



**U.S. Department
of Transportation**

BUDGET ESTIMATES

FISCAL YEAR 2017

**OFFICE OF
THE SECRETARY
OF TRANSPORTATION**

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

**DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY**

FY 2017 OST CONGRESSIONAL BUDGET JUSTIFICATION

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1: OVERVIEW	
Overview	Overview - 1
Organizational Chart (OST)	Overview - 3
SECTION 2: BUDGET SUMMARY TABLES	
Exhibit II-1 –Comparative Statement of New Budget Authority	Sec. 2 - 1
Exhibit II-2 –Budgetary Resources by Appropriation Account	Sec. 2 - 2
Exhibit II-4 – Budgetary Authority	Sec. 2 - 3
Exhibit II-5 – Outlays	Sec. 2 - 4
Exhibit II-6 – Analysis of Change Tables	Sec. 2 - 5
Exhibit II-7 – Working Capital Fund	Sec. 2 - 21
Exhibit II-8– Personnel Resource Summary – FTEs.....	Sec. 2 - 22
Exhibit II-9 - Personnel Resource Summary – Positions	Sec. 2 – 23
SECTION 3: BUDGET REQUEST BY APPROPRIATION	
Exhibit III-1 - Appropriation Language	Sec. 3 - 1
General Provisions	Sec. 3 - 38
History of Appropriations	Sec. 3 - 47
History of Obligation Limitations.....	Sec. 3 – 48
Salaries & Expenses	
Salaries & Expenses Table of Contents.....	S&E - i
Detailed Justification	S&E - 1
Object Class Detail by Office.....	S&E - 72
Budget Appendix Schedules	S&E - 74
Small Community Air Service Development Program	
Program Funding Summary	SCASDP - 1
Explanation of Funding Changes	SCASDP – 2
Supplemental Discretionary Grants for a National Surface Transportation System	
Budget Appendix Schedules	SDGNSTS - 1
Financial Management Capital	
Detailed Justification	FMC - 1
Explanation of Funding Changes	FMC - 4
Budget Appendix Schedules	FMC - 5
Office of Civil Rights	
Detailed Justification	OCR - 1
Explanation of Funding Changes	OCR - 11
Budget Appendix Schedules	OCR - 12

Small and Disadvantaged Business Utilization and Outreach	
Detailed Justification	SDBUO - 1
Explanation of Funding Changes	SDBUO - 7
Budget Appendix Schedules	SDBUO - 8
National Surface Transportation and Innovative Finance Bureau	
Detailed Justification	NSTIFB - 1
Explanation of Funding Changes	NSTIFB - 3
Budget Appendix Schedules	NSTIFB - 4
DATA ACT Compliance	
Detailed Justification	DATA - 1
Explanation of Funding Changes	DATA - 6
Budget Appendix Schedules	DATA - 7
U.S. Digital Services	
Detailed Justification	DS - 1
Explanation of Funding Changes	DS - 4
Budget Appendix Schedules	DS - 5
Transportation Planning, Research and Development	
Detailed Justification	TPRD - 1
Explanation of Funding Changes	TPRD - 16
Budget Appendix Schedules	TPRD - 18
TIGER Grants Program (National Infrastructure Investments)	
Detailed Justification	TIGER - 1
Explanation of Funding Changes	TIGER - 7
Budget Appendix Schedules	TIGER - 9
New Headquarters Building	
Budget Appendix Schedules	NHB - 1
Minority Business Resource Center Program	
Detailed Justification	MBRC - 1
Explanation of Funding Changes	MBRC - 6
Budget Appendix Schedules	MBRC - 7
Cyber Security Initiatives	
Detailed Justification	CSI - 1
Explanation of Funding Changes	CSI - 8
Budget Appendix Schedules	CSI - 9
Research & Technology	
Research and Technology Detailed Justification.....	R&T - 1
Explanation of Funding Changes	R&T - 9
Budget Appendix Schedules	R&T - 10
Transportation Safety Institute Reimbursable Program	R&T - 15
University Transportation Centers	R&T - 16
Explanation of Funding Changes	R&T - 19
Volpe Center.....	R&T - 20
Explanation of Funding Changes	R&T - 23
Bureau of Transportation Statistics	R&T - 24

Explanation of Funding Changes R&T - 29

Essential Air Service and Rural Improvement Fund/Payments to Air Carriers

Detailed Justification EAS/PAC - 1

Explanation of Funding Changes EAS/PAC - 8

Budget Appendix Schedules EAS/PAC - 10

Working Capital Fund

FY 2017 Estimate WCF - 1

Explanation of Funding Changes WCF - 36

Budget Appendix Schedules WCF - 37

SECTION 4: RESEARCH, DEVELOPMENT AND TECHNOLOGY

Summary (Exhibit V-1) Sec. 4 - 1

Exhibit V-2 Sec. 4 - 22

SECTION 5: ADDITIONAL JUSTIFICATION

Transparency Paper: Total Program Resources for OASA & OCIO Sec. 5 - 1

GENERAL NOTES

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

OFFICE OF THE SECRETARY

OVERVIEW

The Office of the Secretary (OST) requests \$1.7 billion in FY 2017 for the programs and activities of the Office of the Secretary (OST), which is \$760 million above the FY 2016 enacted funding level. This request assumes \$1.35 billion of mandatory funding, including contract authority for the National Infrastructure Investments (TIGER) grant program that previously has been funded with discretionary appropriations. It also requests \$342 million of discretionary funding for OST programs, including funds to: supplement the mandatory funding for the Essential Air Service program; improve cyber security; to strengthen the Department's financial business processes and implement the Federal Award Identification Number (FAIN); and continue focusing on reducing Infrastructure permitting and review timeline as well as establishment of a new Office of Safety Oversight.

The FY 2017 request includes:

- \$114 million for Salaries and Expenses for the Secretarial offices. This is \$5.6 million above the FY 2016 enacted level. Of that amount, \$0.6 million is for 5 FTEs associated with 10 new positions for the Office of the Chief Information Officer to support IT compliance and governance; \$1 million is to establish an Office of Safety Oversight to provide consistency and management of all safety-related activity in the operating administrations; \$3.1 million for Diversity and Inclusion Strategic Plan, performance management reviews, new and expanded sustainability requirement; and changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) annualization of new FY 2016 positions; (3) an estimated 1.6 percent pay raise for 2017; (4) an estimated 1 percent inflation increase; and (5) adjustments to GSA Rent, Working Capital Fund.
- \$4 million for Financial Management Capital, \$1 million below the FY 2016 enacted level, to implement the Federal Award Identification Number (FAIN) and deploy eInvoicing capabilities.
- \$9.7 million for the Departmental Office of Civil Rights (DOCR), \$0.1 million above the FY 2016 enacted level, to continue to support and advance internal and external civil rights initiatives, administer Federal civil rights statutes, and investigate EEO complaints.
- \$4.6 million is requested for the activities of the Small and Disadvantaged Business Utilization and Outreach (formerly Minority Business Outreach). This reflects the merger of \$1.4 million previously included within the Salaries and Expenses appropriation and the \$3.2 million Minority Business Outreach appropriation, both of which are administered by the Office of Small and Disadvantaged Business Utilization (OSDBU).
- \$0.9 million is requested for the Minority Business Resource Center (MBRC) Loan Guarantee Program which is the same as the FY 2016 enacted level. This program is also administered by OSDBU.

- \$17 million for the Department’s Transportation Planning, Research and Development program, \$8.5 million above the FY 2016 enacted level, for activities and studies needed to support the Secretary’s responsibilities in the formulation of national transportation policies which includes \$4 million for the Interagency Infrastructure Permitting Improvement Center (IIPIC) to focus on improving the efficiency of the Federal permitting process for major infrastructure investments and \$5 million for Clean Energy Research to examine and evaluate prospects for emissions reduction activities at major ports across the United States.
- \$1.25 billion of mandatory contract authority for the National Infrastructure Investments (NII), \$750 million above the FY 2016 enacted level, which is included in the 21st Century -Clean Transportation Plan. The program will continue to fund infrastructure projects of national and regional significance, planning grants, and award and oversight expenses. Included in the President’s Budget is a \$1.25 billion obligation limitation on the NII grant program as well as a \$1.25 billion liquidating cash appropriation.
- \$15 million for Cyber Security Initiatives, \$7 million above the FY 2016 enacted level, to continue to improve the compliance of DOT’s cyber security posture, building on and continuing the accomplishments achieved with the FYs 2012, 2013, 2014, 2015 and 2016 appropriations.
- \$18 million for the Research and Technology activities to be administered by the Office of the Assistant Secretary for Research and Technology, \$5 million above the FY 2016 enacted level. A portion of the funding is for salaries and expenses supporting Research and Development activities, with the remainder of the funding for Alternative Fuels Research and Development, Research, Development and Technology Coordination, , and Positioning, Navigation and Timing programs. In addition, the FY 2017 request for the Office of the Assistant Secretary for Research and Technology includes \$29 million for the Bureau of Transportation Statistics (BTS) transferred from the Federal Highway Administration as an allocation from the Federal-Aid Highways account.
- \$4 million for DATA Act Compliance to assist the Department in meeting the requirements of the Digital Accountability and Transparency Act of 2014 (DATA Act), which include establishing and implementing Government-wide data standards for financial data to provide consistent, reliable, and searchable data for easy public consumption.
- A total of \$284 million for the Essential Air Service (EAS) program, including \$103 million of mandatory resources from overflight fees collected by the Federal Aviation Administration and a \$150 million discretionary appropriation.

The FY 2017 request includes the following funding levels to support the Department’s key strategic objectives: Safety, State of Good Repair/Infrastructure, Economic Competitiveness, Quality of Life in Communities, Environmental Sustainability, and Organizational Excellence.

