



FISCAL YEAR 2004  
PERFORMANCE AND  
ACCOUNTABILITY  
REPORT



**T**he National Transportation Safety Board is an independent Federal agency charged by Congress with investigating every civil aviation accident in the United States, most public-use aircraft accidents, and significant accidents in the other modes of transportation — railroad, highway, marine, pipeline, and hazardous materials — and issuing safety recommendations aimed at preventing future accidents.





## **NTSB AT-A-GLANCE**

**Established, April 1, 1967**

### **Headquarters**

490 L'Enfant Plaza, SW  
Washington, DC 20594  
[www.nts.gov](http://www.nts.gov)

**FY 2004 Budget \$73.065 million**

**FTE Employees, 422**

**Regional Offices, 10**



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## NTSB Vital Role in Transportation Safety

Since its inception in 1967, the National Transportation Safety Board (NTSB) has investigated more than 124,000 aviation accidents and over 10,000 surface transportation accidents. In so doing, it has become one of the world's premier accident investigation agencies. On call 24 hours a day, 365 days a year, NTSB investigators travel throughout the country and to every corner of the world to investigate significant accidents and develop factual records and safety recommendations.

The NTSB has issued more than 12,000 recommendations in all transportation modes. Since 1990, the NTSB has highlighted some issues on a Most Wanted List of safety improvements. Although the NTSB does not regulate transportation equipment, personnel or operations, and the NTSB does not initiate enforcement action, its reputation for impartiality and thoroughness has enabled the NTSB to achieve such success in shaping transportation safety improvements that more than 82 percent of its recommendations have been adopted by those in a position to effect change. Many safety features currently incorporated into airplanes, automobiles, trains, pipelines, and marine vessels result from NTSB recommendations.

In addition to the demands of overseeing the safety of the U.S. transportation system, the NTSB has been increasingly called upon to participate in foreign accident investigations especially where American equipment or operators are involved.

The globalization of the economy, as well as our acknowledged leadership in accident investigation, demands NTSB participation in these

foreign investigations both to ensure the safety of U.S. aviation exports and to continue to demonstrate the need for one level of safety worldwide.

NTSB meets its important safety mission through several lines of business that work together to prevent future accidents. These lines of business are:

**The Office of Aviation Safety:** investigates, or causes to be investigated, all civil and some public use aviation accidents and selected incidents; prepares detailed reports; develops proposed probable cause(s) determinations; and formulates recommendations to minimize their recurrence for consideration and adoption by the Board and for use by other government agencies, the Congress, the transportation community, and the traveling public.

**The Office of Highway Safety:** investigates highway accidents involving issues with wide-ranging safety significance, such as bridge collapses, multiple fatalities on public transportation, and grade crossings. Safety recommendations may be issued to Federal, state, and local agencies, operators, manufacturers, and trade associations. This office also examines the safety programs of such agencies as the Federal Highway Administration and the National Highway Traffic Safety Administration.

**The Office of Marine Safety:** investigates marine accidents on the navigable waters or territorial seas of the United States and accidents involving U.S. merchant vessels worldwide, under regulations prescribed jointly by the Board and the Department of Transportation. The Office of Marine Safety also investigates accidents involving U.S. public vessels and non-public vessels, and accidents that involve U.S. Coast Guard safety functions. Safety recommendations

may be issued to agencies such as the U.S. Coast Guard, U.S. Army Corps of Engineers, shipping firms, and maritime trade organizations.

**Office of Railroad, Pipeline and Hazardous Materials Investigations:** is a multi-modal investigative office within the NTSB. The office's Railroad Division investigates accidents and incidents involving passenger and freight railroads as well as commuter rail transit systems. These accidents typically involve collisions or derailments, some of which lead to the release of hazardous materials.

The Pipeline Division investigates accidents occurring during the transport of natural gas or other hazardous liquids, such as gasoline or propane, through underground pipeline systems. Pipeline accident investigations focus on accidents that involve fatalities or that result in substantial property or environmental-damage.

The Hazardous Materials Division investigates accidents in which public safety is threatened by the release of hazardous substances. Hazardous materials accident investigations may include analysis of the performance and integrity of hazardous materials containers, such as rail tank cars and highway cargo tanks.

**The Office of Research and Engineering:** provides technical support to accident investigations, and conducts safety studies that examine safety issues in all modes of transportation. The Board's Flight Data Recorder, Cockpit Voice Recorder, and Materials Laboratories are located in this office. The office also provides computer and data processing support for all of the Board's organizations, including the management of all mainframe and microcomputer hardware and software and all electronic imaging and archiving hardware and software. The office also maintains the Board's

aviation accident database, providing periodic statistical reviews of aviation accidents, and responds to public inquiries for Board reports and safety studies.

**Safety Recommendations and Communications:** The Office of Safety Recommendations and Communications includes the offices of Public Affairs, Transportation Disaster Assistance, Government and Industry Affairs, and Safety Recommendations and Accomplishments for the purpose of communicating a focused, efficient, and effective message to the Board's customers. This team is responsible for coordinating strategies for implementing the safety recommendations, supporting victims of transportation disasters, keeping the media apprised of important safety developments, and ensuring that Congressional, Federal, and state government leaders are provided with timely and accurate information.

**The NTSB Academy** provide comprehensive education and training for those who improve safety by conducting independent transportation accident investigations; to foster an environment that encourages transportation safety initiatives and technical research; and to promote uniform programs that ensure compassion, understanding, and assistance for those affected by transportation tragedies.

## A Message From the Chairman

I am pleased to present the National Transportation Safety Board's Performance and Accountability Report for FY 2004, prepared under the guidance of the Office of Management and Budget's (OMB) Bulletin No. 01-09. This Performance and Accountability Report contains the Board's financial statements, as required by the Accountability of Tax Dollars Act of 2002; a selection of performance information and a report on the Board's material weaknesses, as required by the Federal Managers' Financial Integrity Act (Integrity Act).

The information provided in this report serves as a mechanism for fiscal and programmatic accountability. It is an accounting to the American people on our stewardship of the funding we received from them in FY 2004 to fulfill our mission.

The NTSB strives to meet the highest standards of effectiveness, efficiency, and integrity. The Board's reputation for impartiality and thoroughness has enabled it to achieve success in shaping transportation safety improvements in all modes of transportation for decades, and to become recognized as the world's premier accident investigation agency.

Although not required, the NTSB prepared financial statements for FY 2002 that marked the first time in the history of the Board that financial statements had been prepared. Building from this valuable experience and accomplishment in FY 2002, we achieved an unqualified (clean) opinion on our first audited Consolidated Financial Statements for fiscal year 2003.

Leon Snead & Company, P.C. an Independent Public Accounting firm engaged by The Department of Transportation, Office of Inspector General, has audited the Board's FY 2004 consolidated financial statements included in this report and has issued an unqualified (clean) opinion indicating that our statements present fairly the financial position of the National Transportation Safety Board. This achievement demonstrates both our continued dedication to sound financial management and the reliability of the financial data upon which we base our critical decisions.

The Integrity Act requires the Board to annually evaluate its management controls and identify any material weaknesses. This requirement covers all of the Board's programs and administrative functions. As we work to serve the American people, we must administer our programs as efficiently and economically as possible. To do this, we rely on our system of management controls to provide reasonable assurance that our financial activities comply with applicable laws, our items of value are safeguarded, and our operations are accounted for properly.

The one prior year material weakness, which has not yet been corrected is: *Employee Timekeeping Verification and Validation* – improved management controls are needed to ensure proper recording of time. The Board is making progress in addressing this weakness and has selected an automated time and attendance system that will be implemented in 2005. The system is Joint Financial Improvement



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Program (JFMIP) compliant and, at a minimum will meet NTSB requirements to address the Employee Timekeeping Verification and Validation material weakness reported in prior years.

The new material weakness, which was reported by the DOT-IG is: *No Formal Agency-wide Information Security Program Established* – Based on the DOT-IG Federal Information Security Management Act (FISMA) review, NTSB did not fully comply with the FISMA requirements. As a result of DOT-IG recommendations, I concurred with the DOT-IG recommendations and have taken actions to address the deficiencies. In particular, I immediately designated a Chief Information Officer (CIO) to strengthen the information security management practices at NTSB. The CIO will be responsible for complying with the FISMA requirements by developing, documenting, and implementing an NTSB agency-wide information security program to protect the information and information systems that support the operations and assets of NTSB.

The performance goals contained in this report, taken as a whole, summarize our success in achieving the performance goals we established for FY 2004. The Board continues to aggressively improve our performance planning practices to ensure that, in the future, our goals are results driven and oriented toward achieving desired outcomes.

Just as the NTSB is the world's premier accident investigation agency, it is our vision that the Board becomes a premier financial management agency in the Federal government. The submission of our Performance and Accountability Report is another step toward that vision.

Ellen Engleman Conners  
Chairman

## A Message From the Chief Financial Officer

The Safety Board recognizes the significance of accountability and public disclosure. This report is a demonstration of our obligation to fulfill our fiduciary responsibilities to the American taxpayer.

I am pleased to present the National Transportation Safety Board's financial statements for FY 2004. For the second consecutive year, an independent public accounting firm, (Leon Snead & Company, P.C.) selected by the Department of Transportation Inspector General issued an unqualified ("clean") opinion on the Board's consolidated financial statements. This is the best possible audit outcome.

These financial statements fairly present the Safety Board's financial position and were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America and the Office of Management and Budget (OMB) Bulletin 01-09, "Form and Content of Agency Financial Statements.

Steven Goldberg

Chief Financial Officer

## Management's Discussion and Analysis

### Overview

The National Transportation Safety Board (NTSB) is an independent Federal agency charged by Congress to determine the cause(s) of every civil aviation accident in the United States, most public-use aircraft accidents, and significant accidents in other modes of transportation (highway, marine, rail, hazardous materials, and pipeline), and to conduct special investigations and safety studies. NTSB investigators also serve as U.S. accredited representatives as specified in international treaties for aviation accidents overseas involving U.S.-registered and -manufactured aircraft or major components.

The Safety Board determines the probable cause(s) of:

- all U.S. civil aviation accidents and certain public-use aircraft accidents;
- selected highway accidents;
- railroad accidents involving passenger trains or any train accident that results in at least one fatality or major property damage;
- major marine accidents and any marine accident involving a public and a nonpublic vessel;
- pipeline accidents involving a fatality or substantial property damage;
- releases of hazardous materials in all forms of transportation; and
- selected transportation accidents that involve problems of a recurring nature.

In addition to determining the probable cause(s) of transportation accidents and promoting transportation safety, the Board evaluates the effectiveness of other government agencies' safety programs, maintains the government's official database of civil aviation accidents, coordinates Federal assistance to the families of victims of catastrophic transportation accidents, and serves as the "court of appeal" for airmen, mechanics, and mariners when certificate action has been taken by the Federal Aviation Administration (FAA) or the U.S. Coast Guard (USCG) Commandant, or when civil penalties have been assessed by the FAA.

Most importantly, the Safety Board makes safety recommendations, as a result of its investigations and safety studies, to Federal, state, and local government agencies and the transportation community regarding actions that should be taken to prevent accidents.

Safety recommendations are the focal point of the Board's efforts to improve the safety of the Nation's transportation system. Since 1967, the NTSB has issued more than 12,100 recommendations in all transportation modes to more than 2,200 recipients. Although it has no regulatory or enforcement powers, the Board's reputation for impartiality and thoroughness has enabled it to achieve an acceptance rate of more than 82 percent of its safety recommendations.

Many safety features currently incorporated into airplanes, automobiles, trucks, trains, pipelines, marine vessels, and in the transportation of hazardous materials, had their genesis in NTSB recommendations. Examples include floor-level aisle path lighting and ground proximity warning systems now installed on airliners, the installation of headshields, shelf couplers, and thermal protection on rail hazardous materials tank cars, redesign of the off-throttle steering systems on

personal watercraft, smoke detectors and sprinklers aboard cruise ships, and rear-seat lap/shoulder belts and center high-mounted brake lights on automobiles.

### History and Structure of the Board

The NTSB opened its doors on April 1, 1967, initially relying on the U.S. Department of Transportation (DOT) for funding and administrative support. Although its charter is the Independent Safety Board Act of 1974, the origins of the Safety Board can be found in the Air Commerce Act of 1926, in which Congress charged the Commerce Department with investigating the causes of aircraft accidents. The rules of the Board are located in Chapter VIII, Title 49 of the Code of Federal Regulations (CFR). Since its inception, the Board has investigated more than 124,000 aviation accidents, and at least 10,000 accidents in the surface transportation modes. In so doing, it has become one of the world's premier accident investigation agencies. On call 24 hours a day, 365 days a year, NTSB investigators travel throughout the country and to every corner of the world to

investigate transportation accidents and to develop factual records and safety recommendations.

