 28 percent between FY 2005 and FY 2006, primarily due to lags in obligating funds at the project level. Child labor projects are usually four years in length and the obligation of project funds generally increases after a one year start up phase.

²⁸ In FY 2005, the indicator only reflected children withdrawn or prevented from the worst forms of child labor for USDOL-funded ILO-IPEC programs only.

Analysis and Future Plans

The goal was achieved. ILAB exceeded targets for both of its performance indicators. In FY 2006, ILAB funded a total of 17 projects to combat child labor world-wide and to increase access to basic education. These projects support the Administration's foreign policy objectives of eliminating exploitive child labor and fulfilling the U.S. Government's responsibilities under international trade agreements. More specifically, the focus of projects in Africa was on supporting time-bound initiatives to eliminate the worst forms of child labor as a matter of urgency. In Latin America, the focus was on children working in urban informal sector work. In Asia, the primary focus was on anti-trafficking initiatives, bonded labor and preventing children from exploitive work as a result of the devastating earthquake in Pakistan.

In FY 2006, 236,787 children were removed or prevented from exploitive work through the provision of education or training opportunities in ongoing ILO-IPEC and EI programs funded by DOL, exceeding the target of 178,000 children. Since 1995, DOL-funded ILO-IPEC and EI projects have removed or prevented approximately 860,000 children from exploitive work and given them meaningful alternatives to child labor.

Preventing and withdrawing children from the worst forms of child labor in the long-term depends on a country's willingness and ability to address the issue and sustain the efforts even after projects end. In FY 2006, DOL-funded ILO-IPEC and EI programs increased the capacity of 53 countries to address child labor, exceeding its target. Increasing capacity to address child labor is defined by a country's legal framework, public policy, and monitoring of child labor. One example of a country that increased its capacity to address child labor is Benin, where in coordination with DOL funded ILO-IPEC and Catholic Relief Services projects, the government of Benin signed anti-trafficking legislation into law on January 30, 2006. Further, with assistance from the same projects, the Government of Benin signed a *Multilateral Cooperation Agreement to Combat Trafficking in Persons, Especially Women and Children in West and Central Africa* on July 7, 2006. Another example of a country that has increased its capacity to address child labor is Peru, where, the first *National Plan for the Prevention and Eradication of Child Labor*, with emphasis on the worst forms, was approved by the Government in Supreme Decree No. 0800-2005 and published on September 30, 2005.

While ILAB is adding indicators to measure its research, reporting and policy functions, the child labor indicators will remain unchanged in FY 2007.



DOL's International Child Labor Program is funding World Education to carry out the "OPTIONS: Combating Child Trafficking and Commercial Sexual Exploitation Through Education" project in Cambodia. The project assists children who have been trafficked, or who live in areas where they are vulnerable to trafficking for commercial sexual exploitation or other forms of exploitive labor. Children in the project are provided various types of educational assistance, including "non-formal" or catch-up educational programs for those who have not had the opportunity to go to formal schools. In this photo, young children work together on an assignment in a "non-formal" education class.

Photo Credit: Peter Pigott

PART, Program Evaluations and Audits

ILAB was assessed through the PART in 2004, receiving a rating of Adequate. A principal finding of the PART was the need for more data to assess the impact of ILAB's programs. The PART assessment also concluded that the child labor goals were outcome oriented, meaningful, and relate to the long-term goal.

In response to the PART finding and accompanying recommendation, ILAB received funding from the Department for a comprehensive study to assess its technical assistance program, effectiveness and sustainability. In FY 2006, the external evaluator analyzed project documents from 29 technical assistance projects.

ILAB, with other U.S. Government agencies, is also currently involved in two GAO studies. The first is a review of U.S. agencies' funding and implementation strategies of international basic education programs, initiated in response to a congressional mandate contained in Public Law 109-102, Section 567. At the end of the year, the GAO will have visited ILAB's child labor projects in nine countries. The second study conducted by GAO assessed the efforts of U.S. Government agencies to combat trafficking in persons. DOL's efforts on trafficking, including planning, funding, and monitoring of trafficking programs were reviewed.

At ILAB's request, the Office of the Inspector General (OIG) audited the Jesus Cares Ministries (JCM) EI project. JCM is a first-time Federal government grantee and a local, Zambian faith-based organization working to eliminate exploitive child labor. The OIG assessed JCM's compliance with US and DOL regulations and policies and helped the organization to increase its capacity to manage Federal grant funds.