U.S. Department of Transportation

Office of the Secretary – Direct Positions/FTEs

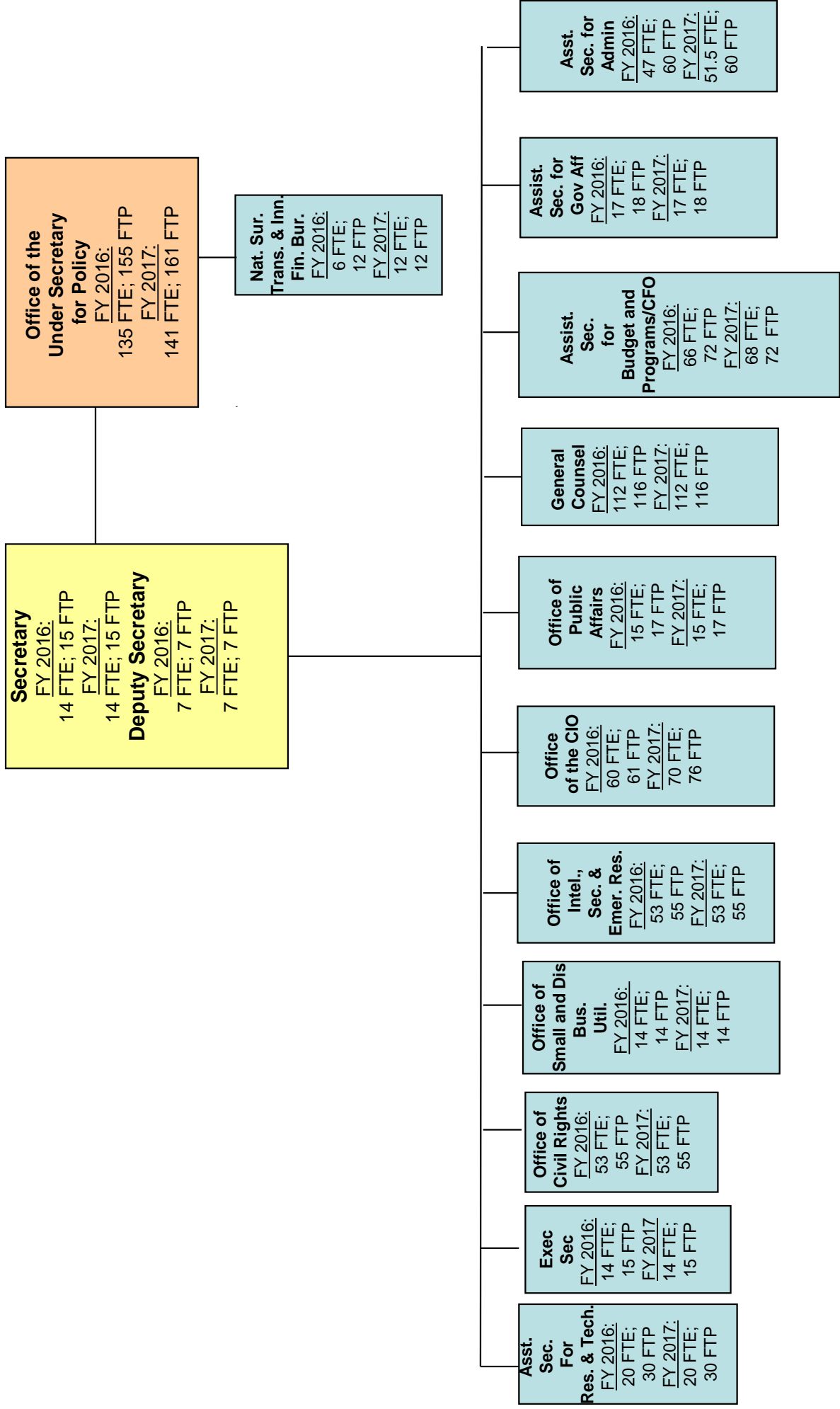


EXHIBIT II - 1
FY 2017 COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY
OFFICE OF THE SECRETARY of TRANSPORTATION

(\$000)

<u>ACCOUNTS</u>	<u>FY 2015 ACTUAL</u>	<u>FY 2016 ENACTED</u>	<u>FY 2017 REQUEST</u>
<u>SALARIES & EXPENSES</u>	105,000	108,750	114,396
Office of the Secretary (S-1)	2,696	2,734	2,758
Office of the Deputy Secretary (S-2)	1,011	1,025	1,040
Office of the Under Secretary for Transportation Policy (S-3)	9,800	9,941	11,108
Office of the Executive Secretariat (S-10)	1,714	1,737	1,760
Office of Small and Disadvantaged Business Utilization (S-40)	1,414	1,434	0 ^{1/}
Office of Intelligence and Security and Emergency Response (S-60)	10,600	10,793	11,089
Office of the Chief Information Officer (S-80)	15,500	16,280	17,084
Office of Public Affairs (A)	2,000	2,029	2,142
Office of the Chief Financial Officer and Assistant Secretary for Budget and Programs (B)	12,500	13,697	14,020
Office of the General Counsel (C)	19,900	20,609	20,772
Office of the Assistant Secretary for Governmental Affairs (I)	2,500	2,546	2,569
Office of the Assistant Secretary for Administration (M)	25,365	25,925	30,054
<u>SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM (SCASDP)</u>	[5,500]	[5,000]	[0]
<u>FINANCIAL MANAGEMENT CAPITAL</u>	5,000	5,000	4,000
<u>OFFICE OF CIVIL RIGHTS</u>	9,600	9,678	9,751
<u>SMALL & DISADVANTAGED BUS. UTIL. & OUTREACH (formally MINORITY BUSINESS OUTREACH)</u>	3,099	3,084	4,646
<u>TRANSPORTATION PLANNING, RESEARCH & DEVELOPMENT</u>	6,000	8,500	17,043
<u>TIGER GRANTS PROGRAM (NII) (Mandatory) [Obligation Limitation]</u>	[500,000]	[500,000]	[1,250,000]
<u>TIGER GRANTS PROGRAM (NII) (Mandatory) [Liquidating Cash]</u>	[500,000]	[500,000]	[1,250,000]
<u>U.S. DIGITAL SERVICES</u>	0	0	1,000
<u>DATA ACT COMPLIANCE</u>	0	0	4,000
<u>NATIONAL SURFACE TRANSPORTATION INNOVATIVE FINANCE BUREAU</u>	0	0	3,000
<u>MINORITY BUSINESS RESOURCE CENTER PROGRAM (MBRC)</u>	1,081	933	941
Minority Business Resource Center Program - Discretionary	925	933	941
Guaranteed Loan Subsidy	333	336	339
Administrative Expenses	592	597	602
(Limitation on guaranteed loans)	[18,367]	[18,367]	[0,000] ^{2/}
<u>CYBER SECURITY INITIATIVES</u>	5,000	8,000	15,000
<u>RESEARCH AND TECHNOLOGY</u>	13,000	13,000	18,007
<u>WORKING CAPITAL FUND (Obligation Limitation)</u>	[181,500]	[190,039]	[0,000] ^{3/}
<u>ESSENTIAL AIR SERVICE PROGRAM:</u>	155,000	175,000	150,000
Payments to Air Carriers (<i>Airport & Airway Trust Fund</i>) - Discretionary	155,000	175,000	150,000
GRAND TOTAL	302,780	331,945	341,785
Appropriations - Budget Authority	302,780	331,945	341,785
Rescissions and Cancellations	0	0	0

^{1/} Merged into the new Small and Disadvantaged Business Utilization & Outreach Account

^{2/} No limitation is proposed. The amount of loans guaranteed will be determined by the amount of subsidy funding enacted.

^{3/} No obligation limitation is proposed.

EXHIBIT II - 2
FY 2017 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
OFFICE OF THE SECRETARY OF TRANSPORTATION
Appropriations, Obligation Limitations, and Exempt Obligations, and Mandatory EAS

(\$000)

<u>ACCOUNTS</u>	<u>FY 2015 ACTUAL</u>	<u>FY 2016 ENACTED</u>	<u>FY 2017 BASELINE ESTIMATE</u>	<u>FY 2017 PROGRAM CHANGES</u>	<u>FY 2017 REQUEST</u>
<u>SALARIES & EXPENSES</u>	105,000	108,750	110,749	3,647	114,396
Office of the Secretary (S-1)	2,696	2,734	2,758	0	2,758
Office of the Deputy Secretary (S-2)	1,011	1,025	1,040	0	1,040
Office of the Under Secretary for Transportation Policy (S-3)	9,800	9,941	10,033	1,075	11,108
Office of the Executive Secretariat (S-10)	1,714	1,737	1,760	0	1,760
Office of Small and Disadvantaged Business Utilization (S-40)	1,414	1,434	1,444	-1,444	0 1/
Office of Intelligence and Security and Emergency Response (S-60)	10,600	10,793	10,889	200	11,089
Office of the Chief Information Officer (S-80)	15,500	16,280	16,484	600	17,084
Office of Public Affairs (A)	2,000	2,029	2,044	98	2,142
Office of the Chief Financial Officer and Assistant Secretary for Budget and Programs (B)	12,500	13,697	14,020	0	14,020
Office of the General Counsel (C)	19,900	20,609	20,772	0	20,772
Office of the Assistant Secretary for Governmental Affairs (I)	2,500	2,546	2,569	0	2,569
Office of the Assistant Secretary for Administration (M)	25,365	25,925	26,936	3,118	30,054
<u>SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM (SCASDP)</u>	[5,500]	[5,000]	[5,013]	[-5,013]	[0]
<u>FINANCIAL MANAGEMENT CAPITAL</u>	5,000	5,000	5,050	-1,050	4,000
<u>OFFICE OF CIVIL RIGHTS</u>	9,600	9,678	9,751	0	9,751
<u>SMALL & DISADVANTAGED BUS. UTIL. & OUTREACH (formally MINORITY BUSINESS OUTREACH)</u>	3,099	3,084	3,224	1,423	4,646
<u>TRANSPORTATION PLANNING, RESEARCH & DEVELOPMENT</u>	6,000	8,500	9,061	7,982	17,043
<u>TIGER GRANTS PROGRAM (NII) (Mandatory) [Obligation Limitation]</u>	[500,000]	[500,000]	[500,179]	[750,000]	[1,250,000]
<u>TIGER GRANTS PROGRAM (NII) (Mandatory) [Liquidating Cash]</u>	[500,000]	[500,000]	[500,179]	[750,000]	[1,250,000]
<u>U.S. DIGITAL SERVICES</u>	0	0	0	1,000	1,000
<u>DATA ACT COMPLIANCE</u>	0	0	0	4,000	4,000
<u>NATIONAL SURFACE TRANSPORTATION INNOVATIVE FINANCE BUREAU</u>	0	0	0	3,000	3,000
<u>MINORITY BUSINESS RESOURCE CENTER PROGRAM (MBRC)</u>	1,081	933	941	0	941
Minority Business Resource Center Program - Discretionary	925	933	941	0	941
Guaranteed Loan Subsidy	333	336	339	0	339
Administrative Expenses	592	597	602	0	602
MBRC Guaranteed Loan Subsidy reestimate- Mandatory (Limitation on guaranteed loans)	156 [18,367]	0 [18,367]	0 [0,000]	0 [0,000]	0 [0,000] 2/
<u>CYBER SECURITY INITIATIVES</u>	5,000	8,000	8,080	6,920	15,000
<u>RESEARCH AND TECHNOLOGY</u>	13,000	13,000	13,044	4,963	18,007
<u>WORKING CAPITAL FUND (Obligation Limitation)</u>	[181,500]	[190,039]	[0,000]	[0,000]	[0,000]
<u>ESSENTIAL AIR SERVICE PROGRAM:</u>	265,164	278,469	278,481	-24,242	254,239
Payments to Air Carriers (<i>Airport & Airway Trust Fund</i>) - Discretionary	155,000	175,000	175,000	-25,000	150,000
Essential Air Service - Mandatory 5/	110,164	103,469	103,481	758	104,239 3/
GRAND TOTAL	412,944	435,414	438,381	7,643	446,024

1/ Merged into the Small and Disadvantaged Business Utilization & Outreach Account

EXHIBIT II - 4
FY 2017 BUDGET AUTHORITY
OFFICE OF THE SECRETARY of TRANSPORTATION

(\$000)