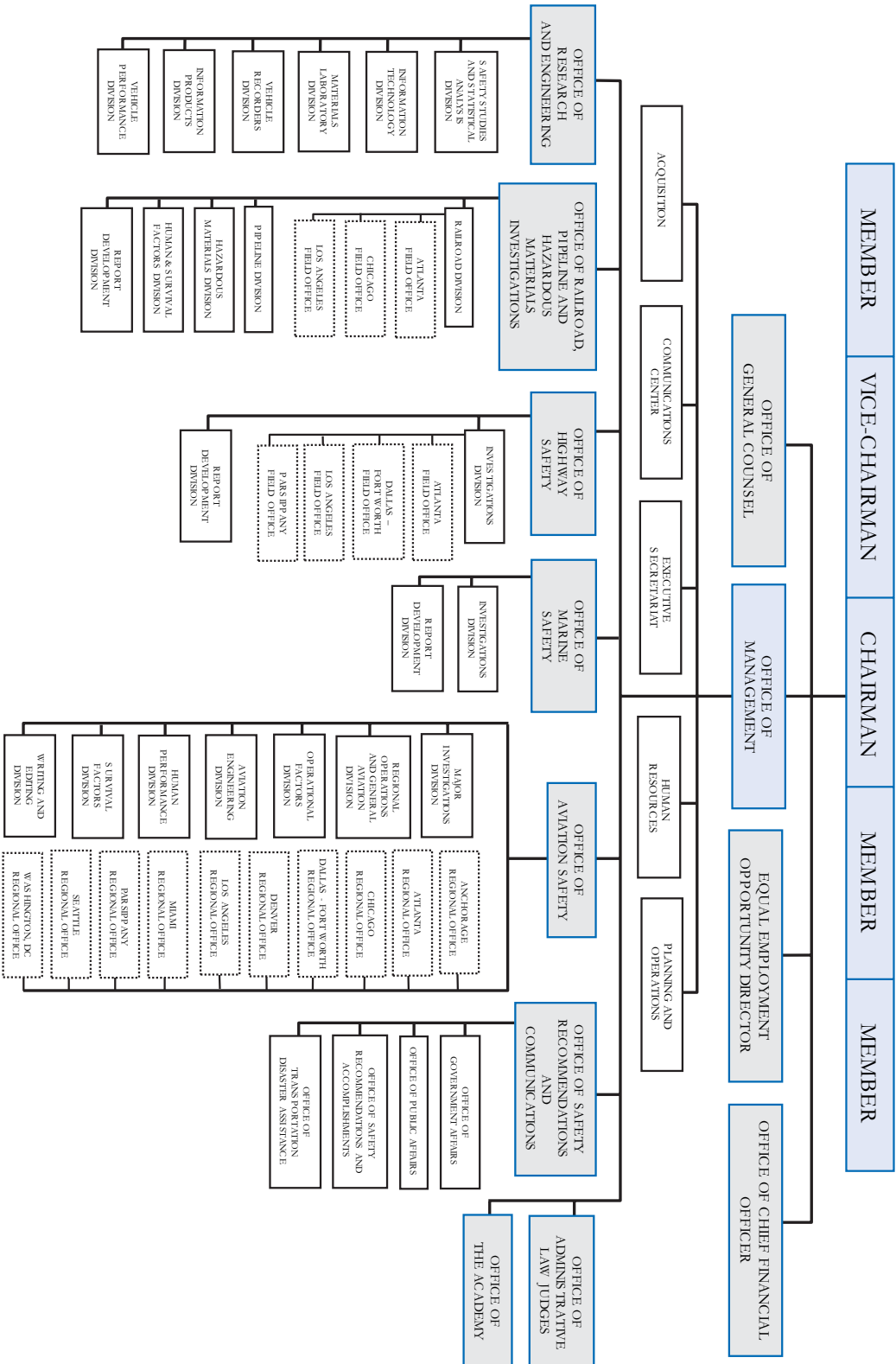
### Board Members

The Board consists of five Members appointed by the President with the advice and consent of the Senate. The President appoints the Chairman and Vice Chairman for 2-year terms. The Chairman is additionally confirmed by the Senate, and serves as the agency chief executive and administrative officer. The Board Members, in conjunction with the Chairman, establish policies on transportation safety issues; review and approve major accident reports, safety studies, and safety recommendations; and decide appeals of NTSB Administrative Law Judge initial decisions regarding Federal Aviation Administration and Coast Guard certificate actions. They also preside over accident or other transportation safety hearings, testify before Congressional committees, and participate in go-teams on major investigations. In addition, when there is no designated chairman, the vice chairman serves as acting chairman.

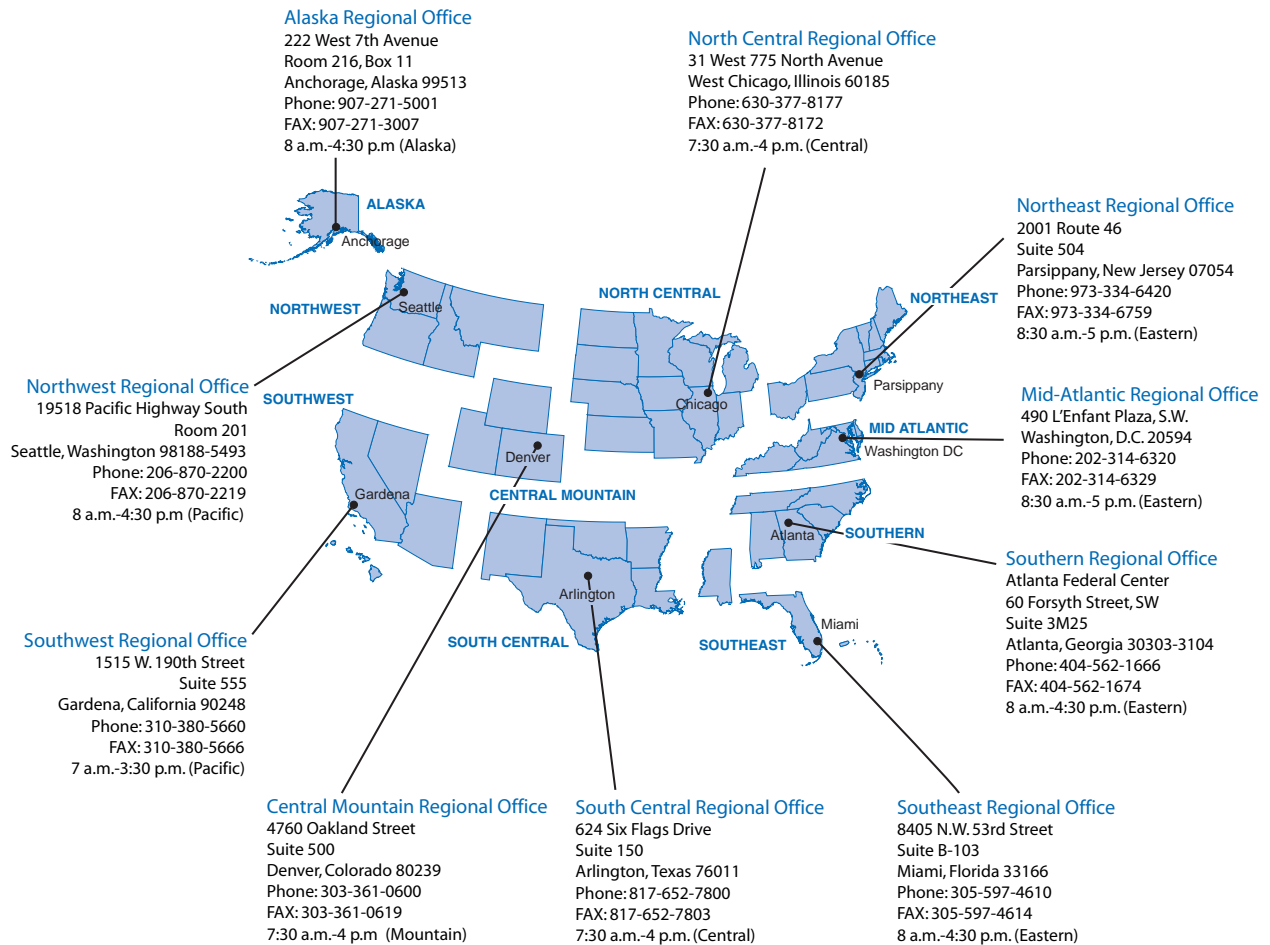


(L to R) Ellen Engleman Conners - *Chairman*, Deborah A. P. Hersman - *Member*, Mark V. Rosenker - *Vice Chairman*, Carol J. Carmody - *Member*, and Richard F. Healing - *Member*

# NATIONAL TRANSPORTATION SAFETY BOARD



## NTSB Regional Offices



## Mission

The basic components of the NTSB's mission are to:

- Maintain public confidence in the Nation's transportation systems by thoroughly and independently determining the probable cause(s) of transportation accidents and significant incidents and issuing timely and feasible safety recommendations to prevent future accidents, save lives, and reduce injuries and property damage.
- Ensure that survivors and families of victims of transportation accidents receive timely, compassionate assistance from the operator, other government agencies, and community service organizations.
- Provide aviators and mariners with fair, timely, independent appellate review of certificate actions taken by the FAA and the U.S. Coast Guard.
- Ensure effective stewardship of the resources provided.
- To provide comprehensive education and training for those who improve safety by conducting independent transportation accident investigations.

The Safety Board's proactive approach in preventing and/or reducing the severity of future transportation accidents is unique. It independently addresses real world tangible problems, allows full industry participation in its investigations, issues safety recommendations instead of regulations, and disseminates its reports and findings to as wide an audience as possible. It also provides oversight of the regulatory agencies in transportation and is the safety advocate for millions of Americans traveling through our nation's skies, roads, rails, and waterways each day. As a small, manageable organization, we react quickly to changes in the

transportation environment to meet the public's needs. The NTSB is the model for a government agency that works better and costs less.

## Operations

Each year, the NTSB investigates more than 2,000 aviation accidents and hundreds of accidents in the surface modes. The Board leverages its limited resources through the "party system" by which it designates government agencies, organizations, or corporations as parties to the investigation. By law, the FAA is a party to each aviation accident investigation. The NTSB has wide discretion over which other organizations it designates as parties. Only those entities that can provide expertise required for the investigation are granted party status and only those persons who can provide the Board with needed technical or specialized expertise are permitted to serve on the investigative team. Individuals representing organizations in legal or litigation positions are not assigned to the investigation. All party members report to the NTSB.

In a major investigation, the Board establishes investigative groups made up of specialists from the parties and led by a Safety Board investigator as group chairman. The groups formed vary depending on the mode of transportation and the nature of the accident, and examine areas such as company operations; aircraft structures; systems and power plants; rail and highway vehicle operations; rail track and signals; pipeline operations; vehicle, bridge, highway, and marine engineering; human factors; survival factors; hazardous materials; radar and vehicle recorder data; meteorology; and regulatory oversight. Eventually, investigative group chairmen prepare a factual report that is verified for accuracy by each of the party representatives in the group. The factual reports are placed in the public docket,



and, after the completion of a formal technical review by the team, they constitute the factual record of the investigation.

Safety recommendations may be issued at any time during an investigation, and the Board also may hold a public hearing as part of a major transportation accident investigation. The purpose of the hearing is two-fold: first, to gather sworn testimony from subpoenaed witnesses on issues identified by the Board during the course of the investigation, and, second, to allow the public to observe the progress of the investigation.

Parties do not participate in the analytical or report-writing phases of NTSB investigations; however, they are invited to submit their proposed findings of probable cause and proposed safety recommendations directly to the Board. These submissions are made part of the public docket. The Board deliberates over reports during public "Sunshine Act" Board meetings in Washington, D.C. Non-Safety Board personnel, including parties and family members, may observe the proceedings, but they do not participate in these meetings.

## THE PRESIDENT'S MANAGEMENT AGENDA

The President's Management Agenda (PMA) was launched as a strategy for improving the management and performance of the Federal Government. The PMA seeks a Government that is citizen-centered, not bureaucracy-centered; results-oriented; and market based, actively promoting competition as a means to reaching the most effective delivery of services at the lowest cost to the taxpayer. The PMA includes five Government-wide initiatives. The National Transportation Safety Board has made the following progress in meeting requirements of these initiatives.

### *Strategic Management of Human Capital*

This initiative links human capital strategies to organizational mission, vision core values, goals, and objectives. Efforts will center on ensuring that the right person is in the right job, at the right time and is performing well. Agencies are expected to use strategic workforce planning and flexible tools to recruit, retrain, and reward employees and develop a high-performing workforce.

During fiscal year 2004, the Board implemented *SafetyJobs*, a *QuickHire* based automated system for processing applications for NTSB vacancies. It greatly enhances the Federal hiring process by using the power of the Internet to build and post vacancies to the Agency's web sites. It also benefits the public such that interested applicants are able to review vacancy announcements and answer position-specific questions through the Internet. The system also allows applicants to create, edit, and archive their résumé electronically. After the vacancy announcement closes, the Human Resources Division uses the system to automatically rate and rank candidates according to pre-established criteria. The best-qualified candidates are quickly identified and forwarded to selecting officials. In addition to the applicant review and assessment capability, this system also can respond automatically to candidates, track their progress through the hiring process, and archive all records for future use. In addition to implementing *SafetyJobs*, during the past year, the Board also revised its Senior Executive Service Performance Management System performance elements and standards to include measures of success in meeting agency goals.

In order to achieve the most efficient and effective use of training resources available for investment in human capital, the Board has instituted a more structured approach to acquiring training for internal staff. Individual training plans are used



to support approximately 40 hours of training per employee.

### *Competitive Sourcing*

This initiative directs agencies to regularly examine commercial activities performed by the government to determine if it is more efficient to obtain such services from Federal employees or from sources in the private sector.

In accordance with the Federal Activities Inventory Reform Act of 1998 (P. L. 105~ 270), NTSB has submitted a detailed Federal Activities Inventory of all activities performed by in-house employees as part of an effort to determine whether recurring commercial activities should be operated under contract with commercial sources, in-house using Safety Board facilities and personnel, or through inter-service support agreements (ISSAs) with other Federal agencies.

The NTSB continues to compete certain testing and technical evaluations services when necessary to complete the fact-finding phase of our accident investigations. We also contract out laborer services and maintain an ISSA with the Department of Interior's National Business Center for administrative systems such as travel, transactional processing, and personnel/payroll.

The Safety Board traditionally has leveraged its small technical and investigative staff by its use of the "party system". For a typical major accident, NTSB investigation teams may consist of experts in as many as 14 different specialties. Each Safety Board expert manages a group of specialists from industry and from other government agencies in collecting the facts and determining the conditions and circumstances surrounding the accident. Without the infusion of additional NTSB monies, the parties multiply by a factor of 10 or more the investigative and

technical resources devoted to determining the probable cause(s) of a transportation accident. The specific investigative groups vary, depending on the nature of the accident, but could include areas such as structures, systems, power plants, human performance, fire and explosion, meteorology, radar data, event recorders, maintenance records, and witness statements, among others. While the NTSB investigators consider the information, analyses and opinions of other government and industry specialists, their conclusions must be completely independent of any interests that might be represented by the industry or other government agency specialists.

In addition to the party system employed during accident investigations, the NTSB is engaging in collaborative technical associations with academic, corporate, and government organization. The increasingly complex technologies employed by today's transportation systems often require specialized and advanced expert analysis and understanding of complex and interrelated physical phenomena. Addressing these needs requires an increasing amount of auxiliary research, testing, and analysis to be conducted to support investigations and studies. These collaborative technical associations were identified in the Rand study as effective means for leveraging our resources to maintain a high technical standard in the face of increasing technical challenges.

During the past year, the Board has contracted with an independent consultant to review administrative management practices to determine more efficient and effective methods of providing internal support services.

### ***IMPROVED FINANCIAL PERFORMANCE***

This initiative calls for agencies to accurately account for the taxpayers' money. This requires systems that continually produce timely, useful and reliable financial information and improved accountability to the American people through audited financial reports.