ILAB is also implementing an efficiency measure to demonstrate its cost effectiveness in withdrawing or preventing children from exploitive child labor. ILAB is implementing its efficiency measure within its technical cooperation projects by requiring all project proposals for new grants in FY 2006 to meet its efficiency target. For example, project proposals of \$5 million must provide direct services for the withdrawal or prevention of at least 8,600 children involved in the worst forms of child labor in order to meet ILAB's efficiency target.

Data Quality and Major Management Challenges

Data quality for this performance goal was rated Excellent. Strengths of the data include its accuracy, relevance, and completeness. ILAB grantees are required to submit semiannual project-level financial and technical progress reports including data for each ILAB indicator. ILAB also requires that grantees develop Performance Monitoring Plans specifying sources of data, method and frequency of data collection, responsible personnel, and costs for monitoring project indicators. ILAB corroborates grantee reporting through monitoring visits, project evaluations, and project audits. Many of these enhancements to data collection and verification directly respond to a PART finding identifying the need to collect more data to assess the impact of its programs.

To further ensure the quality and accuracy of its performance indicator data, ICLP continues to work in consultation with the OIG and an accounting firm to conduct independent audits of its technical assistance projects. These audits examine grantees' financial reporting, compliance with federal and DOL grant rules and regulations, and verify the accuracy of project-level performance data. ILAB scheduled 12 project-level audits in FY 2006 and an additional 19 audits are scheduled for FY 2007. A summary of the audit reports are available on the ILAB Web site at <http://www.dol.gov/ILAB/grants/main.htm>, and copies of the individual reports are available upon request.

Improving Life for Workers Around the Globe

Performance Goal 06-3.3B (ILAB) – FY 2006*Improve living standards and conditions of work internationally.*

Indicators, Targets and Results²⁹	FY 2005 Result	FY 2006 Target	FY 2006 Result	Target Reached*
Percent of beneficiaries who consider a DOL-funded project to have improved their conditions of work	83%	85%	80%	N
Percent of targeted individuals whose economic situation has benefited from DOL project assistance	60%	63%	–	–
Number of workers benefiting from compliance with national labor laws through improved inspections	3.78 million	3.80 million	1.48 million	N
Number of targeted workers reporting a reduction in HIV/AIDS risk behaviors	19,500	19,750	–	–
Number of workplaces adopting policies and procedures to reduce the level of employment related discrimination against persons living with HIV/AIDS	270	300	459	Y
Cost (millions)	\$43	–	\$30	
*Indicator target reached (Y), substantially reached (S) or not reached (N)			Goal Not Achieved	

Program Perspective and Logic

The Bureau of International Labor Affairs (ILAB) seeks to ensure that the greatest possible number of workers benefit from a more open world economy. Expanding trade and investment and improving working conditions should be understood as mutually reinforcing objectives, not opposing ones – increased trade helps foster economic growth and raise living standards while promoting employment in the United States. The Department believes the creation of more open, stable economies that increase employment and standards of living for people will lead to increased political stability and security.

Various external factors influence ILAB's targeted outcomes, particularly the implementing environment of developing countries. ILAB-funded projects work in countries with diverse political, social, and economic environments. Civil unrest, natural disasters, economic shocks, frequent changes in governments and poor infrastructure may also impact the progress of project implementation. In FY 2006, the achievement of targeted results was influenced by political instability in Nepal and the Philippines. The earthquake in Pakistan also influenced performance, as it prevented field staff from continuing planned activities.

The first two indicators for this performance goal support the President's International Trade Agenda and the final indicator gauges performance of projects that support the President's Emergency Plan for AIDS Relief (PEPFAR) by promoting HIV/AIDS prevention education programs in the workplace. These indicators measure the achievement of the long term objective to improve the life of workers worldwide through international technical assistance projects. The results indicated above derive from activities financed by previously allocated project funds in the past five years. ILAB establishes its indicators for this goal through close consultations with grantees, analysis of baseline information, and past performance. ILAB will add indicators to measure its research, reporting, and policy functions in FY 2007.

²⁹ Subsequent to publication of the FY 2006 President's Budget, two measures were discontinued. Due to shifting priorities and premature closing of project activities, it became apparent that ILAB would receive incomplete data to support the performance measurement, "percent of targeted individuals whose economic situation has benefited from DOL project assistance." The second measurement, "number of targeted workers reporting a reduction in HIV/AIDS risk behaviors," was no longer realistic given its complexity (estimating risk across generations) and de-emphasis in projects to which the indicator applied.