ACCOUNTS	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 BASELINE ESTIMATE	FY 2017 PROGRAM CHANGES	FY 2017 REQUEST
<u>SALARIES & EXPENSES</u>	105,000	108,750	110,749	3,647	114,396
Office of the Secretary (S-1)	2,696	2,734	2,758	0	2,758
Office of the Deputy Secretary (S-2)	1,011	1,025	1,040	0	1,040
Office of the Under Secretary for Transportation Policy (S-3)	9,800	9,941	10,033	1,075	11,108
Office of the Executive Secretariat (S-10)	1,714	1,737	1,760	0	1,760
Office of Small and Disadvantaged Business Utilization (S-40)	1,414	1,434	1,444	-1,444	0 ^{1/}
Office of Intelligence and Security and Emergency Response (S-60)	10,600	10,793	10,889	200	11,089
Office of the Chief Information Officer (S-80)	15,500	16,280	16,484	600	17,084
Office of Public Affairs (A)	2,000	2,029	2,044	98	2,142
Office of the Chief Financial Officer and Assistant Secretary for Budget and Programs (B)	12,500	13,697	14,020	0	14,020
Office of the General Counsel (C)	19,900	20,609	20,772	0	20,772
Office of the Assistant Secretary for Governmental Affairs (I)	2,500	2,546	2,569	0	2,569
Office of the Assistant Secretary for Administration (M)	25,365	25,925	26,936	3,118	30,054
<u>SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM (SCASDP)</u>	[5,500]	[5,000]	[5,013]	[-5,013]	[0]
<u>FINANCIAL MANAGEMENT CAPITAL</u>	5,000	5,000	5,050	-1,050	4,000
<u>OFFICE OF CIVIL RIGHTS</u>	9,600	9,678	9,751	0	9,751
<u>SMALL & DISADVANTAGED BUS. UTIL. & OUTREACH (formally MINORITY BUSINESS OUTREACH)</u>	3,099	3,084	3,224	1,423	4,646
<u>TRANSPORTATION PLANNING, RESEARCH & DEVELOPMENT</u>	6,000	8,500	9,061	7,982	17,043
<u>TIGER GRANTS PROGRAM (NH) (Mandatory)</u>	500,000	500,000	500,179	749,821	1,250,000
<u>U.S. DIGITAL SERVICES</u>	0	0	0	1,000	1,000
<u>DATA ACT COMPLIANCE</u>	0	0	0	4,000	4,000
<u>NATIONAL SURFACE TRANSPORTATION INNOVATIVE FINANCE BUREAU</u>	0	0	0	3,000	3,000
<u>MINORITY BUSINESS RESOURCE CENTER PROGRAM (MBRC)</u>	1,081	933	941	0	941
Minority Business Resource Center Program - Discretionary	925	933	941	0	941
Guaranteed Loan Subsidy	333	336	339	0	339
Administrative Expenses	592	597	602	0	602
MBRC Guaranteed Loan Subsidy reestimate- Mandatory	156	0	0	0	0
(Limitation on guaranteed loans)	[18,367]	[18,367]	[0,000]	[0,000]	[0,000] ^{2/}
<u>CYBER SECURITY INITIATIVES</u>	5,000	8,000	8,080	6,920	15,000
<u>RESEARCH AND TECHNOLOGY</u>	13,000	13,000	13,044	4,963	18,007
<u>WORKING CAPITAL FUND (Obligation Limitation)</u>	[181,500]	[190,039]	[0,000]	[0,000]	[0,000]
<u>ESSENTIAL AIR SERVICE PROGRAM</u>	265,164	278,469	253,481	-24,242	254,239
Payments to Air Carriers (<i>Airport & Airway Trust Fund</i>) - Discretionary	155,000	175,000	150,000	-25,000	150,000
Essential Air Service - Mandatory ^{4/}	110,164	103,469	103,481	758	104,239 ^{3/}
GRAND TOTAL	912,944	935,414	913,560	757,463	1,696,024
[Mandatory]	610,320	603,469	603,661	750,578	1,354,239
[Discretionary]	302,624	331,945	309,900	6,885	341,785
<u>PROPRIETARY AND OTHER GOVERNMENTAL RECEIPTS:</u>					
MBRC Guaranteed Loans Downward Subsidy Reestimate					-

^{1/} Merged into the Small and Disadvantaged Business Utilization & Outreach Account

^{2/} No limitation is proposed. The amount of loans guaranteed will be determined by the amount of subsidy funding enacted.

^{3/} This funding level does not reflect a mandatory sequester

^{4/} Includes annual overflight fee collections and carry-over balances from the prior year

EXHIBIT II-5
FY 2017 OUTLAYS
OFFICE OF THE SECRETARY of TRANSPORTATION
(\$000)

<u>ACCOUNTS</u>	<u>FY 2015 ACTUAL</u>	<u>FY 2016 ENACTED</u>	<u>FY 2017 REQUEST</u>
Salaries & Expenses	101,317	144,881	113,831
Surface Transportation Discretionary Grants (ARRA)	72,794	114,293	0
Financial Management Capital	2,544	10,421	4,200
Office of Civil Rights	8,329	10,207	9,744
Small & Disadv. Bus. Util. and Outreach (formally Minority Business Outreach)	3,645	10,180	3,086
U.S. Digital Services	0	0	900
Data Act Compliance	0	0	2,400
National Surface Transportation Innovative Finance Bureau	0	0	2,700
Transportation Planning, Research & Development	8,422	14,659	12,560
New Headquarters Building	939	568	0
MBRC Program (loan subsidy & admin)	395	1,295	941
Cyber Security Initiatives	7,640	8,838	12,200
Research & Technology	15,514	36,000	21,006
Payments to Air Carriers	145,264	160,159	160,001
VOLPE National Transportation Systems Center	5,996	160,766	0
Working Capital Fund	-13,911	14,273	15,305
Subtotal, Discretionary	358,888	686,540	358,874
<i>MBRC Guaranteed Loan Subsidy Upward Reestimate [mandatory]</i>	<i>156</i>	<i>0</i>	<i>0</i>
<i>Essential Air Service & Rural Airport Funding [mandatory]</i>	<i>73,753</i>	<i>109,217</i>	<i>103,401</i>
<i>TIGER Grants Program (NII)(Mandatory) (Rebased)</i>	<i>474,814</i>	<i>527,899</i>	<i>525,278</i>
Subtotal, Mandatory	548,723	637,116	628,679
Grand Total	907,611	1,323,656	987,553

FY 2017 EXHIBIT II-6 - S&E DIRECT - GRAND TOTAL
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

SALARIES AND EXPENSES

(\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	530	0	0	0	0	0	0	530	5	535	
FTEs	486.00	0.00	2.00	0.00	0.00	0.00	0.00	488.00	1.50	489.50	
Reimbursable Positions	31	0	0	0	0	0	0	31	1	32	
FTEs	20.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	9.00	29.00	
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits	72,576,037	235,329	312,000	-554,537	836,464	0.000	124,499	73,529,792	1,698,794	75,228,586	
- WCF Non-Add (Transit Benefits)	(254,351)	0.000	0.000	0.000	0.000	(1,929)	(122,718)	(378,998)	6,650	(372,348)	
Travel	1,312,607	0.000	0.000	0.000	0.000	0.000	0.000	1,325,733	50,000	1,375,733	
Transportation	3,075	0.000	0.000	0.000	0.000	0.000	0.000	3,106	0.000	3,106	
GSA Rent	9,310,810	0.000	0.000	0.000	0.000	67,927	0.000	9,471,845	0.000	9,471,845	
Communications and Utilities	139,810	0.000	0.000	0.000	0.000	0.000	0.000	141,208	0.000	141,208	
Printing and Reproduction	306,307	0.000	0.000	0.000	0.000	0.000	0.000	309,370	0.000	309,370	
Other Services:											
- Working Capital Fund	15,605,735	0.000	0.000	0.000	0.000	0.000	771,470	16,377,205	-14,669	16,362,536	
- Other Contractual Services	9,210,515	0.000	0.000	0.000	0.000	0.000	0.000	9,302,620	1,740,812	11,043,432	
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Supplies and Materials	258,186	0.000	0.000	0.000	0.000	0.000	0.000	260,768	5,000	265,768	
Equipment	26,918	0.000	0.000	0.000	0.000	0.000	0.000	27,187	167,000	194,187	
Administrative Subtotal	108,750,000	235,329	312,000	-554,537	836,464	67,927	895,969	110,748,834	3,646,937	114,395,771	
PROGRAM EXPENSES											
None	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
None	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
None	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
None	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
TOTAL	108,750,000	235,329	312,000	-554,537	836,464	67,927	895,969	110,748,834	3,646,937	114,395,771	

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

SCASDP
 (\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	4	0	0	0	0	0	0	4	2	6	
FTEs	4.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	2.00	6.00	
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits (Transit Benefits) (non-add)	477,511	1,552	0,000	1,835	5,580	0,000	0,000	486,479	-486,478	0,001	
Travel	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
Transportation	4,000	0,000	0,000	0,000	0,000	0,000	0,000	4,000	-4,000	0,000	
GSA Rent	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
Communications and Utilities	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
Printing and Reproduction	25,250	0,000	0,000	0,000	0,000	0,000	0,000	25,250	-25,250	0,000	
Other Services:	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
- Working Capital Fund	85,520	0,000	0,000	0,000	0,000	0,000	0,000	85,520	-85,520	0,000	
- Other Contractual Services	407,719	0,000	0,000	0,000	0,000	0,000	0,000	411,796	-411,796	0,000	
- Administrative Fees	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
- Subsidy	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
Supplies and Materials	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
Equipment	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
Administrative Subtotal	1,000,000	1,552	0,000	1,835	5,580	0,000	0,000	1,013,297	-1,013,297	0,000	
PROGRAM EXPENSES											
Grants (SCASDP)	4,000,000							4,000,000	-4,000,000	0,000	
None								0,000		0,000	
None								0,000		0,000	
None								0,000		0,000	
Program Subtotal	4,000,000	0,000	0,000	0,000	0,000	0,000	0,000	4,000,000	-4,000,000	0,000	
TOTAL	5,000,000	1,552	0,000	1,835	5,580	0,000	0,000	5,013,297	-5,013,297	0,000	

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

OFFICE OF CIVIL RIGHTS

(\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/ Decreases	FY 2017 Request	
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%				
PERSONNEL RESOURCES												
Direct Positions	55	0	0	0	0	0	0	0	0	55	0	55
FTEs	53.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53.00	0.00	53.00
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL RESOURCES												
ADMINISTRATIVE EXPENSES												
Salaries and Benefits (Transit Benefits) (non-add)	6,223,441 (25,538)	20,143 0.000	0.000 0.000	-47,466 0.000	71,598 0.000	0.000 0.000	13,873 (13,728)	0.000 0.000	0.000 0.000	6,281,589 (39,266)	0.000 0.000	6,281,589 (39,266)
Travel	48,278	0.000	0.000	0.000	0.000	0.000	0.000	0.483	0.000	48,761	0.000	48,761
Transportation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Communications and Utilities	29,313	0.000	0.000	0.000	0.000	0.000	0.000	0.293	0.000	29,606	0.000	29,606
Printing and Reproduction	10,819	0.000	0.000	0.000	0.000	0.000	0.000	0.108	0.000	10,927	0.000	10,927
Other Services:												
- Working Capital Fund	880,234	0.000	0.000	0.000	0.000	0.000	-10,864	0.000	0.000	869,370	0.000	869,370
- Other Contractual Services	2,434,909	0.000	0.000	0.000	0.000	0.000	0.000	24,349	0.000	2,459,258	0.000	2,459,258
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Supplies and Materials	51,006	0.000	0.000	0.000	0.000	0.000	0.000	0.510	0.000	51,516	0.000	51,516
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Administrative Subtotal	9,678,000	20,143	0.000	-47,466	71,598	0.000	3,009	25.743	0.000	9,751,028	0.000	9,751,028
PROGRAM EXPENSES												
None										0.000		0.000
None										0.000		0.000
None										0.000		0.000
None										0.000		0.000
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	9,678,000	20,143	0.000	-47,466	71,598	0.000	3,009	25.743	0.000	9,751,028	0.000	9,751,028