In recent years, the Safety Board has made steady improvements in its financial performance. In 2002, NTSB implemented a new core accounting system, the Federal Financial System (FFS), contracted from the Department of Interior's National Business Center, a major provider of Federal accounting services. The FFS meets all federal accounting system requirements and standards, and is fully compliant with requirements for accuracy and timeliness. The FFS was designed expressly for government accounting, integrated budget execution, and reporting. Systems for payroll and personnel, travel, and procurement electronically interface data to this system. This automates the data at the source and eliminates the risk and cost of re-entering the data. Key management data is accessible on a real time basis through on-line views, standard reports, download capabilities and ad hoc query tools. The FFS data warehouse provides reporting from summary to detail level.

The Board received an unqualified opinion ("Clean Audit") for the audit of the fiscal year 2003 financial statements and fiscal year 2004 financial statements.

### ***EXPANDED ELECTRONIC GOVERNMENT***

The expected results of this initiative are to use information technology and the Internet to improve public access to government services and data and increase worker productivity, while

improving cyber security. This will be done by advancing projects offering performance gains across agency boundaries, such as eProcurement and eTravel.

The Board's Internet website provides citizens with online research tools, including access to our publications and the aviation accident database. The Board has implemented improvements to the site search engine to produce more relevant results. The Board has developed the capability to allow pilots to file accident reports online (ePOINT1) and to provide access to safety recommendations and surface transportation databases. Since March 2003, the Board's web site has had over 6 million visits. During the first 10 months of fiscal year 2004, the NTSB website averaged almost 12,000 visits per day and provided an average of more than 31,500 downloaded copies of its publications each month.

We continue to make progress towards implementing the online version of the Board's public docket system; work is underway to finalize the hardware and software installations needed to ensure accessibility and integrity of investigative records. Currently, the docket system is used on the Board's intranet; nearly 48,000 searchable documents have been added to this system since it went into production March 18, 2002.

The Board began using government wide eProcurement tool, <<http://www.FedBizOpps.gov>>, to expand vendor access to the agency's solicitations and is developing implementation plans for using one of the eTravel solutions recently awarded by General Services Administration. NTSB events, such as board meetings, public hearings, and forums are viewable via live webcast. Instructions on how to access the Board's webcasts are published on the Board's website, <<http://www.nts.gov>>. Webcast archives are generally available online

for three months following the event. For more critical events, satellite distribution provides the opportunity for webcasts to be available for redistribution through media outlets in order to expand access to the public.

The NTSB Academy offers descriptions of course offerings online. Rentals for the Board's Conference Center may be arranged through the NTSB's website. Additionally, the Board uses web-based access and electronic data transfer for other administrative and mission functions, including timekeeping and personnel systems, publishing, and file-sharing with parties to investigations.

In the area of employee training, the NTSB established a relationship with the Gov Online Learning Center to support the development of our workforce with one-stop access to high quality e-Training products and services.

### ***BUDGET AND PERFORMANCE INTEGRATION***

The objective of this initiative is to ensure that performance is routinely considered in funding and management decisions, and that programs achieve expected results and work toward continual improvement.

Transportation safety is the primary goal of the Board. The Board accomplishes this goal through the investigation of transportation accidents, and the issuance of safety studies and recommendations, and by advocating for the implementation of these recommendations with industry and at all levels of government.

Over the past year and a half, the Board has been involved in 2,600 accident investigations, with 449 launches. The Board has published 20 accident reports and released 3,058 accident briefs. Public dockets have been opened on 3,081

reports. Adopting a Safety With A Team (SWAT) approach, the number of open recommendations has been reduced to 830 from 1,041 open recommendations in all modes, marking the first time since 1975 that open safety recommendations on NTSB's books have numbered less than 900. Within the last year, 177 new recommendations were issued in all modes. This SWAT approach includes frequent meetings with U.S. Department of Transportation, State and local governments, and industry leaders to address open NTSB recommendations. Closing the safety recommendations closes the safety loop and defines the Board's accomplishments produced by the cycle that begins with the investigation and ends with the adopted recommendation.

The Board also supports one goal: ensuring that survivors and families of victims of transportation disasters receive timely, effective, complete and compassionate, understanding, and assistance for those affected by transportation tragedies.

## **PERFORMANCE GOALS**

### ***PRIMARY MISSION ACTIVITY ACCOMPLISHMENTS***

The NTSB's mission does not lend itself to traditional performance goals, outputs, and outcomes. However, the results of its efforts include the independent investigation of thousands of accidents in all modes of transportation and in the transportation of hazardous materials. Safety improvement recommendations emanating from these investigations ultimately produce the desired outcome for the Board's mission activities: safer transportation for our citizens.

As mentioned previously, many safety features currently incorporated into airplanes, automobiles, trains, pipelines and marine vessels had their

genesis in NTSB recommendations. During fiscal year 2004, the Safety Board has closed 220 safety recommendations following acceptable action that had been taken by recommendation recipients in response to the Board's prompting.

The current number of open safety recommendations is 830; with 334 relating to aviation, 257 to highway, 79 to marine, 107 to rail, 30 to pipeline, and 23 intermodal.

The closed acceptable recommendations during this period represent a wide range of ongoing safety improvements in the transportation modes and issue areas listed below. However, there are additional recommendations in these issue areas that remain open, and the Safety Board continues to work with recipients to get them implemented.

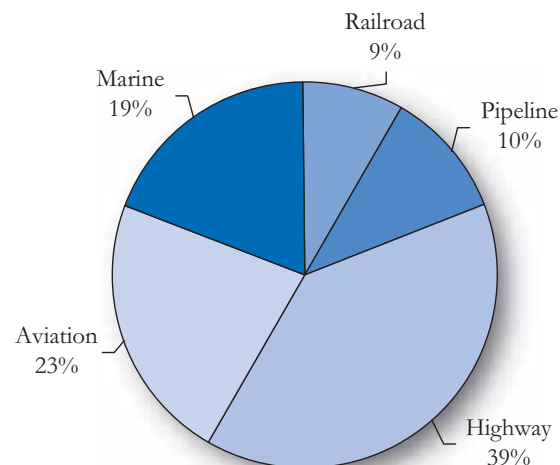
NTSB issues safety recommendations as a result of the investigation of transportation accidents and incidents. In a recent six-month period, the Safety Board closed 167 recommendations because they had been successfully implemented. They include:

- Continued emphasis on the need for constant angle paths on non-precision approaches.
- Publication of descent angles on Part 139 airports' non-precision approaches.
- Improved guidance to flight crews regarding decisions to initiate or consider an evacuation.
- Improved training and manual changes on ground spoiler knockdown procedure and its effects on landing characteristics and performance.
- Emphasis on a thorough pre-flight check of aircraft oxygen systems.
- Replacement of hinge assemblies on escape slide compartments for B 737~300 thru 600 series airplanes.
- Annual meetings between tower facility managers and aircraft rescue and firefighting personnel.

- Calibrating and maintaining fuel quantity indicating systems on helicopters operating under Part 133.
- Hazardous materials incident planning for Part 139-certificated airport emergency plans.
- Inspection of automatic slack adjusters on highway motor carriers.
- Installation of speakers away from the bus driver's head.
- Improved training and efficiency checks of transit operators.
- Improved data collection through cooperation with the Common Ground Alliance and implementation of pipeline damage prevention best practices.
- Implementation of integrity management programs for natural gas transmission and hazardous liquid pipeline operators.
- Improved voyage planning for towing vessels.
- Off-throttle steering capability for personal watercraft.

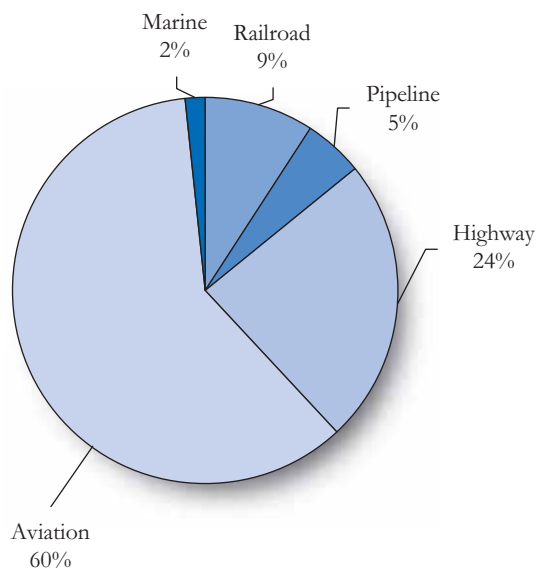
The following chart depicts the transportation modes affected by these safety improvements.

Safety Recommendations Closed with Acceptable Action in FY2004 through August 18, 2004 (Total 220)



The following chart shows the breakdown by transportation mode of the 121 new recommendations that were issued so far during FY 2004.

Safety Recommendations Issued in FY2004  
through August 18, 2004 - Total 121



In addition to its specific safety accomplishments and new recommendations of the past fiscal year, the Safety Board achieved significant positive results in other areas as well, including:

- The Office of General Counsel serves as legal advisor to the Board which reviews denials by the Administrator of the Federal Aviation Administration of applicants for airman certificates and orders of the Administrator modifying, amending, suspending, or revoking certificates or imposing certain civil penalties, and appeals from the decisions of the Commandment, U.S. Coast Guard, suspending, revoking, or denying seamen licenses, certificates, or documents.
- During FY 2004, the Office of Safety Recommendations and Accomplishments testified 30 times in 15 states on legislation to promote Safety Board recommendations. In addition, the Board has issued 121 safety recommendations and closed 338 recommendations during FY 2004 (through August 18, 2004).
- The Office of Research and Engineering completed 141 cases in the materials lab; performed readouts on 54 cockpit voice recorders, 42 flight data recorders, and 24 rail recorders; processed about 2,900 requests for public records and approximately 530 FOIA requests.
- The Office of Highway Safety initiated 48 accidents investigations.
- During FY 2004, the Office of Marine Safety launched on four major marine accidents.
- The Office of Railroad, Pipeline, and Hazardous Materials Investigations completed launched investigations to 15 accident sites during FY 2004.
- The Office of Aviation Safety investigated or caused to be investigated nearly 2,100 accidents and incidents in FY 2004.

### ***Other Mission and Support Activity Accomplishments***

Although the NTSB's primary mission activities do not lend themselves to traditional performance goals, outputs, and outcomes, the following specific goals and accomplishments are provided for other areas:

#### **Chief Financial Officer**

*Goal: Achieve 98 percent compliance with the Prompt Payment Act for the timely payment of vendors.*

The Board achieved compliance rate of 98 percent with the Prompt Payment Act.



*Goal: Ensure that all reports to Treasury are submitted within the established timeframes.*

The Board submitted its Federal Agencies' Centralized Trial-Balance System (FACTS) reports to Treasury within the specified timeframes. In order to meet the timeframes, The Board put into place a monthly closing of the books process that included timely reconciliation of the fund balance with Treasury.

In addition to meeting its goals for fiscal year 2004, the Office of the Chief Financial Officer achieved an unqualified (clean) opinion on our audited Consolidated Financial Statements. A credible Federal Managers' Financial Integrity Act review was completed for the year.

### **Administrative Law Judges**

*Goal: Provide the notice of hearing to appellant at least 30 days prior to the hearing.*

The Office of Administrative Law Judges met its goal to provide the notice of hearing at least 30 days prior to hearing. In FY 2004, the Office of Administrative Law Judges provided 199 notices to appellants within 30 days.

*Goal: Reach a decision at the ALJ level on emergency cases within 30 days of the filing of an appeal in order to facilitate a final decision by the Board within the 60-day statutory timeframe.*

The Office of Administrative Law Judges met its goal of conducting hearings and rendering decisions in emergency cases within 30 days of the filing of an appeal. During FY 2004, the office rendered decisions on 94 emergency appeals and held 22 emergency hearings.

*Goal: Make rulings on petitions for review of the Administrator's determination that an emergency exists in air safety within the 5-day statutory timeframe.*

The Office of Administrative Law Judges made rulings on 30 petitions challenging the Administrator's determination that an emergency exists in air safety within the statutory timeframe.

### **NTSB Academy**

*Goal: Provide 15 courses to NTSB and non-NTSB transportation professionals.*

During the first three quarters of FY 2004, the Academy delivered 19 courses attended by nearly 900 people, representing a 40 percent increase over 2003. One hundred twenty of the students were NTSB staff, a 70 percent increase over the number of NTSB staff taught in 2003. Academy students come from accident investigation agencies around the world; past as well as potential future parties to Safety Board investigations, such as equipment manufacturers and unions; disaster relief agencies, including the American Red Cross; and representatives from local, state and federal law enforcement agencies and the military. A total of 30 foreign countries were represented at Academy courses in 2004, including Brazil, Canada, Chile, France, Germany, Belgium, Bolivia the Bahamas, Columbia, El Salvador, Finland, Greece, Korea, Lebanon, Mexico, Monaco, the Netherlands, New Zealand, Peru, Slovenia, Switzerland, Spain, Sweden, The Netherlands, and the United Kingdom. This was double the number of foreign countries hosted in 2003.

The NTSB also hosted two public forums at the Academy in 2004—one on Air Cargo Safety and one on Personal Floatation Devices in Recreational Boating. Each forum was widely attended by members of the respective transportation communities.

Seven additional new courses in aviation, highway, marine, railroad, and family assistance are currently scheduled for delivery in 2005 with many more in development.

**FUTURE PERFORMANCE CHALLENGES**

Like most Federal agencies, the Safety Board faces many challenges in its efforts to perform its mission well so that desired results are achieved consistently. For the NTSB, these challenges include being able to respond to an ever-increasing number of accidents that are likely to occur simply because of the increase in exposure to accidents that is a byproduct of the growth in the transportation industry (past, present, and future), and being able to respond to these accidents with the technical competence necessary to determine the probable cause(s) of accidents and to formulate valuable safety recommendations.