Costs associated with this performance goal decreased by 30 percent between FY 2005 and FY 2006 due to closing out of ongoing international technical assistance projects.

Analysis and Future Plans

ILAB achieved one of the three targeted results for Performance Goal 3.3B. ILAB projects increased the number of workplaces adopting policies and procedures to reduce employment-level discrimination against persons living with HIV/AIDS by 189, of which 2.8 million workers benefited. The increasing ability of the implementing organization to replicate new HIV/AIDS program and policies in subsidiaries of large partner enterprises accounted for this dramatic expansion.

ILAB did not achieve its target measuring the anticipated percentage of project beneficiaries who considered a DOL-funded project to have improved their conditions of work due to the changing portfolio of ILAB projects. In the past year, many ongoing technical assistance projects closed out. The remaining projects primarily support free trade initiatives. It is much more difficult for project activities to have an impact on the beneficiaries in their individual workplaces when the projects are now primarily working with stakeholders at the ministerial level.

The number of workers benefiting from improved labor inspections was just 38 percent of the target due to a data collection and methodology problem in one of the largest projects. ILAB is working with the project implementer to improve the data collection methodology and will adjust the target for this indicator for FY 2007.

In FY 2006, the Bureau focused on providing oversight, monitoring and closing out remaining non-Child Labor technical assistance projects and supporting the President's Trade Initiative and the PEPFAR. From the US Department of State, ILAB received \$12 million in additional funding to implement projects and activities in support of the Dominican Republic - Central America - United States Free Trade Agreement and \$744,050 in support of HIV/AIDS Education in the Workplace activities in Haiti and Guyana. The Department of State also provided \$1.5 million in funding to ILAB to continue activities in Ukraine to support the Mine Safety and Health project and \$500,000 to fund activities in Morocco, Oman, and Bahrain as part of the Middle East Partnership Initiative.

Funded through the \$50 million President's Initiative to Combat Trafficking in Persons, the Combating Forced Labor program in Brazil is currently providing income generation assistance to 465 workers at risk for trafficking for forced labor. Catholic Relief Services, the implementing partner, has reached 7,448 vulnerable workers since it began in 2004. In addition to supporting trafficked victims and at-risk Brazilians, the project trains community leaders to raise awareness about the dangers of trafficking and builds the capacity of local organizations to monitor and report trafficking violations. Up to 40,000 Brazilians work in conditions analogous to slavery in the Amazon region. Given promises of a comfortable life for their families, many workers are persuaded to climb aboard trucks that transport them to jungle farms that are several days' journey from their families and cities. Rarely do the promised wages materialize and in a short time, these workers find themselves in debt to the farm that "employs" them and unable to leave their situation.

Photo Credit: Caritas



PART, Program Evaluations and Audits

ILAB was reviewed in the 2004 PART process and rated Adequate. The review is discussed in this section of the narrative for Performance Goal 06-3.3A.

ILAB is implementing two efficiency measures to demonstrate its cost effectiveness in improving labor law compliance in host countries through improved labor inspections and in improving HIV/AIDS policies and programs in host countries. In the first 6 months of FY 2006, workers benefited from improved labor inspections for \$0.53 per

worker and workers benefited from improved HIV/AIDS policies and program in host countries for \$2.29 per worker. Together with other U.S. Government agencies, ILAB was involved in a GAO study to assess ways of enhancing US international efforts to combat the trafficking of persons. As part of the study, ILAB's efforts to reduce trafficking – including planning, funding, and program documents – were reviewed.

Data Quality and Major Management Challenges

Data quality for this performance goal was rated Good. Strengths of the data include its relevance and completeness. ILAB is working with an implementer to correct deficiencies in their data collection methodology in time for reporting deadlines in FY 2007. ILAB grantees are required to submit semi-annual project-level financial and technical progress reports including data for each ILAB indicator. ILAB also requires grantees to develop Performance Monitoring Plans specifying sources of data, method and frequency of data collection, responsible personnel, and costs for monitoring project indicators. ILAB corroborates grantee reporting through monitoring visits, project evaluations, and project audits. Areas for improvement are verification, which would require stronger quality controls for grantees, and validity, which would require examining the extent to which ILAB is capturing outcomes that directly result from their program activities.