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

SMALL AND DISADVANTAGED BUSINESS UTILIZATION AND OUTREACH (formally Minority Business Outreach)

(\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	4	0	0	0	0	0	0	0	9	13	
FTEs	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00	13.00	
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits (Transit Benefits) (non-add)	592.836	1.926	0.000	-4.538	6.845	0.000	4.839	0.000	1,376.737	1,978.646	
Travel	0.000	0.000	0.000	0.000	0.000	0.000	(4.839)	0.000	(6.650)	(11.489)	
Transportation	19.000	0.000	0.000	0.000	0.000	0.000	0.000	0.190	0.000	19.190	
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Printing and Reproduction	0.513	0.000	0.000	0.000	0.000	0.000	0.000	0.005	0.000	0.518	
Other Services:	3.229	0.000	0.000	0.000	0.000	0.000	0.000	0.032	0.000	3.262	
- Working Capital Fund	58.078	0.000	0.000	0.000	0.000	0.000	125.496	0.000	14.669	198.243	
- Other Contractual Services	459.720	0.000	0.000	0.000	0.000	0.000	0.000	4.597	31.484	495.801	
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Supplies and Materials	21.730	0.000	0.000	0.000	0.000	0.000	0.000	0.217	0.000	21.947	
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Administrative Subtotal	1,154.849	1,926	0.000	-4,538	6,845	0.000	130.335	5.042	1,422.890	2,717.348	
PROGRAM EXPENSES											
MBO Cooperative Agreements	1,929.151								0.000	1,929.151	
None									0.000	0.000	
None									0.000	0.000	
None									0.000	0.000	
Program Subtotal	1,929.151	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1,929.151	
TOTAL	3,084.000	1,926	0.000	-4,538	6,845	0.000	130.335	5.042	1,422.890	4,646.499	

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

FINANCIAL MANAGEMENT CAPITAL

(\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/ Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	0	0	0	0	0	0	0	0	0	0	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits (Transit Benefits) (non-add)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Travel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Transportation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Printing and Reproduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Other Services:											
- Working Capital Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
- Other Contractual Services	5,000.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-1,050.000	4,000.000	
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Supplies and Materials	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Administrative Subtotal	5,000.000	0.000	0.000	0.000	0.000	0.000	0.000	5,050.000	-1,050.000	4,000.000	
PROGRAM EXPENSES											
None								0.000		0.000	
None								0.000		0.000	
None								0.000		0.000	
None								0.000		0.000	
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
TOTAL	5,000.000	0.000	0.000	0.000	0.000	0.000	0.000	5,050.000	-1,050.000	4,000.000	

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

NATIONAL SURFACE TRANSPORTATION INNOVATIVE FINANCE BUREAU

(\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	0	0	0	0	0	0	0	0	12	12	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.00	12.00	
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits (Transit Benefits) (non-add)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1,795,493	1,795,493	
Travel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Transportation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	36,360	36,360	
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Printing and Reproduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Other Services:											
- Working Capital Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
- Other Contractual Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	134,817	134,817	
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Supplies and Materials	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	11,110	11,110	
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	22,220	22,220	
Administrative Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2,000,000	2,000,000	
PROGRAM EXPENSES											
BATIC Technical Assistance Grants									1,000,000	1,000,000	
None									0.000	0.000	
None									0.000	0.000	
None									0.000	0.000	
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1,000,000	1,000,000	
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3,000,000	3,000,000	

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

DATA ACT COMPLIANCE

(\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/ Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	0	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits (Transit Benefits) (non-add)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Travel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transportation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Printing and Reproduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Services:											
- Working Capital Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Other Contractual Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Supplies and Materials	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Administrative Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PROGRAM EXPENSES											
Data Act Compliance	0.000										4,000.000
None											0.000
None											0.000
None											0.000
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4,000.000	4,000.000	4,000.000
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4,000.000	4,000.000	4,000.000

FY 2017 EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

U.S. DIGITAL SERVICES

(\$000)

	FY 2016 Enacted	Baseline Changes										FY 2017 Baseline Estimate	Program Increases/Decreases	Redirection of Resources	FY 2017 Request		
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%									
PERSONNEL RESOURCES																	
Direct Positions	0	0	0	0	0	0	0	0	0	0	0	5	0	0	5		
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	0.00	0.00	5.00		
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
FINANCIAL RESOURCES																	
ADMINISTRATIVE EXPENSES																	
Salaries and Benefits (Transit Benefits) (non-add)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	873.132	0.000	0.000	873.132		
Travel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	0.000	2.000		
Transportation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
Printing and Reproduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
Other Services:																	
- Working Capital Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
- Other Contractual Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	123.368	0.000	0.000	123.368		
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
Supplies and Materials	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.500	0.000	0.000	1.500		
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
Administrative Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1,000.000	0.000	0.000	1,000.000		
PROGRAM EXPENSES																	
None												0.000			0.000		
None												0.000			0.000		
None												0.000			0.000		
None												0.000			0.000		
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1,000.000	0.000	0.000	1,000.000		

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT (Grand Total)

(\$000)

	FY 2016 Enacted	Baseline Changes								FY 2017 Baseline Estimate	Program Increases/ Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%				
PERSONNEL RESOURCES												
Direct												
Positions	40	0	0	0	0	0	0	0	0	0	0	40
FTEs	36.00	0.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39.00
Reimbursable												
Positions	0	0	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL RESOURCES												
ADMINISTRATIVE EXPENSES												
Salaries and Benefits (Transit Benefits) (non-add)	6,095.304 (22,363)	21,341 0.000	493,322 0.000	-44,380 0.000	75,921 0.000	0.000 0.000	4,709 (4,709)	0.000 0.000	0.000 0.000	6,646.218 (27,072)	0.000 0.000	6,646.218 (27,072)
Travel	181,357	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1,814	183,171	0.000	183,171
Transportation	1,041	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.010	1,051	0.000	1,051
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Printing and Reproduction	20,137	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20,338	0.000	20,338
Other Services:												
- Working Capital Fund	602,744	0.000	0.000	0.000	0.000	0.000	-7,745	0.000	0.000	594,999	0.000	594,999
- Other Contractual Services	1,562,991	0.000	0.000	0.000	0.000	0.000	0.000	0.000	15,630	1,578,621	2,981,645	4,560,266
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Supplies and Materials	20,711	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.207	20,918	0.000	20,918
Equipment	15,714	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.157	15,871	0.000	15,871
Administrative Subtotal	8,500,000	21,341	493,322	-44,380	75,921	0.000	-3,036	0.000	18,020	9,061,188	2,981,645	12,042,833
PROGRAM EXPENSES												
Clean Energy R&D												
None												
None												
None												
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5,000,000	5,000,000
TOTAL	8,500,000	21,341	493,322	-44,380	75,921	0.000	-3,036	0.000	18,020	9,061,188	7,981,645	17,042,833

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations
TIGER GRANTS - NATIONAL INFRASTRUCTURE INVESTMENTS (Mandatory)

(\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/ Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	12	0	0	0	0	0	0	12	0	12	
FTEs	10.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	10.00	
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits (Transit Benefits) (non-add)	6,608,476 (2,723)	21,469 0.000	0.000 0.000	-50,589 0.000	76,309 0.000	0.000 0.000	0.000 0.000	6,655,665 -2,723	-47,189 0.000	6,608,476 (2,723)	
Travel	808,000	0.000	0.000	0.000	0.000	0.000	0.000	808,000	-8,000	800,000	
Transportation	0.400	0.000	0.000	0.000	0.000	0.000	0.000	0.404	-0.004	0.400	
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Printing and Reproduction	10,500	0.000	0.000	0.000	0.000	0.000	0.000	10,605	0.000	10,500	
Other Services:											
- Working Capital Fund	184,043	0.000	0.000	0.000	0.000	0.000	0.000	184,043	0.000	184,043	
- Other Contractual Services	12,375,581	0.000	0.000	0.000	0.000	0.000	0.000	12,499,337	-123,756	12,375,581	
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Supplies and Materials	21,000	0.000	0.000	0.000	0.000	0.000	0.000	21,210	-2,210	21,000	
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Administrative Subtotal	20,000,000	21,469	0.000	-50,589	76,309	0.000	0.000	20,179,263	-179,263	20,000,000	
PROGRAM EXPENSES											
Transportation Infrastructure Grants & Financing	480,000,000							480,000,000	715,000,000	1,195,000,000	
NIJ Planning Grants	0.000							0.000	35,000,000	35,000,000	
None								0.000	0.000	0.000	
None								0.000	0.000	0.000	
Program Subtotal	480,000,000	0.000	0.000	0.000	0.000	0.000	0.000	480,000,000	750,000,000	1,230,000,000	
TOTAL	500,000,000	21,469	0.000	-50,589	76,309	0.000	0.000	500,179,263	749,820,737	1,250,000,000	

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

MINORITY BUSINESS RESOURCE CENTER

(\$000)

	FY 2016 Enacted	Baseline Changes										FY 2017 Baseline Estimate	Program Increases/Decreases	FY 2017 Request		
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%								
PERSONNEL RESOURCES																
Direct Positions	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
FTEs	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL RESOURCES																
ADMINISTRATIVE EXPENSES																
Salaries and Benefits (Transit Benefits) (Non-add)	180,904	0.587	0.000	-1.383	2.087	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	182,195	0.000	182,195
Travel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transportation	4,000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4,040	0.000	4,040
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Printing and Reproduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Services:																
- Working Capital Fund	14,713	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.481	0.000	0.000	14,232	0.000	14,232
- Other Contractual Services	191,118	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	193,029	0.000	193,029
- Administrative Loan Fees	206,138	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	208,199	0.000	208,199
- Subsidy	336,000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	339,360	0.000	339,360
Supplies and Materials	0.384	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.004	0.000	0.388	0.000	0.388
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Administrative Subtotal	933,000	0.587	0.000	-1.383	2.087	0.000	0.000	0.000	0.000	0.000	-0.481	7.376	0.000	941,186	0.000	941,186
PROGRAM EXPENSES																
MBRC Guaranteed Loan Subsidy Restimate	0.000													0.000		0.000
None														0.000		0.000
None														0.000		0.000
None														0.000		0.000
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	933,000	0.587	0.000	-1.383	2.087	0.000	0.000	0.000	0.000	0.000	-0.481	7.376	0.000	941,186	0.000	941,186