**Transportation Industry Growth**

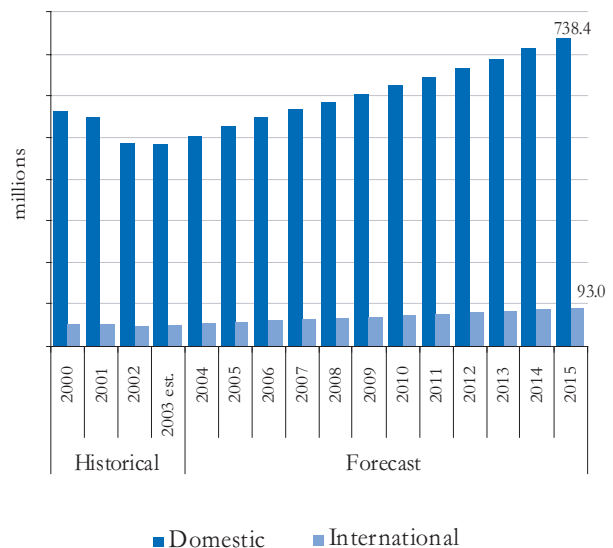
**Aviation**

Although slow to recover from a marked decrease in major air carrier traffic following September 11, 2001, activity is forecast to meet or exceed pre-2001 levels by 2005. Growth in air carrier traffic is expected to continue a growth trend through 2014. U.S. air carrier enplanements are forecast to increase 4.2 percent between 2004 and 2005, and increase at an average 3.4 percent annually after that to a total of 738.4 million enplanements in 2015. Similarly, the FAA forecasts large air carrier flight hours to increase by an average 3.5 percent annually to 19 million hours in 2015.

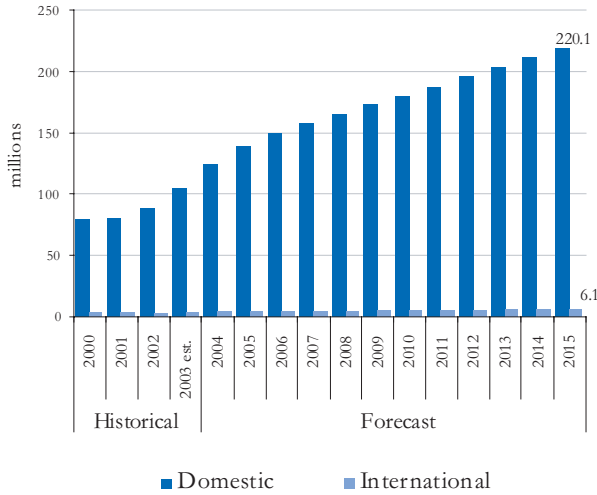
One effect of the economic restructuring of the aviation industry post-September 11th has been a shift toward regional/commuter aircraft. The FAA forecasts this trend will continue, with the

number of 50-, 70-, and 90-seat aircraft planned to nearly double from 2002 to 2006. Regional air carrier activity dropped only slightly during 2001, and has shown continued growth since. Regional air carrier enplanements are forecast to increase 18.9 percent between 2002 and 2003, and accounted for 18 percent of all domestic passenger enplanements during 2003. Regional/commuter enplanements are forecast to increase 18.4 percent from 2004 to 2005, and continue to increase at an average 6.3 percent through 2015. Block hours for these operators are forecast to increase more than 8 percent during 2004 and again during 2005. Regional/commuter hours are forecast to increase by an average 4.7 percent annually through 2015 to a total 10.2 million hours.

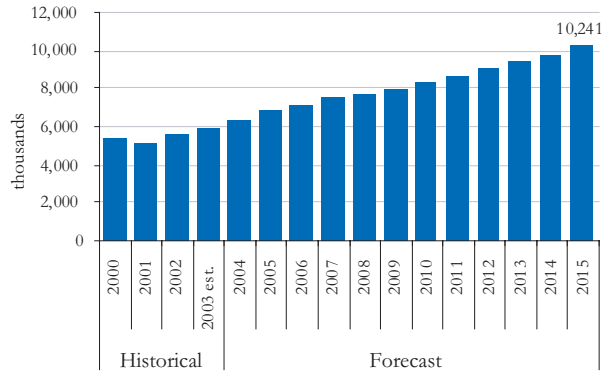
U.S. Major Air Carrier Enplanements



U.S. Regional/Commuter Air Carrier Enplanements



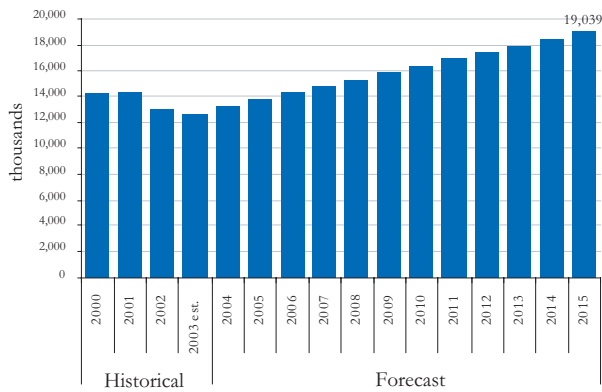
U.S. Regional/Commuter Air Carrier Flight Hours



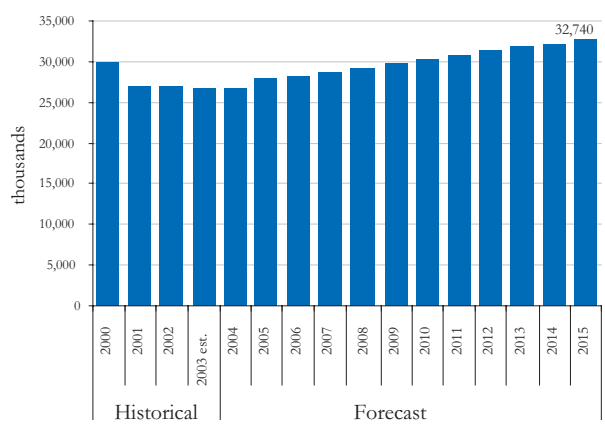
The increase in flight hours for regional air carrier activity is of interest to the NTSB because accident rates for smaller aircraft in commercial operations, as typified by both scheduled and non-scheduled Part 135 flight operations, are substantially higher (more than 10 times higher) than for larger jets operating in Part 121 operations.

The number of pilots, and registered aircraft active in general aviation also decreased during 2001 and 2002. However, the number of student pilots increased in 2003 for the first time since 1999. The addition of the new aircraft category – light sport aircraft – is forecast to contribute to a 1.2 percent increase in active aircraft, a 1.6 percent increase in active pilots, and a 1.5 percent increase in general aviation flight hours through 2015.

U.S. Large Passenger and Cargo Air Carrier Flight Hours



U.S. General Aviation Total Hours

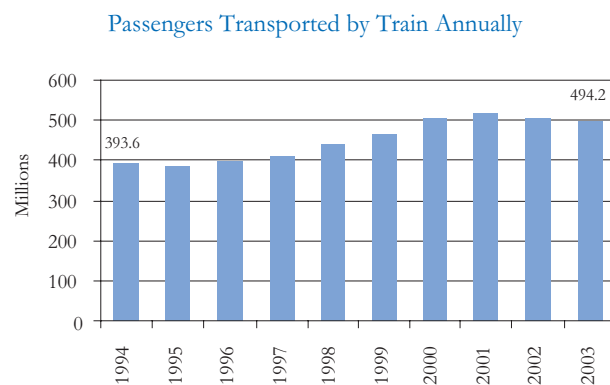




## Railroad

According to data from the Federal Railroad Administration (FRA), after nearly a decade of increases, train ridership dropped in both 2002 and 2003. The number of passengers transported by train in 2003 (494.2 million) represents a dip of about 1.9 percent from 2002. Similarly, according to the American Public Transit Association, estimated transit ridership, including heavy rail, light rail, commuter rail, trolleys and busses, dropped approximately 2 percent from 9.6 billion miles in 2002 to 9.4 billion miles in 2003. However, much of this drop may be attributed to two labor strikes that happened during 2003.

While passenger train ridership has declined somewhat, the number of total annual train miles has increased fairly steadily over the past decade. In 2003, total train miles traveled was 744.3 million miles, an increase of 13.6 percent from 1994. It is likely that this trend is due to increases in freight train usage. According to the Railway Supply Institute, freight car orders and deliveries both surged between 2002 and 2003. Orders increased 66.0 percent from 28,457 in 2002 to 47,249 in 2003, and deliveries rose 81.4 percent from 17,736 in 2002 to 32,183 in 2003. Finally, according to the Association of American Railroads, between 2002 and 2003 Class 1 American freight railroads saw increases in ton-miles traveled, the number of locomotives, and the number of freight cars in service.



Total Annual Train Miles



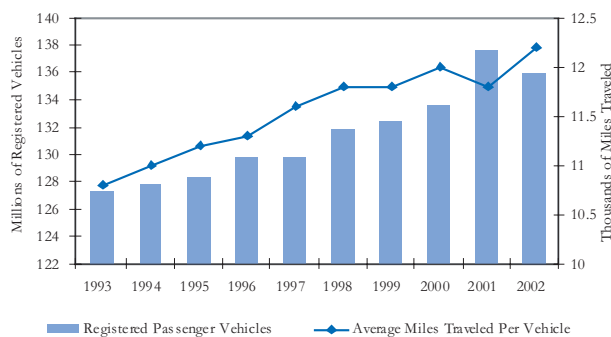
## Highway

The Federal Highway Administration (FHWA) reported that vehicle miles traveled increased in 2003 to 2.88 trillion, up from 2.86 trillion in 2002. According to the National Highway Traffic Safety Administration (NHTSA), a total of 42,643 people died in highway crashes in 2003, a less than one percent reduction from the 2002 total of 43,005 fatalities. Due to the relative stability of the number of fatalities and the increase in miles traveled, the fatality rate per 100 million vehicle miles traveled dropped to 1.48 in 2003, from 1.51 in 2002. NHTSA estimates the economic cost of an average roadway fatality at \$977,000 and the cost associated with a critically injured crash survivor at \$1.1 million. This equates to an economic impact of motor vehicle crashes on America's roadways of \$230.6 billion a year, or an average of \$820 for every person living in the United States.

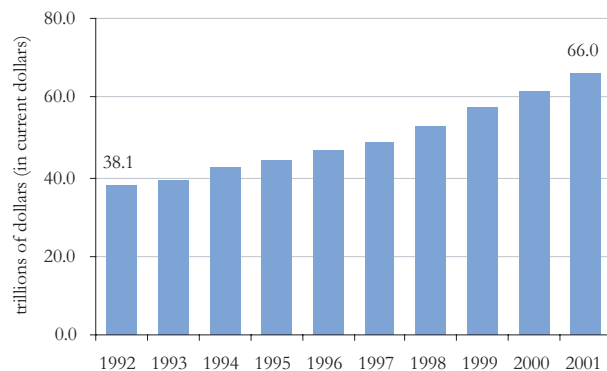
The number of registered passenger cars dropped slightly in 2002 to 135.9 million after a decade of continuous growth. At the same time, the average number of passenger vehicle miles driven per year increased 3.4 percent to 12.2 thousands of miles per year per vehicle.

Finally, the FHWA reports that highway expenditures by all units of government increased 73.3 percent from 38.1 trillion in 1992 to 66.0 trillion in 2001.

Registered Passenger Vehicles and Average Miles Traveled per Vehicle



Highway Expenditures by All Units of Government



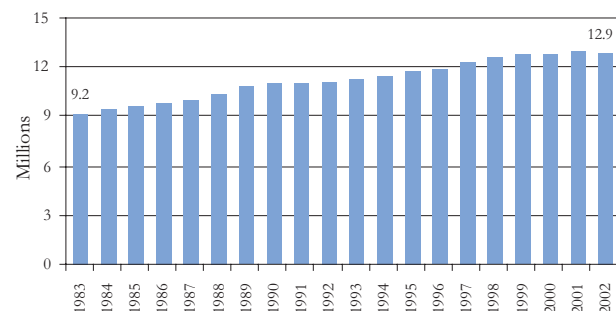
## Marine

Over the past decade the marine industry has grown substantially and has become vastly more complex. Cruise lines carried 2.3 million passengers on North American cruises in the first quarter of 2004, according to the Maritime Administration (MARAD). The figures reflect a 13.6 percent increase compared to the same

period in 2003. Overall, passenger cruise travel is anticipated to grow 7.5 percent annually over the next 4 years. Annually, Americans take an estimated 134 million ferry trips per year. United States Coast Guard data indicate more than a 16 percent increase in numbered boats between 1992 and 2001. And MARAD estimates the increase is the number of recreational boats to run approximately 1.2 percent per year. While more than 70 million Americans enjoy boating, 65 percent of all recreational boat operators have not taken a boating safety course.

Total inland waterway transport of material and goods is also growing: MARAD forecasts an increase of 1.3 percent per year, to more than 836 million tons by 2020. There are more than 6,200 tugboats and towboats and more than 32,000 barges that transport 800 million tons of goods and services in the U.S. each year. Inland barges in particular are being added to the fleet in significant numbers. Since 1999, 5,093 new dry cargo barges and 339 new tank barges have been added. In addition, sea trade, Mississippi tank barge traffic, container ship tonnage, oil imports to the U.S., U.S. dry bulk exports, off shore oil production, cruise ship capacity and domestic passenger service are all expected to experience growth.

Number of U.S. Numbered Boats



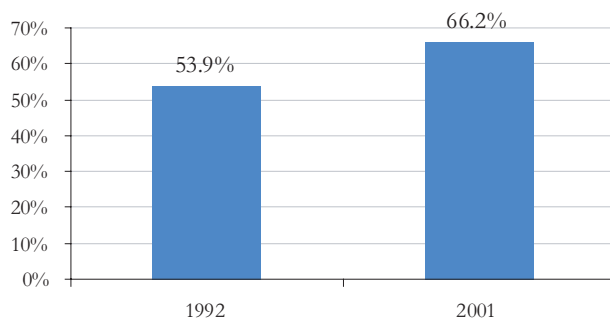
### Pipeline/Hazardous Materials

Pipelines provide a vital transportation service by transporting flammable, explosive, or toxic products, but can pose a danger to people, property, or the environment if they fail. Construction at residences, work places, and shopping areas near once-isolated, high pressure gas transmission and hazardous liquid pipelines increases the threat of pipeline failure caused by excavation damage. Historically, excavation damage has been the number one cause of pipeline accidents. Accidents in the future could also be more severe because new development means more people and property would be exposed in the event of a failure. A majority of the nation's supplies of crude oil and petroleum products, and virtually all of its natural gas supplies, are transported through a network of about 2 million miles of pipelines.