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

CYBER SECURITY INITIATIVES

(\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	0	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits (Transit Benefits) (non-add)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Travel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transportation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Communications and Utilities	2,950,000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2,979,500	3,687,188	3,687,188
Printing and Reproduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Services:											
- Working Capital Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Other Contractual Services	1,269,000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1,281,690	2,941,747	4,223,437
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Supplies and Materials	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Equipment	3,781,000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3,818,810	7,089,375	7,089,375
Administrative Subtotal	8,000,000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8,080,000	6,920,000	15,000,000
PROGRAM EXPENSES											
None											
None											
None											
None											
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	8,000,000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8,080,000	6,920,000	15,000,000

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY
RESEARCH AND TECHNOLOGY (GENERAL FUND) ACCOUNT
 (\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	30	0	0	0	0	0	0	30	0.0	30	
FTEs	21.00	0.00	0.00	0.00	0.00	0.00	0.00	21.00	0.00	21.00	
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits (Transit Benefits) (non-add)	3,586,715 (20,955)	11,667	0,000	-23,214	41,518	0,000	0,000	3,616,686 (20,955)	0,000	3,616,686 (20,955)	
Travel	90,000	0,000	0,000	0,000	0,000	0,000	0,000	90,000	-9,900	90,000	
Transportation	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
GSA Rent	375,480	0,000	0,000	0,000	0,000	0,000	0,000	379,235	0,000	379,235	
Communications and Utilities	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
Printing and Reproduction	1,000	0,000	0,000	0,000	0,000	0,000	0,000	1,010	0,000	1,010	
Other Services:											
- Working Capital Fund	385,160	0,000	0,000	0,000	0,000	0,000	0,000	390,875	329,720	720,595	
- Other Contractual Services	249,600	0,000	0,000	0,000	0,000	0,000	0,000	252,096	200,000	452,096	
- Administrative Fees	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
- Subsidy	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	
Supplies and Materials	15,000	0,000	0,000	0,000	0,000	0,000	0,000	15,150	0,000	15,150	
Equipment	100,000	0,000	0,000	0,000	0,000	0,000	0,000	101,000	34,592	135,592	
Administrative Subtotal	4,782,000	11,667	0,000	-23,214	41,518	0,000	0,000	4,825,997	563,412	5,389,409	
PROGRAM EXPENSES											
GPS to Air Force	0,000							0,000	10,000,000	10,000,000	
Alternative Energy (previously Alternative Fuels)	499,000							499,000	499,000	499,000	
RD&T Coordination	509,000							509,000	509,000	509,000	
NDGPS	5,600,000							5,600,000	-5,600,000	0,000	
PNT	1,610,000							1,610,000	0,000	1,610,000	
Program Subtotal	8,218,000	0,000	0,000	0,000	0,000	0,000	0,000	8,218,000	4,400,000	12,618,000	
TOTAL	13,000,000	11,667	0,000	-23,214	41,518	0,000	0,000	13,043,997	4,963,412	18,007,409	

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

ESSENTIAL AIR SERVICE

(\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	14	0	0	0	0	0	0	0	0	14	
FTEs	13.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.00	
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits (Transit Benefits) (non-add)	2,101,430 (6,945)	6,807 0.000	0.000	-16,040 0.000	24,195 0.000	0.000 0.000	6,661 (6,661)	0.000 0.000	2,123,052 (13,606)	0.000 0.000	2,123,052 (13,606)
Travel	1,428	0.000	0.000	0.000	0.000	0.000	0.000	0.014	1,442	5,558	7,000
Transportation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Communications and Utilities	0.046	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.046	0.000	0.046
Printing and Reproduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Services:											
- Working Capital Fund	231,501	0.000	0.000	0.000	0.000	0.000	-9,767	0.000	221,734	0.000	221,734
- Other Contractual Services	15,352	0.000	0.000	0.000	0.000	0.000	0.000	0.154	15,506	250,000	265,506
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Supplies and Materials	3,075	0.000	0.000	0.000	0.000	0.000	0.000	0.031	3,106	0.000	3,106
Equipment	62,006	0.000	0.000	0.000	0.000	0.000	0.000	0.620	62,626	87,374	150,000
Administrative Subtotal	2,414,839	6,807 0.000	0.000	-16,040 0.000	24,195 0.000	0.000 0.000	-3,106	0.819	2,427,514	342,932	2,770,446
PROGRAM EXPENSES											
Essential Air Service Subsidy	101,053,880								101,053,880	414,750	101,468,630
Sequester									0.000	0.000	0.000
None									0.000	0.000	0.000
None									0.000	0.000	0.000
Program Subtotal	101,053,880	0.000 0.000	0.000	0.000 0.000	0.000 0.000	0.000 0.000	0.000	0.000	101,053,880	414,750	101,468,630
TOTAL	103,468,719	6,807 0.000	0.000	-16,040 0.000	24,195 0.000	0.000 0.000	-3,106	0.819	103,481,394	757,682	104,239,076

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION
 Appropriations, Obligation Limitations, and Exempt Obligations

PAYMENTS TO AIR CARRIERS

(\$000)

	FY 2016 Enacted	Baseline Changes							FY 2017 Baseline Estimate	Program Increases/Decreases	FY 2017 Request
		Jan. 2016 Pay Raise 1.30%	Annualization of New FY 2016 Positions	Two Less Compensable Days 260 vs. 262	9 Months Jan. 2017 Pay Raise 1.60%	GSA Rent	WCF and FECA Changes	Inflation Increase 1.00%			
PERSONNEL RESOURCES											
Direct Positions	0	0	0	0	0	0	0	0	0	0	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Reimbursable Positions	0	0	0	0	0	0	0	0	0	0	
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits (Transit Benefits) (non-add)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Travel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Transportation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Printing and Reproduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Other Services:											
- Working Capital Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
- Other Contractual Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Supplies and Materials	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Administrative Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
PROGRAM EXPENSES											
Essential Air Service	175,000.000							175,000.000	-25,000.000	150,000.000	
None								0.000	0.000	0.000	
None								0.000	0.000	0.000	
None								0.000	0.000	0.000	
Program Subtotal	175,000.000	0.000	0.000	0.000	0.000	0.000	0.000	175,000.000	-25,000.000	150,000.000	
TOTAL	175,000.000	0.000	0.000	0.000	0.000	0.000	0.000	175,000.000	-25,000.000	150,000.000	

EXHIBIT II-7

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

	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE
DIRECT:				
Salaries and Expenses	16,642	15,860	16,735	875
Small Community Air Service Development Program (SCASDP)	43	86	86	0
Office of Civil Rights	955	906	909	3
Small & Disadv. Bus. Util. and Outreach (formally Minority Business Outreach)	70	58	210	152
Transportation, Planning, Research & Development	1,086	625	622	-3
TIGER Grants Program (NII)	193	187	187	0
Minority Business Resource Center Program	15	15	14	0
Research and Technology	604	406	742	335
Essential Air Service	239	238	235	-3
SUBTOTAL, DIRECT	19,848	18,381	19,739	1,358
REIMBURSABLE:				
Salaries and Expenses	330	310	311	1
Volpe	1,414	1,545	1,001	-544
SUBTOTAL, REIMBURSABLES	1,744	1,854	1,312	-543
ALLOCATIONS/OTHER				
Bureau of Transportation Statistics (Direct)	4,320	4,193	3,924	-269
Bureau of Transportation Statistics (Reimbursable)	747	724	735	11
University Transportation Centers	304	295	299	4
SUBTOTAL, ALLOCATIONS/OTHER	5,371	5,211	4,958	-253
TOTAL	26,962	25,446	26,008	562

EXHIBIT II-8
OFFICE OF THE SECRETARY OF TRANSPORTATION
PERSONNEL RESOURCES -- SUMMARY
TOTAL FULL-TIME EQUIVALENTS

<u>DIRECT FUNDED BY APPROPRIATION</u>	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
Salaries and Expenses <u>1/</u>	403	490	496
Office of Civil Rights	39	53	53
Small & Disadv. Bus. Util. and Outreach (formally Minority Business Outreach)	3	4	13
Transportation Planning, Research and Development	24	36	39
TIGER Grants Program (NII)	7	10	10
U.S. Digital Services	0	0	5
National Surface Transportation Innovative Finance Bureau	0	0	12
Minority Business Resource Center Program	1	1	1
Research and Technology	22	21	21
Essential Air Service	12	13	13
SUBTOTAL, DIRECT FUNDED	511	628	663
<u>REIMBURSABLE AND COLLECTIONS</u>			
Salaries and Expenses	22	20	29
Research and Technology (Reimbursable and Collections)	30	36	36
Volpe Working Capital Fund	548	532	555
Working Capital Fund	222	350	389
SUBTOTAL, REIMBURSABLE	822	938	1,009
<u>ALLOCATIONS/OTHER</u>			
Bureau of Transportation Statistics (Direct)	60	60	60
Bureau of Transportation Statistics (Reimbursables)	9	14	14
University Transportation Centers	5	5	5
SUBTOTAL, ALLOCATIONS/OTHER	74	79	79
TOTAL FTEs	1,407	1,645	1,751

1/ Includes SCASDP

EXHIBIT II-9
OFFICE OF THE SECRETARY OF TRANSPORTATION
PERSONNEL RESOURCES -- SUMMARY
FULL-TIME PERMANENT POSITIONS

<u>DIRECT FUNDED BY APPROPRIATION</u>	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
Salaries and Expenses <u>1</u> /	514	534	541
Office Civil Rights	55	55	55
Small & Disadv. Bus. Util. and Outreach (formally Minority Business Outreach)	4	4	13
Transportation Planning, Research and Development	33	40	40
TIGER Grants Program (NII)	12	12	12
U.S. Digital Services	0	0	5
National Surface Transportation Innovative Finance Bureau	0	0	12
Minority Business Resource Center Program	1	1	1
Research and Technology	31	30	30
Essential Air Service	14	14	14
SUBTOTAL, DIRECT FUNDED	664	690	723
<u>REIMBURSABLE AND COLLECTIONS</u>			
Salaries and Expenses	31	31	32
Research and Technology (Reimbursable and Collections)	51	51	51
Volpe Working Capital Fund	550	550	556
Working Capital Fund	314	385	392
SUBTOTAL, REIMBURSABLE	946	1,017	1,031
<u>ALLOCATIONS/OTHER</u>			
Bureau of Transportation Statistics (Direct)	117	117	117
Bureau of Transportation Statistics (Reimbursables)	19	19	19
University Transportation Centers	5	5	5
SUBTOTAL, ALLOCATIONS/OTHER	141	141	141
TOTAL POSITIONS	1,751	1,848	1,895

EXHIBIT III-1
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, \$114,396,000 [108,750,000, of which not to exceed \$2,734,000 shall be available for the immediate Office of the Secretary; not to exceed \$1,025,000 shall be available for the immediate Office of the Deputy Secretary; not to exceed \$20,609,000 shall be available for the Office of the General Counsel; not to exceed \$9,941,000 shall be available for the Office of the Under Secretary of Transportation for Policy; not to exceed \$13,697,000 shall be available for the Office of the Assistant Secretary for Budget and Programs; not to exceed \$2,546,000 shall be available for the Office of the Assistant Secretary for Governmental Affairs; not to exceed \$25,925,000 shall be available for the Office of the Assistant Secretary for Administration; not to exceed \$2,029,000 shall be available for the Office of Public Affairs; not to exceed \$1,737,000 shall be available for the Office of the Executive Secretariat; not to exceed \$1,434,000 shall be available for the Office of Small and Disadvantaged Business Utilization; not to exceed \$10,793,000 shall be available for the Office of Intelligence, Security, and Emergency Response; and not to exceed \$16,280,000 shall be available for the Office of the Chief Information Officer: Provided, That the Secretary of Transportation is authorized to transfer funds appropriated for any office of the Office of the Secretary to any other office of the Office of the Secretary: Provided further, That no appropriation for any office shall be increased or decreased by more than 5 percent by all such transfers: Provided further, That notice of any change in funding greater than 5 percent shall be submitted for approval to the House and Senate Committees on Appropriations]: Provided [further], That not to exceed \$60,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine: Provided further, That notwithstanding any other provision of law, excluding fees authorized in Public Law 107–71, there may be credited to this appropriation up to \$2,500,000 in funds received in user fees.[: Provided further, That none of the funds provided in this Act shall be available for the position of Assistant Secretary for Public Affairs: Provided further, That not later than 60 days after the date of enactment of this Act, the Secretary of Transportation shall transmit to Congress the final Comprehensive Truck Size and Weight Limits Study, as required by section 32801 of Public Law 112–141.] (*Department of Transportation Appropriations Act, 2016.*)

EXHIBIT III-1
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
Office of the Secretary	2,696	2,734	2,758	24
Office of the Deputy Secretary	1,011	1,025	1,040	15
Office of the Under Secretary Transportation Policy	9,800	9,941	11,108	1,167
Office of the Executive Secretariat	1,714	1,737	1,760	23
Office of Small and Disadvantaged Business	1,414	1,434	0 ^{1/}	-1,434
Office of Intel., Sec. and Emergency Resp.	10,600	10,793	11,089	296
Office of the Chief Information Officer	15,500	16,280	17,084	804
Office of Public Affairs	2,000	2,029	2,142	113
Office of the Asst. Sec. for Budget and Programs	12,500	13,697	14,020	323
Office of General Counsel	19,900	20,609	20,772	163
Office of the Asst. Sec. for Governmental Affairs	2,500	2,546	2,569	23
Office of the Asst. Sec. for Administration	25,365	25,925	30,054	4,129
Office of Innovative Finance	0	0	0	0
Total	105,000	108,750	114,396	5,646
FTEs				
Direct Funded (Includes SCASDP)	403	490	541	51
Reimbursable, allocated, other	22	20	29	9

^{1/} Merged into the new Small and Disadvantaged Business Utilization and Outreach appropriation.

Program and Performance Statement

The Office of the Secretary is responsible for the overall planning, coordination and administration of the Department as well as administration of a broad array of programs. Funding supports the Secretary, Deputy Secretary, Under Secretary for Policy, Secretarial Officers, and their immediate staffs, who provide federal transportation policy development and guidance, institutional and public liaison activities, and other program support to ensure effective management and operation of the Department.

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

For necessary expenses for [upgrading and] enhancing the Department of Transportation's financial systems and re-engineering business processes, [\$5,000,000] \$4,000,000, to remain available through September 30, [2017] 2018. (*Department of Transportation Appropriations Act, 2016.*)

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
Financial Management Capital	5,000	5,000	4,000	-1,000
Total	5,000	5,000	4,000	-1,000
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This appropriation provides funds to enhance DOT’s financial systems and to reengineer business processes. These funds will assist DOT in automating manual processes, improve reporting capabilities and comply with required mandates.

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

U.S. DIGITAL SERVICES

For necessary expenses for the salaries and expenses, and other operational costs necessary to establish and deploy a Digital Service team, to be used to improve and ensure the continued efficiency and effectiveness in the implementation of the Department's digital services for high-priority, high-impact program areas, \$1,000,000, to remain available until September 30, 2018.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

U.S. DIGITAL SERVICES

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
Digital Services	0	0	1,000 0	1,000
Total	0	0	1,000	1,000
FTEs				
Direct Funded	0	0	5	5
Reimbursable, allocated, other	0	0	5	5

Program and Performance Statement

This appropriation will fund a Digital Services team that will focus on transforming the Department of Transportation’s digital services having the greatest impact on citizens and businesses so they are easier to use and more cost-effective to build and maintain. These digital services experts, who will service on a term-limited basis, will bring to bear private sector best practices in the disciplines of design, software engineering, and product management on the Department’s most important services.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATA ACT COMPLIANCE

For necessary expenses to support the Department's activities related to the implementation of the Digital Accountability and Transparency Act (DATA Act; Public Law 113-101), \$4,000,000 to include changes in business processes, workforce, or information technology to support high quality, transparent Federal spending information: *Provided*, That such amount is available only to supplement and not supplant existing DATA Act activities; *Provided further*, That portions of such amount may be transferred to the Department's Operating Administrations for DATA Act implementation activities.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATA ACT COMPLIANCE

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
DATA Act Compliance	0	0	4,000	4,000
Total	0	0	4,000	4,000
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This appropriation provides funding to assist the Department of Transportation in meeting the requirements of the Digital Accountability and Transparency Act of 2014 (DATA Act), including disclosure of all Federal spending and standardization of spending data. Portions of the funding may be transferred to the Department’s Operating Administrations for DATA Act implementation activities. The funding also includes \$0.5 million for the Enterprise Services Center (ESC) to implement the DATA Act for their client agencies and replaces the amount ESC would have otherwise passed on to their clients.

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, [\$9,678,000] \$9,751,000. (*Department of Transportation Appropriations Act, 2016.*)

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
Office of Civil Rights	9,600	9,678	9,751	73
	9,600	9,678	9,751	73
FTEs				
Direct Funded	39	53	53	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

The Office of Civil Rights provides Department-wide leadership for all civil rights activities, including employment opportunity and enforcement of laws and regulations that prohibit discrimination in the financing and operation of transportation programs with Federal resources. The office also is responsible for non-discrimination policy development, analysis, coordination and compliance, promotes an organizational culture that values workforce diversity, and handles all civil right cases related to Department of Transportation employees.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

*[MINORITY BUSINESS OUTREACH] SMALL AND DISADVANTAGED BUSINESS
UTILIZATION AND OUTREACH*

For necessary expenses [of Minority Business Resource Center] for small and disadvantaged business utilization and outreach activities, [\$3,084,000] *\$4,646,000*, to remain available until September 30, [2017] 2018: *Provided*, That, notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation. (*Department of Transportation Appropriations Act, 2016.*)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SMALL AND DISADVANTAGED BUSINESS UTILIZATION AND OUTREACH

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
Minority Business Outreach	3,099	3,084	0	-3,084
Small and Disadvantaged Business Utilization and Outreach	0	0	4,646	4,646
Total	3,099	3,084	4,646	1,562
FTEs				
Direct Funded	3	4	13	9
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This appropriation includes funding for the Office of Small and Disadvantaged Business Utilization, formerly funded in the Salaries and Expenses appropriation, and for outreach activities, formerly funded in the Minority Business Outreach appropriation. Funding is used to ensure that: (1) the small and disadvantaged business policies and programs of the Secretary of Transportation are developed and implemented throughout the Department in a fair, efficient, and effective manner, and (2) effective outreach activities are in place to assist small, women-owned, Native American, and other disadvantaged business firms in securing contracts and subcontracts resulting from transportation-related Federal support.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, systems development, development activities, and making grants, to remain available until expended, [\$8,500,000] \$17,043,000: *Provided*, That of such amount, [\$2,500,000] \$4,000,000 shall be for necessary expenses to establish and implement an Interagency Infrastructure Permitting Improvement Center (IIPIC) including an online database Permitting Dashboard that will develop and implement reforms to improve interagency coordination and the expediting of projects related to the permitting and environmental review of major transportation infrastructure projects [including one-time expenses to] and develop and deploy information technology tools to track project schedules and metrics and improve the transparency and accountability of the permitting process: *Provided further*, That there may be transferred to this appropriation, to remain available until expended, amounts transferred from other Federal agencies for expenses incurred under this heading for IIPIC activities not related to transportation infrastructure: *Provided further*, That the tools and analysis developed by the IIPIC shall be available to other Federal agencies for the permitting and review of major infrastructure projects not related to transportation only to the extent that other Federal agencies provide funding to the Department as provided for under the previous proviso. (*Department of Transportation Appropriations Act, 2016.*)

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY

(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016- 2017
Transportation Planning, Research and Development	6,000	6,000	13,043	7,043
Interagency Infrastructure Permitting Improvement Center (IIPIC)		2,500	4,000	1,500
Total	6,000	8,500	17,043	8,543
FTEs				
Direct Funded	27	36	39	3
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This appropriation finances research and studies concerned with planning, analysis, and information development needed to support the Secretary's responsibilities in the formulation of national transportation policies and the coordination of national-level transportation planning. Funding also supports departmental leadership in areas such as regulatory modernization, energy conservation, environmental and safety impacts of transportation, aviation economic policy and international transportation issues. The program activities include contracts with other Federal agencies, educational institutions, non-profit research organizations, and private firms. This appropriation also finances the Infrastructure Permitting Improvement Center, including an online database Permitting Dashboard, to support permitting/environmental review reforms to improve interagency coordination and make more efficient the process for federal approval for major infrastructure projects.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NATIONAL INFRASTRUCTURE INVESTMENTS (Discretionary)

[For capital investments in surface transportation infrastructure, \$500,000,000, to remain available through September 30, 2019: *Provided*, That the Secretary of Transportation shall distribute funds provided under this heading as discretionary grants to be awarded to a State, local government, transit agency, or a collaboration among such entities on a competitive basis for projects that will have a significant impact on the Nation, a metropolitan area, or a region: *Provided further*, That projects eligible for funding provided under this heading shall include, but not be limited to, highway or bridge projects eligible under title 23, United States Code; public transportation projects eligible under chapter 53 of title 49, United States Code; passenger and freight rail transportation projects; and port infrastructure investments (including inland port infrastructure and land ports of entry): *Provided further*, That the Secretary may use up to 20 percent of the funds made available under this heading for the purpose of paying the subsidy and administrative costs of projects eligible for Federal credit assistance under chapter 6 of title 23, United States Code, if the Secretary finds that such use of the funds would advance the purposes of this paragraph: *Provided further*, That in distributing funds provided under this heading, the Secretary shall take such measures so as to ensure an equitable geographic distribution of funds, an appropriate balance in addressing the needs of urban and rural areas, and the investment in a variety of transportation modes: *Provided further*, That a grant funded under this heading shall be not less than \$5,000,000 and not greater than \$100,000,000: *Provided further*, That not more than 20 percent of the funds made available under this heading may be awarded to projects in a single State: *Provided further*, That the Federal share of the costs for which an expenditure is made under this heading shall be, at the option of the recipient, up to 80 percent: *Provided further*, That the Secretary shall give priority to projects that require a contribution of Federal funds in order to complete an overall financing package: *Provided further*, That not less than 20 percent of the funds provided under this heading shall be for projects located in rural areas: *Provided further*, That for projects located in rural areas, the minimum grant size shall be \$1,000,000 and the Secretary may increase the Federal share of costs above 80 percent: *Provided further*, That projects conducted using funds provided under this heading must comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code: *Provided further*, That the Secretary shall conduct a new competition to select the grants and credit assistance awarded under this heading: *Provided further*, That the Secretary may retain up to \$20,000,000 of the funds provided under this heading, and may transfer portions of those funds to the Administrators of the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration and the Maritime Administration, to fund the award and oversight of grants and credit assistance made under the National Infrastructure Investments program.] (*Department of Transportation Appropriations Act, 2016.*)