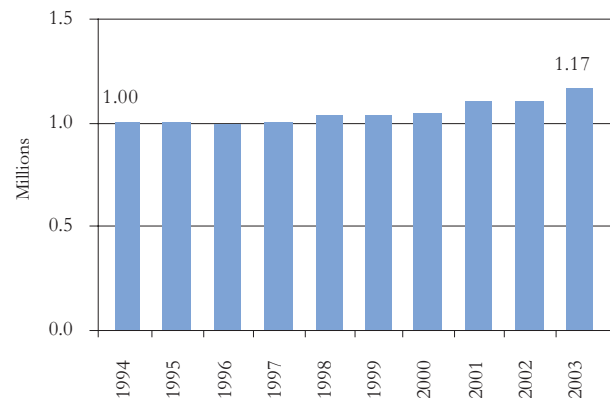
According to the Association of Oil Pipelines, 97 percent of transportation energy is supplied by petroleum, and two-thirds of the ton-miles of oil are transported by pipeline. During the 10 years between 1992 and 2001, that value increased from 54 to 66 percent. The total amount of crude oil and petroleum products transported by pipeline in the U.S. was 576 billion ton miles in 2001.

According to the Department of Transportation, Office of Pipeline Safety, the total miles of natural gas transmission and main pipelines in the U.S. grew from just over one million miles in 1994 to 1,167,100 miles in 2002 — an increase of 16.4 percent. After steadily increasing since 1995, the number of natural gas distribution services decreased 4.0 percent in 2003 to 57.25 million.

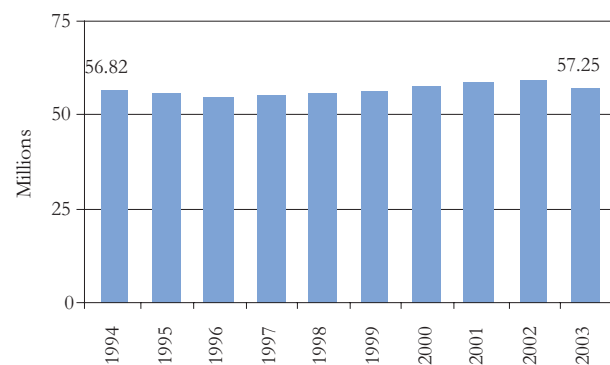
Percentage of Domestic Crude Oil and Petroleum Transported by Pipeline



Total Miles Natural Gas Transmission and Distribution Pipeline



Natural Gas Distribution Services



## Technological Advances in the Transportation Industry

Notwithstanding the growth in every mode of transportation, technological advances are also impacting the transportation industry and presenting new challenges for the Safety Board, further taxing our already limited resources. To continue to protect the traveling public, the Safety Board must keep pace with these advances and related challenges. Some of these include:

### Aviation

- Advanced avionics (“glass cockpit”) Code-sharing/open-sky agreements
- Composite materials
- Aircraft systems modeling
- New investigative techniques
- Runway Incursion Avoidance Systems
- Satellite navigation
- Pilot training (e.g., recovery from in-flight upsets)

### Railroad

- Digital video cameras
- Recording devices for tracks, signals, etc.
- Inspection tools (e.g., gage restraint measuring systems)
- Rail sensors
- Electronic control of brake valves
- Automatic application of brakes via two-way end-of-train devices
- Positive Train Control
- Advanced signal systems
- Remote control operation of locomotives

## Highway

### *Heavy Commercial Vehicles:*

- Fatigue detection devices and monitoring techniques
- Vehicle dynamics and stability control systems
- Rollover warning systems
- Vehicle diagnostics/prognostics systems
- Electronically controlled braking
- Brake out-of-adjustment alert
- Rear-end collision warning systems
- Lane change/merge collision warning systems
- Lane departure warning systems
- Commercial Vehicle Information Systems Network
- Roving Inspection Van
- Roadside inspection technologies
- Brake inspection technologies
- Vehicle event data recorders
- Accident reconstruction data recorders
- European tachographs
- Real-time data recording and reporting

### *Light-duty Passenger Cars, Pickups, and Vans*

- Adaptive cruise control and collision warning
- Night vision enhancement
- Heads up displays on instrument panel;
- Electronically controlled vehicle stability and rollover protection systems
- Advanced air bag technology for both frontal and side air bags
- Electronic on-board vehicle event data recorders and crash recorders
- Lighting technological advances
- Youthful driver monitoring devices
- Advanced belt restraint and integrated seating systems

## Marine

- Global Positioning System advanced electronic navigation systems
- Advanced communications systems
- Integrated bridge systems
- Electronic charting
- Electronic propulsion system controls
- Electronic fire protection systems
- Electronic cargo monitoring systems
- Voyage Data Recorders
- Automatic Identification Systems

## Pipeline

- Advanced corrosion control techniques
- Automated pipeline control systems
- Integrity Management Programs for hazardous liquid pipeline and natural gas transmission and distribution systems
- Automated compressor stations, liquefied natural gas facilities, and underground storage facilities
- Compressed natural gas vehicles and refueling stations
- Offshore hazardous liquid pipeline systems
- Advanced in-line inspection tools/ technologies
- Risk management techniques

## Hazardous Materials

- Advances in the design and construction of hazardous materials containers and packaging (e.g. nonmetallic materials, and stronger and improved steels)
- Advances in information technology also will affect tracking of hazardous materials shipments through the transportation system
- Enhanced technical resources available to emergency responders
- Advances in pollution response and containment technology
- Security of hazardous materials shipments



**U.S. Department of  
Transportation**  
Office of the Secretary  
of Transportation

Inspector General

Office of Inspector General  
Washington, DC 20590

November 10, 2004

The Honorable Ellen Engleman Conners  
Chairman  
National Transportation Safety Board  
490 L'Enfant Plaza, East  
Washington, DC 20594-2000

Dear Chairman Engleman Conners:

The audit of the National Transportation Safety Board's (NTSB) Financial Statements, as of and for the year ended September 30, 2004, was completed by Leon Snead & Company, P.C., (Snead and Company) of Rockville, Maryland (see Enclosure). We performed a quality control review of the audit work to ensure that it complied with applicable standards. These standards include the Accountability of Tax Dollars Act of 2002; Government Auditing Standards; and Office of Management and Budget Bulletin 01-02, "Audit Requirements for Federal Financial Statements." The audit of the National Transportation Safety Board Financial Statements as of and for the year ended September 30, 2003, was conducted by another auditor who issued a report dated January 12, 2004.

The Snead & Company audit report concluded that the financial statements presented fairly, in all material respects, the financial position, net cost, changes in net position, budgetary resources, and financing of the NTSB as of and for the year ended September 30, 2004, in conformity with accounting principles generally accepted in the United States. We concur with this unqualified or "clean" opinion. The report presented two material internal control weaknesses related to employee timekeeping and implementation of an information security program. More specifically, (1) NTSB had not yet taken important preparatory steps needed to successfully implement and deploy the QuickTime time and attendance system before the fourth quarter FY 2004 deadline, and (2) NTSB had not fully implemented an agencywide information system security program to ensure its management information systems were adequately protected against unauthorized use. NTSB had already reported both weaknesses to the President in its October 2004 Federal Managers' Financial Integrity Act report. The Snead

& Company report included one instance of noncompliance with the Anti-Deficiency Act, which was also previously reported to the President.

Snead and Company made two additional recommendations regarding the information security program weakness consistent with recommendations made in a recent Office of Inspector General report (OIG report FI-2004-097, "Information Security Program," September 28, 2004). We agree with Snead and Company's recommendations and will follow up on their implementation.

In our opinion, the audit work performed by Snead and Company complied with applicable standards.

We appreciate the cooperation and assistance of NTSB and Snead and Company representatives. If we can answer questions or be of any further assistance, please call me at (202) 366-1959 or Ted Alves, the Assistant Inspector General for Financial and Information Technology Audits, at (202) 366-1496.

Sincerely,



Kenneth M. Mead  
Inspector General

Enclosure



**LEON SNEAD  
& COMPANY, P.C.***Certified Public Accountants  
& Management Consultants*

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Rockville, Maryland 20850  
301-738-8190  
fax: 301-738-8210  
leonsnead.companypc@erols.com

Inspector General, Department of Transportation  
Chairman, National Transportation Safety Board

**Independent Auditor's Report**

We have audited the balance sheet of the National Transportation Safety Board (NTSB) as of September 30, 2004, and the related statements of net cost, changes in net position, budgetary resources, and financing (the financial statements) for the year then ended. The objective of our audit was to express an opinion on the fair presentation of those financial statements. In connection with our audit, we also considered the NTSB's internal control over financial reporting and tested the NTSB's compliance with certain provisions of applicable laws and regulations that could have a direct and material effect on its financial statements.

**SUMMARY**

As stated in our opinion on the financial statements, we found that the NTSB's financial statements as of and for the year ended September 30, 2004, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

Our consideration of internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses under standards issued by the American Institute of Certified Public Accountants. However, our testing of internal control, including NTSB management's reports filed pursuant to the Federal Manager's Financial Integrity Act (FMFIA) and our follow-up on prior audits, identified material weaknesses in financial reporting related to NTSB's timekeeping processes and systems security in its NTSB's non-financial systems.

The results of our tests of compliance with certain provisions of laws and regulations disclosed one instance of noncompliance that is required to be reported herein under *Government Auditing Standards*, issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.



The following sections discuss our opinion on the NTSB's financial statements, our consideration of the NTSB's internal control over financial reporting, our tests of the NTSB's compliance with certain provisions of applicable laws and regulations, and management's and our responsibilities.

#### **OPINION ON THE FINANCIAL STATEMENTS**

We have audited the accompanying balance sheet of the NTSB as of September 30, 2004, and the related statements of net cost, changes in net position, budgetary resources, and financing for the year then ended. The financial statements of NTSB as of September 30, 2003, were audited by other auditors whose report dated January 12, 2004, expressed an unqualified opinion on those statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position, net cost, changes in net position, budgetary resources, and financing of the NTSB as of and for the year ended September 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

The information in the Management's Discussion and Analysis section is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America or OMB Bulletin No. 01-09, *Form and Content of Agency Financial Statements*. We have applied certain limited procedures, which consisted principally of inquiries of NTSB management regarding the methods of measurement and presentation of the supplementary information and analysis of the information for consistency with the financial statements. However, we did not audit the information and express no opinion on it.

#### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the agency's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in internal controls, misstatements, losses, or noncompliance may nevertheless occur and not be detected. However, we noted certain matters, discussed in the following paragraphs, involving internal control and its operation that we consider to be material weaknesses.

In following up on prior audits, we noted that NTSB has been reporting a material weakness since fiscal year 2001 related to the time and attendance verification and validation in its reports filed pursuant to FMFIA. NTSB has not had a standard agency-wide process to document and report time, such as overtime and leave. NTSB planned to implement a new timekeeping system, QuickTime, but had not yet completed the corrective action as of September 30, 2004. In their report dated September 27, 2004, *Implementation of QuickTime Time & Attendance System Audit Report on NTSB*, the Department of Transportation (DOT) Office of Inspector General (OIG) noted that NTSB had not taken the preparatory steps necessary to successfully implement QuickTime. The OIG report recommended that NTSB take the steps set forth below. NTSB concurred with the OIG recommendations.

- Clearly assign roles and responsibilities for implementing QuickTime;
- Allocate funds and dedicate staff specifically to implement QuickTime;
- Develop a formal plan with milestones;
- Establish an interagency agreement with DOI for systems implementation;
- Determine how QuickTime needs to be adapted to meet NTSB's unique needs;
- Determine the organizational and procedural changes needed to implement QuickTime;
- Establish a process to identify and implement necessary internal controls and related policies and procedures as part of implementing QuickTime.

We also noted that NTSB had not fully implemented an agency-wide information security program to ensure its management information systems were adequately protected against unauthorized use. The weakness was limited to the systems resident within NTSB and did not affect the agency's core financial management systems, which are located at the service provider. The NTSB's resident systems generally support the agency's mission and thus provide support for performance analysis and reporting. We recommended that NTSB develop and implement a system security plan, to include systems certification and training, and establish a complete inventory of the agency's systems and applications. These issues were also noted in the DOT OIG report dated September 28, 2004, *Information Security Program, National Transportation Safety Board*.

Management of NTSB responded that they have completed a preliminary systems inventory and have begun the development of a formal information security program. The agency also disclosed the aforementioned material weaknesses in its report prepared pursuant to FMFIA for fiscal year 2004.

We noted two other matters involving internal control that we have reported to the management of the NTSB in a separate letter dated October 15, 2004. NTSB management completed corrective action on those matters during the course of the audit.



## COMPLIANCE WITH LAWS AND REGULATIONS

The results of our tests of compliance with certain provisions of laws and regulations, as described in the Responsibilities section of this report, disclosed one instance of noncompliance with laws and regulations, discussed in the following paragraph, that is required to be reported under *Government Auditing Standards* and OMB Bulletin No. 01-02. This issue was also described in prior years' audit reports.

In 2001, the NTSB entered into a 20-year lease to house the NTSB Academy, which NTSB recorded as an operating lease. In 2003, the agency determined that the lease should have been recorded as a capital lease. Capitalizing the full net present value of the lease created a deficiency in fiscal year 2001 funds, and the agency disclosed the resultant noncompliance with the Anti-Deficiency Act during fiscal year 2004. Over time, the amount of the deficiency decreases as current funds are used to make rent payments. As of September 30, 2004, the deficiency in 2001 funds amounted to approximately \$21.7 million.

## RESPONSIBILITIES

### Management Responsibilities

Management of the NTSB is responsible for: (1) preparing the financial statements in conformity with generally accepted accounting principles; (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the FMFIA are met; and (3) complying with applicable laws and regulations. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies.

### Auditor Responsibilities

Our responsibility is to express an opinion on the fiscal year 2004 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin No. 01-02. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes (1) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; (2) assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of NTSB as of September 30, 2003, were audited by other auditors whose report dated January 12, 2004, expressed an unqualified opinion on those statements.

In planning and performing our audit, we considered the NTSB's internal control over financial reporting by obtaining an understanding of the agency's internal control, determining whether internal controls had been placed in operation, assessing control risk, and performing tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements.

We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02 and *Government Auditing Standards*. We did not test all internal controls relevant to operating objectives as broadly defined by FMFIA. Our procedures were not designed to provide assurance on internal control over financial reporting. Consequently, we do not express an opinion thereon.

As required by OMB Bulletin No. 01-02, with respect to internal control related to performance measures determined to be key and reported in Management's Discussion and Analysis, we obtained an understanding of the design of significant internal controls relating to the existence and completeness assertions. Our procedures were not designed to provide assurance on internal control over reported performance measures, and, accordingly, we do not provide an opinion thereon.

As part of obtaining reasonable assurance about whether NTSB's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and significant provisions of contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin No. 01-02. We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to the NTSB. Providing an opinion on compliance with certain provisions of laws, regulations, and significant contract provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Under OMB Bulletin No. 01-02, auditors are generally required to report whether the agency's financial management systems substantially comply with the Federal financial management systems requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level specified in the Federal Financial Management Improvement Act (FFMIA) of 1996. The Accountability of Tax Dollars Act, which requires the NTSB to prepare and submit audited financial statements to Congress and the Director of OMB, did not extend to NTSB the requirement to comply with FFMIA. However, the DOT OIG requested that we assess and report material weaknesses and reportable conditions regarding NTSB's financial management systems. In addition, the DOT OIG also requested that we report on NTSB's compliance with the U.S. Standard General Ledger at the transaction level and applicable accounting principles. All material weaknesses that we identified are

reported under the Internal Control Over Financial Reporting section above. We noted no instances of noncompliance with the U.S. Standard General Ledger at the transaction level or applicable accounting principles.

#### AGENCY COMMENTS AND AUDITOR EVALUATION

In commenting on the draft of this report, the management of NTSB concurred with the facts and conclusions in our report. A copy of management's response, which includes discussion of actions planned or taken to correct the reported deficiencies, accompanies this report.

#### DISTRIBUTION

This report is intended solely for the information and use of the management of NTSB, the Office of Inspector General of the Department of Transportation, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

*Leon Snead & Company, P.C.*  
Leon Snead & Company, P.C.  
October 15, 2004





**NTSB**  
National Transportation Safety Board  
490 L'Enfant Plaza, SW  
Washington, DC 20594-0001  
www.nts.gov

Office of the Chief Financial Officer

November 1, 2004

**MEMORANDUM**

TO: Leon Sncad  
Partner

FROM: Steven E. Goldberg   
Chief Financial Officer

SUBJECT: DRAFT AUDIT REPORT: Fiscal Year 2004 Financial Statement Audit Report

The National Transportation Safety Board has reviewed the draft fiscal year 2004 Financial Statement Audit Report and we concur with the facts and conclusions in the report.

We will share the final audit report with senior officials, other interested program managers and staff. We will also monitor the two corrective action plans that were established to ensure correction of the reported deficiencies noted in our Fiscal Year 2004 Federal Manager's Financial Integrity Act and in the Fiscal Year 2004 Financial Statement Audit Report.

In response to issues raised in the Federal Information Security Management Act (FISMA) review, the Board appointed a Chief Information Officer with responsibility and authority to develop and manage the Board's information security programs. The broad outlines of the agency security plan, including a schedule for system security certification reviews in accordance with NIST guidelines, the development of security guidelines for NTSB system owners, and the formulation of a plan to monitor and document security weaknesses, will be completed by the end of calendar year 2004.

On August 24, 2004, as part of its effort to resolve the NTSB's reported material weakness related to time and attendance verification and validation, the Safety Board assigned a project team to plan and implement the QuickTime time and attendance system. Led by the Assistant Managing Director, the team is comprised of the Chief of Human Resources, The Chief Information Officer, and the Chief Financial Officer. A detailed implementation plan including milestones and the tasks required to implement QuickTime will be developed by December 31, 2004. Sufficient FY 2005 funds will be allocated, once funds are appropriated. The Safety Board has successfully handled critical, agency wide conversion projects such as migrating to new payroll and financial systems. These projects were successfully implemented using the approach being used for QuickTime. During the preparation of the detailed implementation plan, the Project Team will review the QuickTime software and, if necessary, adjust Safety Board business processes or adapt the software to meet the needs not addressed by the baseline system.

Please convey my appreciation to everyone on your staff who worked diligently on our financial statement audit. If you have any questions or comments, please call me at or Edward Benthall at (202) 314-6210.

cc: Earl Hedges, Program Director,  
Financial Audits, DOT OIG

## Limitations Of The Financial Statements

Responsibility for the integrity and objectivity of the financial information presented in the financial statements lies with NTSB management. The accompanying financial statements are prepared to report the financial policies and results of the operations of NTSB, pursuant to the requirements of Chapter 31, of the United States Code section 3515(b). While these statements have been prepared from the books and records of NTSB in accordance with formats prescribed in Office of Management and Budget guidance on *Form and Content of Agency Financial Statements*, these financial statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records. The financial statements should be read with the realization that NTSB is an agency of the Executive Branch of the United States Government, a sovereign entity. Accordingly, unfunded liabilities reported in the statements cannot be liquidated without the enactment of an appropriation, and ongoing operations are subjected to enactment of appropriations.

## Management Integrity: Controls, Compliance and Challenges

NTSB conducts an annual review of the adequacy of the Board's management accountability and controls program in accordance with Federal Managers' Financial Integrity Act of 1982. The results of this review are included in the Chairman's Statement of Assurance sent to the President on October 4, 2004. The Chairman's assurance is based on NTSB responses to the General Accounting Office Internal Control and Evaluation Tool (GAO-01-1008G) and on the NTSB Risk Assessment for An Accountability

Unit conducted in accordance with Office of Management and Budget's guidance and Circular A-123, Management Accountability and Control.

For the Board, there was one new material weakness, which was reported by the DOT-IG: No Formal Agency-wide Information Security Program Established – Based on the DOT-IG Federal Information Security Management Act (FISMA) review, NTSB did not fully comply with the FISMA requirements. As a result, NTSB appointed a Chief Information Officer (CIO) to strengthen the information security management practices at NTSB. The CIO will be responsible for implementing a NTSB agency-wide information security program to protect the information and information systems that support the operations and assets of NTSB.

In addition, there is one prior year material weakness, which has not yet been corrected. Employee Timekeeping Verification and Validation – Improved management controls are needed to ensure proper recording of time. The Board is making progress in addressing this weakness and has selected an automated time and attendance system that will be implemented in 2005. The system is Joint Financial Management Improvement Program (JFMIP) compliant and will meet NTSB requirements to address the Employee Timekeeping Verification and Validation material weakness reported in prior years.

## Discussion and Analysis of Financial Statements

NTSB's FY 2004 financial statements report the Agency's financial position and results of operations on an accrual basis. These annual financial statements are comprised of a Balance Sheet, Statement of Net Costs, Statement of

Changes in Net Position, Statement of Budgetary Resources, Statement of Financing, and related notes that provide a clear description of the Agency and its mission as well as the significant accounting policies used to develop the statements.

### **Consolidated Balance Sheet**

The major components of the Consolidated Balance Sheet are assets, liabilities, and net position.

**Assets.** Assets represent Agency resources that have future economic benefits.

NTSB's assets totaled \$56.7 million in FY 2004. Fund balances with Treasury—mostly undisbursed cash balances from appropriated funds—comprised over 57 percent of the total assets.

NTSB does not maintain any cash balances outside of the U.S. Treasury and does not have any revolving or trust funds. About 2 percent of NTSB's assets were comprised of accounts receivable, which reflects funds owed to NTSB by other Federal agencies and the public, and the value of equipment less accumulated depreciation.

**Liabilities.** Liabilities are recognized when they are incurred regardless of whether or not they are carried by budgetary resources. In FY 2004, NTSB had total liabilities of \$38.6 million. The largest components of NTSB's liabilities were a capital lease liability at \$22.9 million, an actuarial FECA liability at \$6.4 million, and accrued leave \$3.9 million. Accounts payable reflect funds owed primarily for contracts and other services. Accrued leave and payroll/benefit liabilities are the estimated charges for salary and unfunded annual and sick leave that has been earned but not paid.

**Net Position.** NTSB's net position, which reflects the difference between assets and liabilities and represents the Agency's financial condition, totals \$18 million. This amount is broken into two categories: unexpended appropriations (amounts related to undelivered orders and unobligated balances) at \$26.2 million and cumulative results of operations (net results of operations since inception plus the cumulative amount of prior period adjustments) at \$-8.1 million.

The downward amount in net position was primarily the result of the liabilities not covered by budgetary resources such as FECA and annual leave.

### **Consolidated Statement of Net Cost**

The Consolidated Statement of Net Cost represents the net cost to operate the Agency. Net costs are comprised of gross costs less earned revenues, and are reported by the NTSB's major programs. NTSB's FY 2004 net cost of operations was \$75.4 million: \$75.8 million in gross costs less \$4 million in earned revenues.

### **Consolidated Statement of Changes in Net Position**

The Consolidated Statement of Changes in Net Position reports the changes in net position during the reporting period. NTSB ended FY 2004 with a net position total of \$18 million. The negative change in net position was primarily the result of the liabilities not covered by budgetary resources, accrued FECA, and annual leave.

### **Combined Statement of Budgetary Resources**

The Combined Statement of Budgetary Resources focuses on how budgetary resources



(appropriations and reimbursables) were made available, the status of those resources (obligated or unobligated) at the end of the reporting period, and the relationship between the budgetary resources and outlays (collections and disbursements). NTSB's FY 2004 budgetary resources totaled \$91.6 million and were primarily made up of budget authority funds (\$73.9 million) and unobligated balance (\$17.1 million).

### **Consolidated Statement of Financing**

The Combined Consolidated Statement of Financing links proprietary and budgetary accounting information, and reconciles obligations incurred with the net cost of operations. While the budgetary accounting system tracks resources and the status of those resources on a cash basis, the financial accounting system facilitates the translation of the use of budgetary resources into financial statements on an accrual basis. Resources

that do not fund operations include changes in undelivered orders and assets purchased during the period, while costs that do not require resources include depreciation.

For FY 2004, the resources used to finance NTSB activities totaled \$98.4 million, which was comprised chiefly of budgetary resources (obligations incurred less offsetting collections) as well as non-budgetary resources (costs incurred by others for NTSB without reimbursement). The resources used to finance the net cost of operations totaled \$73.1 million, while the net cost of operations totaled \$75.4 million, which agrees with the amount displayed on the Consolidated Statement of Net Cost.

#### **Accrual Basis of Accounting**

Method of accounting that recognizes revenue when earned rather than when collected, and recognizes expenses when incurred rather than when paid.

**When:** The order is placed.

**Then:** The obligation is recorded as an undelivered order.

**When:** The materials are received and accepted.

**Then:** The obligational authority is expended and an accounts payable is recorded.

**When:** The payment is made.

**Then:** An outlay occurs and the account payable is cleared.

# NATIONAL TRANSPORTATION SAFETY BOARD

## Balance Sheet

As of September 30, 2004 and 2003

<b>Assets</b>	<u>2004</u>	<u>2003</u>
Intragovernmental:		
Fund balance with Treasury (Note 2)	\$ 32,478,311	\$ 32,781,283
Accounts receivable (Note 3)	886	
Advances to Others (Note 4)	250,000	
Total Intragovernmental Assets	<u>\$ 32,729,197</u>	<u>32,781,283</u>
Accounts receivable	\$ 94,691	\$ 110,217
Property and equipment, net (Note 5)	23,879,167	24,301,429
	<u>\$ 23,973,858</u>	<u>\$ 24,411,646</u>
<b>Total Assets</b>	<b><u>\$ 56,703,055</u></b>	<b><u>\$ 57,192,929</u></b>
<b>Liabilities</b>		
Intragovernmental:		
Accounts payable	\$ 4,749	\$ 851,326
Employer contribution and payroll taxes payable	308,006	224,535
Accrued FECA liability (Note 6 and Note 8)	1,180,349	1,179,824
Accrued Interest Payable	-	105,805
Other liabilities	24,054	58,347
Total Intragovernmental	<u>\$ 1,517,158</u>	<u>\$ 2,419,837</u>
Accounts payable	\$ 1,483,957	\$ 2,158,208
Accrued payroll and benefits	2,373,549	1,913,177
Actuarial FECA liability	6,356,198	6,000,368
Unearned revenue	89,335	-
Capital lease liability (Note 9)	22,932,881	23,731,941
Accrued leave (Note 7)	3,889,622	3,580,301
	<u>\$ 37,125,542</u>	<u>\$ 37,383,995</u>
<b>Total Liabilities</b>	<b><u>\$ 38,642,700</u></b>	<b><u>\$ 39,803,832</u></b>
Contingencies (Note 1)		
Net Position		
Unexpended appropriations	\$ 26,189,199	\$ 24,877,751
Cumulative results of operations	(8,128,844)	(7,488,654)
<b>Total Net Position</b>	<b><u>\$ 18,060,355</u></b>	<b><u>\$ 17,389,097</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 56,703,055</u></b>	<b><u>\$ 57,192,929</u></b>

*The accompanying notes are an integral part of these statements.*

# NATIONAL TRANSPORTATION SAFETY BOARD

## Statement of Net Cost For the Period Ending September 30, 2004 and 2003

	2004	2003
	<b>Aviation Safety</b>	<b>Aviation Safety</b>
Intragovernmental gross costs	\$ 6,300,058	\$ 5,318,362
Less: Intragovernmental earned revenue	(46,352)	(224,134)
Intragovernmental net costs	\$ 6,253,706	\$ 5,094,228
Gross costs with the public	\$ 27,752,379	\$ 30,216,482
Less: earned revenues from the public	(165,275)	(3,973,819)
Net costs with the public	\$ 27,587,104	\$ 26,242,663
Total Net Cost	\$ 33,840,810	\$ 31,336,891
	<b>Surface Transportation Safety</b>	<b>Surface Transportation Safety</b>
Intragovernmental gross costs	\$ 3,861,222	\$ 2,183,824
Less: Intragovernmental earned revenue	(25,209)	(96,057)
Intragovernmental net costs	\$ 3,836,013	\$ 2,087,767
Gross costs with the public	\$ 16,264,873	\$ 10,664,244
Less: earned revenues from the public	(95,492)	(30,175)
Net costs with the public	\$ 16,169,381	\$ 10,634,069
Total Net Cost	\$ 20,005,394	\$ 12,721,836
	<b>Research &amp; Engineering</b>	<b>Research &amp; Engineering</b>
Intragovernmental gross costs	\$ 4,139,843	\$ 7,437,060
Less: Intragovernmental earned revenue	(9,758)	(320,192)
Intragovernmental net costs	\$ 4,130,085	\$ 7,116,868
Gross costs with the public	\$ 17,562,325	\$ 19,359,418
Less: earned revenues from the public	(106,510)	(53,644)
Net costs with the public	\$ 17,455,815	\$ 19,305,774
Total Net Cost	\$ 21,585,900	\$ 26,422,642
<b>Net Cost of Operations</b>	<b>\$ 75,432,104</b>	<b>\$ 70,481,369</b>