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NATIONAL INFRASTRUCTURE INVESTMENTS (Discretionary)

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY

(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
Infrastructure Investments: Discretionary	0	0	0	0
Total	0	0	0	0
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

The Office of the Secretary's (OST) National Infrastructure Investments program, also known as the Transportation Generating Economic Recovery (TIGER) program, provides funding for grant awards or credit assistance on a competitive basis for capital investments in surface transportation infrastructure that will have a significant impact on the Nation, a metropolitan area or a region. No funds are requested in this account for FY 2017. The Administration is proposing funding for this program within the 21st Century Clean Transportation Plan Investments. As part of that proposal, programs currently administered from this account would be continued in a new National Infrastructure Investments Trust Fund account that would be funded from the Multimodal Account of the Transportation Trust Fund.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TIGER GRANTS PROGRAM

NATIONAL INFRASTRUCTURE INVESTMENTS
(TRANSPORTATION TRUST FUND)

(Legislative proposal, not subject to PAYGO)

(LIQUIDATION OF CONTRACT AUTHORITY)

(LIMITATION ON OBLIGATIONS)

(TRANSPORTATION TRUST FUND)

Contingent upon enactment of multi-year clean transportation plan authorization legislation, \$1,250,000,000 to be derived from the Transportation Trust Fund (Multimodal Account), to remain available until expended, for payment of obligations for the National Infrastructure Investments program authorized under title 23, United States Code, as amended by such authorization: Provided, That funds available for the National Infrastructure Investments program authorized under title 23, United States Code, shall not exceed total obligations of \$1,250,000,000, to remain available for obligation until September 30, 2019: Provided further, That the Secretary may retain up to \$20,000,000 of the funds provided for this program, and may transfer portions of those funds to Administrators of the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration, and the Federal Maritime Administration, to fund the award and oversight of Grants and credit assistance made under the National Infrastructure Investments program.

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TIGER GRANTS PROGRAM

NATIONAL INFRASTRUCTURE INVESTMENTS (Mandatory)
(TRANSPORTATION TRUST FUND)

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY

(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
Infrastructure Investments: Mandatory	500,000	500,000	1,250,000	750,000
Total	500,000	500,000	1,250,000	750,000
FTEs				
Direct Funded	10	10	10	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

The FY 2017 Budget presents the Office of the Secretary's 21st Century Clean Transportation Plan Investments and account structure, including the creation of a new National Infrastructure Investments account. The Administration proposes to fund this account from the Multimodal Account of the Transportation Trust Fund.

The FY 2017 Budget request includes \$1.25 billion for this account. For FY 2017, this account's program includes: funding for grant awards or credit assistance on a competitive basis for capital investments in surface transportation infrastructure that will have a significant impact on the Nation, a metropolitan area or a region.

The Administration proposes to move a number of current General Fund programs into the Transportation Trust Fund, as part of the 21st Century Clean Transportation Plan Investments. Amounts reflected in this schedule represent the new mandatory contract authority and outlays supporting these programs. PAYGO costs will be calculated as the change between these amounts and reclassified baseline amounts in the existing General Fund accounts.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NATIONAL SURFACE TRANSPORTATION AND INNOVATIVE FINANCE BUREAU

For necessary expenses for the establishment and administration of a new National Surface Transportation and Innovative Finance Bureau (the Bureau) within the Office of the Secretary of Transportation, to remain available until expended, \$3,000,000: Provided, That the Secretary of Transportation shall use such amount for the necessary expenses to establish the Bureau and to fulfill the responsibilities of the Bureau, as detailed in Section 9001 of the Fixing America's Surface Transportation (FAST) Act (Public Law 114–94) (49 U.S.C. Section 116); Provided further, that the Secretary may consolidate any office or office function, including the administration of the programs listed in 49 U.S.C. Section 116(d)(1), within the U.S. Department of Transportation, transfer any staffing or budgetary resources, into the Bureau that the Secretary determines has duties, resources, or expertise that support the purpose of the Bureau: Provided further, That the program be available to other Federal agencies, states, municipalities and project sponsors seeking federal transportation expertise in obtaining financing.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NATIONAL SURFACE TRANSPORTATION AND INNOVATIVE FINANCE BUREAU
APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016- 2017
National Surface Transportation and Innovative Finance Bur	0	0	3,000	3,000
	0	0	3,000	3,000
FTEs				
Direct Funded	0	4	12	8
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

The Fixing America's Surface Transportation (FAST) Act (Public Law 114–94) was enacted on December 4, 2015. Among the new provisions included in this Act, is the establishment of a new National Surface Transportation and Innovative Finance Bureau (the Bureau) within the Office of the Secretary of Transportation that will align, coordinate, or consolidate aspects of the U.S. Department of Transportation's (USDOT) existing surface transportation innovative finance programs with or within the new Bureau.

The FAST Act calls for the Bureau to fulfill a number of specific responsibilities, including the following: Provide assistance and communicate best practices and financing and funding opportunities to entities eligible under USDOT infrastructure finance programs; Administer the application process for USDOT infrastructure finance programs; Administer the application process for a new Nationally Significant Freight and Highway Projects program; Reduce uncertainty and delays related to environmental reviews and permitting, as well as project delivery and procurement risks and costs for projects financed by the USDOT infrastructure finance programs and the new Nationally Significant Freight and Highways Projects programs; Increase transparency and the public availability of information regarding projects financed by the USDOT infrastructure finance programs and the new Nationally Significant Freight and Highway Projects program; and Promote best practices in procurement for projects financed by the USDOT infrastructure finance programs and the new Nationally Significant Freight and Highway Projects program by developing benchmarks related to procurement.

The Bureau will build on a number of actions that USDOT has taken to advance these goals, including the establishment of USDOT's Build America Transportation Investment Center

in 2014 as a single point of contact and coordination for states, municipalities and project sponsors looking to utilize federal transportation expertise, apply for federal transportation credit programs, and explore ways to access private capital through public private partnerships. Notably, in their explanatory statement of the FAST Act, Congressional conferees explicitly recognized the accomplishments of the Administration's Build America Investment Initiative to increase infrastructure investment and economic growth.

To assist with establishing the Bureau, the FAST Act provides the Secretary with certain authorities to redirect personnel and budgetary resources, if necessary, to support the establishment and effectiveness of the Bureau. These authorities are available for two years. The FAST Act requires that, within 90 days of enactment and in 90-day intervals thereafter, USDOT report to Congress on how these authorities are being implemented, and any additional legislative actions that may be needed. The Bureau will be managed by an Executive Director reporting to the Under Secretary of Transportation for Policy. The FAST Act also establishes a new Council on Credit and Finance (the Council) chaired by the Deputy Secretary, which is charged with the review and approval of innovative finance applications, making recommendations to the Secretary, and reviewing approved projects on a regular basis. The Council may build on the Credit Council that USDOT had previously established through administrative measures.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of guaranteed loans, [~~\$336,000~~] \$339,000, as authorized by 49 U.S.C. 332: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed [, no to exceed \$18,367,000].

In addition, for administrative expenses to carry out the guaranteed loan program, [~~\$597,000~~] \$602,000. (*Department of Transportation Appropriations Act, 2016.*)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER PROGRAM

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016- 2017
Minority Business Resource Center Program	1,081	933	941	8
Total	1,081	933	941	8
FTEs				
Direct Funded	1	1	1	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This program provides a thoughtful workforce program that partners with the transportation industry and financial stakeholders with a focus on empowering transportation-related disadvantaged businesses (minority, women-owned and other disadvantaged businesses and Small Business Administration 8(a) firms). This program provides the opportunity for a small, emerging, and disadvantaged business enterprise to access financing while at the same time learn tools to become risk adverse, build profitable and sustainable businesses, increase access to contracting opportunities, and create pathways to job creation and retention.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER PROGRAM
GUARANTEED LOAN FINANCING ACCOUNT

Program and Performance Statement

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

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

CYBER SECURITY INITIATIVES

For necessary expenses for cyber security initiatives, including necessary upgrades to wide area network and information technology infrastructure, improvement of network perimeter controls and identity management, testing and assessment of information technology against business, security, and other requirements, implementation of Federal cyber security initiatives and information infrastructure enhancements, implementation of enhanced security controls on network devices. [, and enhancement of cyber security workforce training tools,] \$[8,000,000] 15,000,000, to remain available through September 30, [2017] 2018.
(Department of Transportation Appropriations Act, 2016.)

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

CYBER SECURITY INITIATIVES

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
Cyber Security Initiatives	5,000	8,000	15,000	7,000
Total	5,000	8,000	15,000	7,000
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

This appropriation will fund cyber security initiatives, including necessary upgrades to the wide area network and information technology infrastructure. The funding will support key program enhancements, infrastructure improvements, and contractual resources to enhance the security of the Department of Transportation network and reduce the risk of security breaches.

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

RESEARCH AND TECHNOLOGY

For necessary expenses related to the Office of the Assistant Secretary for Research and Technology, [\$13,000,000] *\$18,007,000*, of which [\$8,218,000] *\$12,618,000* shall remain available until September 30, [2018] *2019*: *Provided*, That there may be credited to this appropriation, to be available until expended, funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training: *Provided further*, That any reference in law, regulation, judicial proceedings, or elsewhere to the Research and Innovative Technology Administration shall continue to be deemed to be a reference to the Office of the Assistant Secretary for Research and Technology of the Department of Transportation. (*Department of Transportation Appropriations Act, 2016*)

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

RESEARCH AND TECHNOLOGY

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY

(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016- 2017
Office of the Asst. Sec. for Research and Technology	\$4,782	\$4,782	\$5,389	\$607
Alternative Energy (previously Alternative Fuels)	\$499	\$499	\$499	\$0
RD&T Coordination	\$509	\$509	\$509	\$0
NDGPS	\$5,600	\$5,600	\$0	-\$5,600
PNT	\$1,610	\$1,610	\$1,610	\$0
Civil Signal Monitoring Air Force - GPS	\$0	\$0	\$10,000	\$10,000
Total	\$13,000	\$13,000	\$18,007	\$5,733
FTEs				
Direct Funded	31	30	30	0
Reimbursable, allocated, other	21	20	20	0

Program and Performance Statement

The Office of the Assistant Secretary for Research and Technology is responsible for facilitating and reviewing the Department's research, development, and technology portfolio as well as enhancing the data collection and statistical analysis programs to support data-driven decision-making. The Office of the Assistant Secretary for Research and Technology is also responsible for Positioning, Navigation, and Timing (PNT) technology, PNT policy coordination, and spectrum management, and it is the program manager for the Nationwide Differential Global Positioning System.