*The accompanying notes are an integral part of these statements.*

# NATIONAL TRANSPORTATION SAFETY BOARD

## Statement of Changes in Net Position For the Period Ending September 30, 2004 and 2003

	Cumulative Results of Operations 2004	Unexpended Appropriations 2004	Cumulative Results of Operations 2003	Unexpended Appropriations 2003
<b>Beginning Balances</b>	\$ (7,488,654)	\$ 24,877,751	\$ (3,390,123)	\$ 33,196,758
Prior period adjustments			(6,093,513)	
<b>Beginning balances, as adjusted</b>	<u>\$ (7,488,654)</u>	<u>\$ 24,877,751</u>	<u>\$ (9,483,636)</u>	<u>\$ 33,196,758</u>
<b>Budgetary Financing Sources:</b>				
Appropriations received		\$ 73,857,601		\$ 72,450,000
Other adjustments (rescissions, etc)		(528,846)		(10,674,690)
Appropriations used	\$ 72,017,307	(72,017,307)	70,094,317	(70,094,317)
Nonexchange revenue				
<b>Other Financing Sources:</b>				
Other Revenue				
Imputed financing from costs absorbed by others	2,774,607		2,382,034	
<b>Total Financing Sources</b>	<u>\$ 74,791,914</u>	<u>\$ 1,311,448</u>	<u>\$ 72,476,351</u>	<u>\$ (8,319,007)</u>
<b>Net Cost of Operations, per accompanying statement</b>	<u>\$ (75,432,104)</u>		<u>\$ (70,481,369)</u>	
<b>Ending Balances</b>	<u>\$ (8,128,844)</u>	<u>\$ 26,189,199</u>	<u>\$ (7,488,654)</u>	<u>\$ 24,877,751</u>

*The accompanying notes are an integral part of these statements.*

# NATIONAL TRANSPORTATION SAFETY BOARD

## Statement of Budgetary Resources For the Period Ending September 30, 2004 and 2003

<u>Budgetary Resources:</u>	<u>2004</u>	<u>2003</u>
Budget authority:		
Appropriations Received	\$ 73,857,601	\$ 72,450,000
Unobligated balance:		
Unobligated Balance, Brought Forward, October 1	17,078,574	21,010,041
Spending from Offsetting Collections		
Collected	603,322	4,698,021
Recoveries of prior year obligations, actual	1,017,158	2,611,470
Enacted rescissions	(435,760)	(470,925)
Cancellation of expired appropriation	(474,999)	(1,496,394)
Authority Unavailable Pursuant to Public Law		(3,890,000)
<b>Total Budgetary Resources</b>	<b>\$ 91,645,896</b>	<b>\$ 94,912,213</b>
<u>Status of Budgetary Resources:</u>		
Obligations Incurred:		
Direct		
Category A	\$ 97,129,354	\$ 71,674,406
Category B	96,429	382,556
Reimbursable: Category B		801,870
	<u>\$ 97,225,783</u>	<u>\$ 72,858,832</u>
Unobligated Balance		
Balance currently available	\$ 13,304,663	\$ 13,310,871
Balance not available	(18,884,550)	8,742,510
Total Unobligated Balances	<u>\$ (5,579,887)</u>	<u>\$ 22,053,381</u>
<b>Status of Budgetary Resources</b>	<b>\$ 91,645,896</b>	<b>\$ 94,912,213</b>
<u>Relationship of Obligations to Outlays:</u>		
Obligated Balance, net, beginning of period	<u>\$ 15,644,362</u>	<u>\$ 16,538,631</u>
Obligated Balance, End of Period:		
Undelivered Orders	\$ 10,456,002	\$ (13,340,630)
Accounts Payable	27,127,196	28,984,992
	<u>\$ 37,583,198</u>	<u>\$ 15,644,362</u>
<u>Outlays</u>		
Disbursements	\$ 74,269,788	\$ 71,141,556
Collections	(603,322)	(4,698,021)
<b>Net Outlays</b>	<b>\$ 73,666,466</b>	<b>\$ 66,443,535</b>

*The accompanying notes are an integral part of these statements.*

# NATIONAL TRANSPORTATION SAFETY BOARD

## Consolidated Statement of Financing For the Period Ending September 30, 2004 and 2003

<i>Resources Used to Finance Activities</i>	<u>2004</u>	<u>2003</u>
Budgetary Resources Obligated		
Obligations Incurred	\$ 97,225,783	\$ 72,858,832
Less: Spending authority from offsetting collections and recoveries	(1,620,480)	(7,309,492)
Obligations net of offsetting collections and recoveries	\$ 95,605,303	\$ 65,549,340
Less: Offsetting receipts	-	-
Net obligations	\$ 95,605,303	\$ 65,549,340
Imputed financing from costs absorbed by others	2,774,607	2,382,035
<i>Total resources used to finance activities</i>	<u>\$ 98,379,910</u>	<u>\$ 67,931,375</u>
 <i>Resources Used to Finance Items not Part of the Net cost of Operations</i>		
Change in budgetary resources obligated for goods, services and benefits ordered but not yet provided	\$ (24,046,632)	\$ 24,732,970
Resources that fund expenses recognized in prior periods	(443,230)	(16,747,083)
Budgetary offsetting collections and receipts that do not affect net cost of operations	(92,693)	(6,093,513)
Resources that finance the acquisition of assets	(695,211)	266,043
Other resources or adjustments to net obligated resources that do not affect net cost of operations	45,553	
<i>Total resources used to finance items not part of the net cost of operations</i>	<u>\$ (25,232,213)</u>	<u>\$ 2,158,417</u>
<i>Total resources used to finance the net cost of operations</i>	<u>\$ 73,147,697</u>	<u>\$ 70,089,792</u>
 <i>Components of the Net Cost of Operations that will not require or Generate Resources in the Current Period</i>		
Components Requiring or Generating Resources in Future Periods:		
Increase in annual leave liability	\$ 309,321	\$ 883,840
Change in accounts receivable balance	78,194	(15,885)
Change in accounts payable	674,251	(256,601)
Change in unfunded FECA liability	(525)	(1,179,824)
Total components of Net Cost of Operations that will require or generate resources in future periods	\$ 1,061,241	\$ (568,470)
Components not Requiring or Generating Resources:		
Depreciation and amortization	\$ 1,117,473	\$ 960,048
Other	105,693	
<i>Total components of net cost of operations that will not require or generate resources in the current periods</i>	<u>\$ 2,284,407</u>	<u>\$ 391,578</u>
 <i>Net Cost of Operations</i>	<u>\$ 75,432,104</u>	<u>\$ 70,481,369</u>

The accompanying notes are an integral part of these statements.

## Note 1

# Summary of Significant Accounting Policies

## Reporting Entity

The accompanying financial statements present the financial position, net cost of operations, changes in net position, budgetary resources, and financing of the National Transportation Safety Board (NTSB). The NTSB is an independent agency charged with determining the probable cause(s) of transportation accidents and promoting transportation safety. The financial activity presented relates primarily to the execution of the NTSB's congressionally approved budget. The NTSB began operations in 1967 and, although independent, it relied on the U.S. Department of Transportation (DOT) for funding and administrative support. In 1975, under the Independent Safety Board Act, all organizational ties to DOT were severed. The NTSB is not part of DOT, or affiliated with any of its modal agencies. The laws specific to the Board are located in Chapter VIII, Title 49 of the Code of Federal Regulations.

## Basis of Accounting and Presentation

These financial statements reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized as incurred, without regard to receipt or payment of cash. Budgetary accounting is designed to recognize the obligation of funds according to legal requirements. Budgetary accounting is essential for compliance with legal constraints and controls over the use of Federal funds.

These financial statements have been prepared from the books and reports of NTSB in accordance with U.S. generally accepted accounting principles (GAAP) for the Federal government, the Office of Management and Budget Bulletin No. 01-09, Form and Content of Agency Financial Statements (OMB Bulletin No. 01-09).

## Assets

Intragovernmental assets are those assets that arise from transactions with other Federal entities. Entity assets are available for use by the entity in its operations while nonentity assets are assets held by the entity but not available for use by the entity in its operations.



## **Fund Balance with U.S. Treasury**

The NTSB does not maintain cash in commercial bank accounts. The U.S. Treasury processes cash receipts and disbursements. Funds with the U.S. Treasury consist of appropriated and deposited funds that are available to pay current liabilities and finance authorized purchase commitments.

## **Accounts Receivable**

NTSB's accounts receivable represent amounts due from overpayments to current and non-current employees and from vendors. NTSB maintains an allowance for doubtful accounts for public receivables based on past collection experience. The allowance for doubtful accounts is reviewed and adjusted quarterly. End of the year analysis of outstanding receivables may result in write off of a receivable although it has not aged over 360 days.

## **Property and Equipment**

### *General Property and Equipment*

The Office of the Chief Financial Officer has established a capitalization policy for general property and equipment (P&E). General P&E is reported at acquisition cost. The capitalization threshold is established at \$25,000. General P&E consists of items that are used by NTSB to support its mission. Depreciation on these assets is calculated using the straight-line method.

The land and buildings in which the NTSB operates are primarily leased from commercial entities. The General Services Administration (GSA) provides some of the facilities occupied by the NTSB. GSA charges the NTSB a Standard Level Users Charge (SLUC) that approximates the commercial rental rates for similar properties.

### *Leasehold Improvements*

The NTSB capitalization policy for leasehold improvements has established a capitalization threshold of \$100,000. A leasehold improvement is an improvement of a leased asset that increases the asset's value. Depreciation on these assets is calculated using the straight-line method with ten years as the estimated useful life of the improvements or the remaining term of the lease, whichever is less.

### *Capital Lease Assets*

Any Lease-to-Ownership Plans (LTOP) leases are classified as capital leases. The NTSB has one capital lease, for space rental on the building that houses the NTSB Training Academy. This is a twenty-year lease. Depreciation on the capital lease is calculated using the straight-line method with twenty years, the term of the lease, as the estimated useful life of the capital lease.

## **Change in Depreciation Policy**

The NTSB converted to a fixed asset subsystem during fiscal year 2004. Prior to conversion, NTSB depreciation policy established a half-year depreciation taken in the year of acquisition. With conversion, depreciation is calculated based on calendar days from the date of acquisition. In accordance with generally accepted accounting principles, this change in accounting estimate is accounted for in the period of change and future periods. The change in estimate is not accounted for by restating amounts reported in financial statements of prior periods or by reporting pro forma amounts for prior periods.

## **Liabilities**

Liabilities represent amounts that are likely to be paid by the NTSB as the result of transactions or events that have already occurred; however, no liabilities are paid by the NTSB without an appropriation. Intragovernmental liabilities arise from transactions with other Federal entities.

### **Accounts payable**

Accounts payable consist of amounts owed for goods, services and other expenses received but not yet paid.

### **Accrued Payroll and Benefits**

Accrued Payroll and Benefits represents salaries, wages and benefits earned by employees, but not disbursed as of September 30, 2004. Accrued payroll and benefits are payable to employees and are therefore not classified as intragovernmental.

### **Annual, Sick, and Other Leave**

Annual leave is recognized as an expense and as a liability as it is earned; the liability is reduced as leave is taken. Each year, the balance in the accrued annual, restored, and compensatory leave account is adjusted to reflect current leave balances and pay rates. Sick leave and other types of non-vested leave are expensed as taken.

## **Employee Retirement Plans**

### ***Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS)***

NTSB employees participate in one of two retirement programs, either the CSRS or the FERS, which became effective on January 1, 1987. Most NTSB employees hired after December 31, 1983, are automatically covered by FERS and Social Security.

For CSRS covered employees, the NTSB withheld 7.0% of gross earnings. The NTSB matches the withholding, and the sum of the withholding and the matching funds is transferred to the Civil Service Retirement System.

For each fiscal year the Office of Personnel Management (OPM) calculates the U.S. Government's service costs for covered employees, which is an estimate of the amount of funds that, if accumulated annually and invested over an employee's career, would be enough to pay that employee's future benefits. Since the U.S. Government's estimated FY 2004 service cost exceeds contributions made by employer agencies and covered employees, this plan is not fully funded by the NTSB and its employees. For FY 2004, NTSB recognized \$2,774,607 as an imputed cost and as an imputed financing source for the difference between the estimated service cost and the contributions made by NTSB and its employees.

FERS contributions made by employer agencies and covered employees exceed the U.S. Government's estimated FY 2004 service cost. For FERS covered employees the NTSB made contributions of 10.7% of basic pay. Employees contributed .80% of gross earnings. Employees participating in FERS are covered under the Federal Insurance Contribution Act (FICA) for which the NTSB contributes a matching amount to the Social Security Administration.

### ***Thrift Savings Plan (TSP)***

Employees covered by CSRS and FERS are eligible to contribute to the U.S. Government's TSP, administered by the Federal Retirement Thrift Investment Board. The NTSB makes a mandatory contribution of 1% of basic pay for FERS-covered employees. FERS employees are eligible to contribute up to 14% of basic pay to their TSP account. In addition, NTSB makes matching contributions, of up to 5% of basic pay, for employees who contribute to the Thrift Savings Plan. Contributions are matched dollar for dollar for the first 3 percent of pay contributed each pay period and 50 cents on the dollar for the next 2 percent of pay. CSRS participants may contribute up to 9% of their gross pay, but there is no governmental matching contribution. The maximum amounts that either FERS or CSRS employees may contribute to the plan in calendar year 2004 is \$13,000.

The NTSB financial statements do not report CSRS or FERS assets, accumulated plan benefits, or unfunded liabilities, if any, which may be applicable to NTSB employees and funded by NTSB. Such reporting is the responsibility of OPM.

## **Contingencies**

A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. A contingent liability is recognized when a past event or exchange transaction has occurred, and a future outflow or other sacrifice of resources is measurable and probable. A contingency is not disclosed in the Notes to the Financial Statements when any of the conditions for liability recognition are met but the chance of the future event or events occurring is remote. A

contingency is disclosed in the Notes to the Financial Statements when any of the conditions for liability recognition are not met and the chance of the future confirming event or events occurring is more than remote but less than probable.

The NTSB is not a party to any legal actions that are likely to result in a material liability. Accordingly, no provision for loss is included in the financial statements.

## Revenues and Other Financing Sources

### *Appropriations*

Most of NTSB's operating funds are provided by congressional appropriations of budget authority. The NTSB receives appropriations on annual, multi-year and no-year bases. NTSB receives financial resources from the following appropriations:

#### *Annual Salaries and Expenses Appropriation*

Annual one-year appropriations are provided by Congress and are available for obligation in the fiscal year for which it was provided to fund the overall operation of the NTSB.

#### *Supplemental Salaries and Expenses Appropriation*

Supplemental appropriations provided by Congress to fund extraordinary investigations, such as those following the TWA Flight 800, Egypt Air Flight 990, and Alaska Airlines Flight 261.

#### *No Year Emergency Fund Appropriation*

A no-year Emergency Fund appropriation was provided by the Congress to fund extraordinary accident investigation costs. Emergency Fund disbursements are made at the discretion of the NTSB, but must be reported to the Congress. A no-year appropriation is available for obligation without fiscal year limitation. The NTSB's Emergency Fund currently is appropriated at \$2,000,000.

### *Imputed Financing Sources*

In accordance with OMB Bulletin No. 01-09, all expenses should be reported by agencies whether or not these expenses would be paid by the agency that incurs the expense. The amounts for certain expenses of the NTSB, which will be paid by other Federal agencies, are recorded in the "Statement of Net Cost." A corresponding amount is recognized in the "Statement of Changes in Net Position" as an "Imputed Financing Source." These imputed financing sources primarily represent unfunded pension costs of NTSB employees.

## Statement of Net Cost

### *Sub-Organization Program Costs*

The NTSB Statement of Net Cost is presented by Responsibility Segment. These Responsibility Segments are based on the NTSB's mission and funding sources. The major programs that comprise the Responsibility Segments are: Aviation Safety, Surface Transportation Safety, and Research and Engineering.

### *Earned Revenue*

Earned revenues collected by NTSB include amounts collected from the public for training academy programs and rental of conference room space.

## Net Position

Net position is the residual difference between assets and liabilities and comprises Unexpended Appropriations and Cumulative Results of Operations.

Unexpended appropriations include appropriations not yet obligated or expended, represented by the unobligated balances and undelivered orders of NTSB's appropriated funds. Multi-year appropriations remain available to NTSB for obligation in future periods. Unobligated balances associated with appropriations that expire at the end of the fiscal year remain available for obligation adjustments, but not for new obligations, until that account is closed, five years after the appropriations expire. Cumulative Results of Operations is the Net Result of NTSB's operations since inception.

## Use of Estimates

The preparation of financial statements in accordance with the accounting principles described above requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying footnotes. Actual results could differ from those estimates.

**Note 2**

**Fund Balances With The U.S. Treasury**

U.S. Treasury processes NTSB cash receipts and disbursements. Non-Federal receipts are deposited in commercial banks, which transfer the receipts to the U.S. Treasury. Funds with the U.S. Treasury represent appropriated funds and funds received in exchange for providing services. These funds are available to finance expenditures.

**Fund Balance With The U.S. Treasury**

Funds	Entity FY 2004	Non-Entity FY 2004	Total FY 2004	Entity FY 2003	Non-Entity FY 2003	Total FY 2003
Intragovernmental: Appropriated Funds	\$32,478,311		\$32,478,311	\$32,722,936		\$32,722,936
Unavailable Receipt					\$58,347	\$58,347
<b>Total</b>	\$32,478,311		\$32,478,311	\$32,722,936	\$58,347	\$32,781,283

Status of Fund Balance with Treasury	FY 2004	FY 2003
Unobligated Balance		
Available	\$13,304,663	\$13,310,871
Unavailable	(18,884,550)	8,742,510
Obligated Balance Not Yet Disbursed	37,583,198	10,669,555
Deposit Funds-Suspense	-	58,347
Cancelled Funds Returned to Treasury in October 2004	475,000	-
<b>Total</b>	\$32,478,311	\$32,781,283

The Fund Balance with Treasury differs from Status of Fund Balance with Treasury due to inclusion of the FY1999 appropriation in Fund Balance with Treasury. The FY1999 appropriation is not included in Obligated Balance Not Yet Disbursed under Status of Fund Balance with Treasury. It is reflected on the Statement of Budgetary Resources as Cancellation of Expired Appropriation.

### Note 3

## Accounts Receivable

NTSB's accounts receivable represent amounts due from overpayments to current and non-current employees and from vendors. Beginning with FY2004, NTSB maintains an allowance for doubtful accounts for public receivables based on past collection experience. NTSB estimates the allowance for doubtful accounts based on the following agency schedule.

Days	Percentage
61-90 Days	0%
91-180 Days	15%
181-360 Days	35%
Over 360 Days	100%

The allowance for doubtful accounts is reviewed and adjusted quarterly. End of the year analysis of outstanding receivables may result in write off of a receivable although it has not aged over 360 days.

No allowance for loss was calculated or recorded in FY2003 or prior years.

	Interagency FY 2004	Public FY 2004	Total FY 2004	Interagency FY 2003	Public FY 2003	Total FY 2003
Gross Receivables	\$886	\$188,412	\$189,298	-	\$110,217	\$110,217
Allowance for Loss	-	93,791	93,791	-	-	-
Net Receivables	\$886	\$94,621	\$95,507	-	\$110,217	\$110,217

Accounts Receivable from the Public at September 30, 2004 included \$79,806 due from the lessor for estimated maintenance costs included in the annual lease payments on the capital lease that are refundable to NTSB.



## Note 4 Advances to Others

When appropriate, NTSB obtains goods and services from other Federal Agencies. Advances to Others represent Interagency agreements where NTSB has agreed, at the request of the providing agency, to pay in advance for goods or services to be provided. No Advances to Others were outstanding at September 30, 2003 but one was outstanding at September 30, 2004.

## Note 5 Property and Equipment, Net

Property and equipment consisted of the following as of September 30, 2004:

### Property and Equipment

Classes of Fixed Assets	Service Life (Years)	Acquisition Value FY 2004	Accumulated Depreciation FY 2004	Net Book Value FY 2004	Acquisition Value FY 2003	Accumulated Depreciation FY 2003	Net Book Value FY 2003
Desktop and laptop computers and peripherals	3	\$862,734	\$650,539	\$212,195	\$582,064	\$485,053	\$97,011
Other ADP and Tele-comm equipment (servers, routers)	5	366,286	167,164	199,122	366,286	79,498	286,788
Furniture	5	731,128	284,382	446,746	383,487	191,744	191,743
Investigative equipment	5	79,717	46,442	33,275	39,500	35,550	3,950
Office Equipment	3	26,683	15,279	11,404	-	-	-
Leasehold Improvements	10	628,163	96,371	531,792	628,163	44,869	583,294
Capital lease	20	23,731,941	1,287,308	22,444,633	23,731,941	593,298	23,138,643
		\$26,426,65					
<b>Totals</b>	<b>2</b>	<b>\$2,547,485</b>	<b>\$23,879,167</b>	<b>\$25,731,441</b>	<b>\$1,430,012</b>	<b>\$24,301,429</b>	

Accumulated Depreciation at September 30, 2004 is substantially higher because FY2003 included only two months depreciation on the capital lease and partial year depreciation on several other assets acquired in FY2003.

### *Note 6*

## **Accrued FECA Liability**

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. Claims incurred for benefits for NTSB employees under FECA are administered by the Department of Labor (DOL) and are ultimately paid by the NTSB.

FECA liability includes two components: (1) the accrued liability which represents money owed for claims paid by the DOL through the current fiscal year, for which billing to and payment by the NTSB will occur in a subsequent fiscal year, and (2) the liability for future costs which represents the expected liability for approved compensation cases beyond the current fiscal year. Estimated future costs have been actuarially determined, and are regarded as a liability to the public because neither the costs nor reimbursement have been recognized by DOL. FECA liability is included in Liabilities Not Covered by Budgetary Resources, as described in Note 8.

The NTSB accrues liabilities based on estimates of funds owed to other Federal government entities for services provided, but not yet billed. The accruals for Workers Compensation and Unemployment Compensation represent the estimated liability for the current fiscal year; for money owed, but not billed; and for claims, which were paid by the Department of Labor, but not yet billed to the NTSB.

### *Note 7*

## **Accrued Annual Leave**

Accrued annual leave consists of employees' unpaid leave balances at September 30, 2004 and reflects wage rates in effect at fiscal year end. Accrued annual leave is included in Liabilities Not Covered by Budgetary Resources, as covered in Note 8.

*Note 8*

## Liabilities Covered and Not Covered by Budgetary Resources

Liabilities Not Covered by Budgetary Resources result from the receipt of goods and services, or the occurrence of events, for which appropriations, revenues, or other financing sources necessary to pay the liabilities have not yet been made available through Congressional appropriation. These include FECA and annual leave liability. Liabilities Covered by Budgetary Resources are those for which budgetary resources are available in the current fiscal year. NTSB's liabilities covered and not covered by budgetary resources are as follows:

### Liabilities Covered and Not Covered by Budgetary Resources

Liabilities Covered by Budgetary Resources	FY 2004	FY 2003
Employer Contribution and Payroll Taxes Payable	\$308,006	\$224,535
Other Liabilities	24,054	58,347
Accounts Payable	1,488,706	3,009,534
Accrued Payroll	2,373,549	1,913,177
	\$4,194,315	\$5,205,593
Liabilities Not Covered by Budgetary Resources		
Capital Lease Liability	\$22,932,881	\$23,731,941
Accrued Unfunded Annual Leave	3,889,622	3,580,301
Accrued Interest Payable	-	105,805
Actuarial FECA Liability	6,356,198	6,000,368
Accrued Unfunded FECA Liability	1,180,349	1,179,824
Unearned Revenue	89,335	
<b>Total Liabilities Covered and Not Covered by Budgetary Resources</b>	<b>\$38,642,700</b>	<b>\$39,803,832</b>

Accounts Payable at September 30, 2003, was significantly higher than at September 30, 2004 because it included \$845,577 payable for Property and Equipment delivered but not yet billed as well as \$420,240 for lease payments due but not yet paid. Unearned revenue represents collections for courses not yet delivered by the Academy and was substantially higher at September 30, 2004 than at September 30, 2003 due to increased course offerings by the Academy and more aggressive pursuit of payment in advance rather than collection at the door on the start of the class. Accrued interest payable existed at the end of fiscal year 2003 and not at the end of fiscal year 2004. This is because NTSB took possession of the NTSB Training Academy space in August of 2003 but the first lease payment was not made until the following October. Accrued interest payable on the balance sheet is the interest portion of the lease payment due at September 30, 2003.

## Note 9 Leases

The NTSB has commitments under cancelable leases for office space. These leases have terms that extend up to 10 years. The majority of buildings in which the NTSB operates are leased from commercial companies. Under their lease agreement with the General Services Administration (GSA), the NTSB is charged rent that is intended to approximate commercial rental rates.

The NTSB has a 20-year capital lease for training academy space. The total future payments disclosed for the academy include estimates for services and utilities.

The NTSB has operating leases for copiers, postage meters and vehicles. Copiers and postage meters are leased on an annual basis. These leases are cancelable or renewable on an annual basis at the option of NTSB. They do not impose binding commitments on NTSB for future rental payments on leases with terms longer than one year. Future operating payments due are as follows:

### Future Operating Lease Payments

Fiscal Year	Space Rental-Headquarters and Regional Offices FY 2004	Copiers FY 2004	Totals FY 2004	Space Rental-Headquarters and Regional Offices FY 2003	Copiers FY 2003	Vehicle FY 2003	Totals FY 2003
2004	-	-	-	\$6,797,082	\$1,014	\$4,000	\$6,802,096
2005	\$6,991,675	\$1,014	\$6,992,689	6,797,082	1,014	4,000	6,802,096
2006	7,174,974	1,014	7,175,988	7,021,689	1,014		7,022,703
2007	7,176,906	1,014	7,177,920	7,021,689	1,014		7,022,703
2008	7,190,346	676	7,191,022	7,021,689	1,014		7,022,703
2009	7,059,254		7,059,254	7,021,689			7,021,689
2010 and beyond	\$6,997,827		\$6,997,827	\$5,366,736			\$5,366,736
<b>Total Future Lease payments</b>	<b>\$42,590,982</b>	<b>\$3,718</b>	<b>\$42,594,700</b>	<b>\$47,047,656</b>	<b>\$5,070</b>	<b>\$8,000</b>	<b>\$47,060,726</b>

In the FY 2003 Financial Statement Footnotes we reported \$4,000 per year for GSA leased vehicles as future operating lease payments. We have subsequently determined that GSA vehicle leases are cancelable at any time without penalty and should not have been included in the Future Operating Lease Payments information.

## Future Capital Lease Payments

Fiscal Year	Space Rental FY 2004	Space Rental FY 2003
2004	-	\$2,580,120
2005	\$2,603,381	2,603,381
2006	2,627,535	2,627,535
2007	2,652,618	2,652,618
2008	2,678,668	2,678,668
2009	2,705,725	2,705,725
2010 and beyond	38,178,957	38,178,957
<b>Total Future Lease Payments</b>	<b>\$51,446,884</b>	<b>\$54,027,004</b>

### *Note 10*

## Statement of Budgetary Resources

The Statement of Budgetary Resources compares budgetary resources with the status of those resources. For September 30, 2004, and September 30, 2003, respectively, budgetary resources were \$ 91.6 million and \$ 94.9 million; outlays for the year were \$ 73.6 million and \$ 66.4 million; direct obligations incurred against amounts apportioned under Category A were \$ 97.2 million and \$ 71.7 million; and the amount of direct obligations incurred against amounts apportioned under Category B were \$ 0.1 million and \$ 0.3 million.

	FY 2004	FY 2003
Budgetary Resources	\$91,645,896	\$94,912,213
Outlays	\$73,666,466	\$66,443,535
Category A Apportionments	\$97,129,354	\$71,674,406
Category B Apportionments	\$96,429	\$382,556
Reimbursable Category B	\$-	\$801,870

Legal arrangements affecting the use of unobligated balances during FY 2004 include restriction on use of certain unobligated balances.

The FY 2003 Statement of Budgetary Resources Unobligated Balance Brought Forward, October 1, and the Balance Not Available include payables and obligations associated with FY 1997 cancelled appropriations. These are not reflected on the FY 2004 statement.



## **WE WELCOME YOUR COMMENTS!**

**T**hank you for your interest in the National Transportation Safety Board's FY 2004 Performance and Accountability Report. We welcome your comments on how we can make this report a more informative document for our readers. We are particularly interested in your comments on the usefulness of this of the information and the manner in which it is presented. Please send your comments to [cfofeedback@ntsb.gov](mailto:cfofeedback@ntsb.gov) or write to:

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