The Office of the Assistant Secretary for Research and Technology oversees and provides direction to the following programs and activities:

The Bureau of Transportation Statistics (BTS) manages and shares statistical knowledge and information on the Nation's transportation systems, including statistics on freight movement, geospatial transportation information, and transportation economics. BTS is funded by an allocation from the Federal Highway Administration's Federal-Aid Highways account.

The University Transportation Centers (UTC) advance U.S. technology and expertise in many transportation-related disciplines through grants for transportation education, research, and

Section 3 – FY 2017 Budget Request by Appropriations

technology transfer at university-based centers of excellence. The UTC Program funding is provided to the Office of the Assistant Secretary for Research and Technology through an allocation from the Federal Highway Administration.

The John A. Volpe National Transportation Systems Center (Cambridge, MA) provides expertise in research, analysis, technology deployment, and other technical knowledge to the Department of Transportation (DOT) and non-DOT customers on specific transportation system projects or issues on a fee-for-service basis.

The Transportation Safety Institute (Oklahoma City, OK) develops and conducts safety, security, and environmental training, products, and services for both the public and private sector on a fee-for-service and tuition basis.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)

In addition to funds made available from any other source to carry out the essential air service program under 49 U.S.C. 41731 through 41742, [\$175,000,000] *\$150,000,000*, to be derived from the Airport and Airway Trust Fund, to remain available until expended: *Provided*, That in determining between or among carriers competing to provide service to a community, the Secretary may consider the relative subsidy requirements of the carriers: *Provided further*, That basic essential air service minimum requirements shall not include the 15-passenger capacity requirement under subsection 41732(b)(3) of title 49, United States Code: [*Provided further*, That none of the funds in this Act or any other Act shall be used to enter into a new contract with a community located less than 40 miles from the nearest small hub airport before the Secretary has negotiated with the community over a local cost share:] *Provided further*, That amounts authorized to be distributed for the essential air service program under subsection 41742(b) of title 49, United States Code, shall be made available immediately from amounts otherwise provided to the Administrator of the Federal Aviation Administration: *Provided further*, That the Administrator may reimburse such amounts from fees credited to the account established under section 45303 of title 49, United States Code. (*Department of Transportation Appropriations Act, 2016.*)

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
Payments to Air Carriers	155,000	175,000	150,000	-25,000
Total	155,000	175,000	150,000	-25,000
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

Through 1997, the Essential Air Service program was funded from the Airport and Airway Trust Fund. Starting in 1998, the Federal Aviation Administration reauthorization funded it as a mandatory program supported by overflight fees under the Essential Air Service and Rural Airport Improvement Fund. In addition to mandatory funding supported by overflight fees, direct appropriations from the Airport and Airway Trust Fund to Payments to Air Carriers have been enacted every year beginning in 2002 to meet the needs of the essential air service program. For FY 2017, \$150 million is requested from the Airport and Airway Trust Fund for Payments to Air Carriers.

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
Essential Air Service [Mandatory]	110,164	103,469	104,239	770
Total	110,164	103,469	104,239	770
FTEs				
Direct Funded	12	14	14	0
Reimbursable, allocated, other	0	0	0	0

Program and Performance Statement

The Federal Aviation Reauthorization Act of 1996 (P.L. 104-264) authorized the collection of user fees for services provided by the Federal Aviation Administration (FAA) to aircraft that neither take off nor land in the United States, commonly known as overflight fees. The Act permanently appropriated the first \$50 million of such fees for the Essential Air Service program and rural airport improvements. In addition, the FAA Modernization and Reauthorization Act (P.L. 112-95) requires that, in any fiscal year, overflight fees collected in excess of \$50 million will be available to carry out the EAS program.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

[For necessary expenses for operating costs and capital outlays of the Working Capital Fund, not to exceed \$190,039,000 shall be paid from appropriations made available to the Department of Transportation: *Provided*, That such services shall be provided on a competitive basis to entities within the Department of Transportation: *Provided further*, That the above limitation on operating expenses shall not apply to non-DOT entities: *Provided further*, That no funds appropriated in this Act to an agency of the Department shall be transferred to the Working Capital Fund without majority approval of the Working Capital Fund Steering Committee and approval of the Secretary: *Provided further*, That no assessments may be levied against any program, budget activity, subactivity or project funded by this Act unless notice of such assessments and the basis therefor are presented to the House and Senate Committees on Appropriations and are approved by such committees.] (*Department of Transportation Appropriations Act, 2016.*)

Section 3 – FY 2017 Budget Request by Appropriations

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND
(In thousands of dollars)

PROGRAM	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST	CHANGE FY 2016-2017
WCF DOT Activities	181,500	190,039	190,338	299
WCF Non-DOT Activities	341,102	362,788	363,295	507
TOTAL	522,602	552,827	553,633	806
FTEs:				
Reimbursable FTE	222	350	389	39

Program and Performance Statement

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

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

VOLPE NATIONAL TRANSPORTATION SYSTEMS CENTER
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2015 Actual	FY 2016 Enacted	FY 2017 REQUEST	CHANGE FY 2016- 2017
<u>Account</u>				
Volpe National Transportation Systems Center	[260,000]	[260,000]	[330,000]	[70,000]
Total	[260,000]	[260,000]	[330,000]	[70,000]
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	548	532	555	23

Program and Performance Statement

The Working Capital Fund finances multidisciplinary research, evaluation, analytical and related activities undertaken at the Volpe Transportation Systems Center (Volpe Center) in Cambridge, MA. The fund is financed through negotiated agreements with other offices within the Office of the Secretary, Departmental operating administrations, and other governmental elements requiring the Center's capabilities. These agreements also define the activities undertaken at the Volpe Center.

**DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY**

ADMINISTRATIVE PROVISIONS

Sec. 101. None of the funds made available in this Act to the Department of Transportation [maybe obligated for the Office of the Secretary of Transportation to approve assessments or reimbursable agreements pertaining to funds appropriated to the modal administrations in this Act, except for activities underway on the date of enactment of this Act, unless such assessments or agreements have completed the normal reprogramming process for Congressional notification] *shall be transferred to the Working Capital Fund without majority approval of the Working Capital Fund Steering Committee and approval of the Secretary.*

- ❖ Section 101 proposes a provision that will retain the language under the Working Capital Fund heading in the FY 2015 Omnibus, Consolidated and Further Continuing Appropriations Act (P.L. 113-235) whereby no funds appropriated in the Act to an agency of the Department can be transferred to the Working Capital Fund without majority approval of the Working Capital Fund Steering Committee and approval of the Secretary.

Sec. 102. Notwithstanding section 3324 of title 31, United States Code, in addition to authority provided by section 327 of title 49, United States Code, the Department's Working Capital Fund is hereby authorized to provide payments in advance to vendors that are necessary to carry out the Federal transit pass transportation fringe benefit program under Executive Order 13150 and section 3049 of Public Law 109-59: *Provided*, That the Department shall include adequate safeguards in the contract with the vendors to ensure timely and high-quality performance under the contract.

- ❖ Section 102 retains the provision authorizing the Department's Working Capital Fund to provide payments in advance to vendors that are necessary to carry out the Federal transit pass transportation fringe benefit program.

Sec. 103. The Secretary shall post on the Web site of the Department of Transportation a schedule of all meetings of the Credit Council, including the agenda for each meeting, and require the Credit Council to record the decisions and actions of each meeting.

- ❖ Section 103 retains the provision that the Secretary post on the Web site of the Department of Transportation a schedule of all meeting of the Credit Council, including the agenda for each meeting, and require the Credit Council to record the decisions and actions of each meeting.

Sec. 104. In addition to authority provided by section 327 of title 49, United States Code, the Department's Working Capital Fund is hereby authorized to provide partial or full payments in

advance and accept subsequent reimbursements from all Federal agencies for transit benefit distribution services that are necessary to carry out the Federal transit pass transportation fringe benefit program under Executive Order 13150 and section 3049 of Public Law 109–59: *Provided*, That the Department shall maintain a reasonable operating reserve in the Working Capital Fund, to be expended in advance to provide uninterrupted transit benefits to Government employees, provided that such reserve will not exceed one month of benefits payable; *Provided further*, that such reserve may be used only for the purpose of providing for the continuation of transit benefits, provided that the Working Capital Fund will be fully reimbursed by each customer agency for the actual cost of the transit benefit.

- ❖ Section 104 proposes permanent authority for the Working Capital Fund (WCF) to provide advance payment to carry out the Federal transit pass transportation fringe benefit program, both within the Department, and to other Federal agencies, and provides explicit authority for the WCF to provide transit benefit services to non-DOT agencies. Such authority would be used instead of the Economy Act (31 U.S.C. 1535). The proposed language provides flexibility and continuity to the WCF in providing transit benefits and will enable real-time reconciliation of payments from Federal customer agencies by streamlining the current funding process.

The Federal Transit Benefit program with proper internal controls will always have excess funds over the amount ordered for the subsidy period. The program requires participants to adjust their transit subsidy so that in any given month the amount received is equal to their actual commuting expense from home to work and work to home. The subsidy is not a cash reimbursement, so therefore, leave, telework, etc. impact the amount of the subsidy. However, the participant's need for the full month's subsidy to cover actual commuting expenses between home and work must be funded and after the fact any amount not used is returned to the agency.

Since the roll-out of the debit card in 2012-14, excess transit benefits that are not used by employees remain on debit cards at the end of the month are subsequently refunded/swept back to DOT's Federal depository without a need for a participant to take action. Previously with paper vouchers, each participant was required to manually return the unused vouchers to their agency. The automatic return of excess benefit funding is one positive aspect of using an electronic means to deliver the transit subsidy and enables TRANServe to clearly and timely identify excess funding amounts much earlier. Such amounts previously would have been subject to fraud, waste and abuse.

Under the current debit card system, customer agencies are typically refunded 20% of their overall cost for transit benefits for the period of performance due to these adjustments. However, under the current process, customer agencies do not have time to use such funds prior to their expiration, which is often at the end of the fiscal year. This authority would enable Federal agencies to use their funds more rapidly and efficiently because the program could be capitalized in advance and could carry an operating reserve.

**GENERAL PROVISIONS – DEPARTMENT OF TRANSPORTATION
(INCLUDING TRANSFER OF FUNDS)
(INCLUDING CANCELLATIONS)**

Sec. 180. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms or allowances therefore, as authorized by law (5 U.S.C. 5901-5902).

❖ Section 180 retains the provision that allows the Department of Transportation to use funds for aircraft, motor vehicles, liability insurance, uniforms, or allowances, as authorized by law.

Sec. 181. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for an Executive Level IV.

❖ Section 181 retains the provision that limits appropriations for services authorized by 5 U.S.C. 3109 to the rate for an Executive Level IV.

Sec. 182. None of the funds in this Act shall be available for salaries and expenses of more than 110 political and Presidential appointees in the Department of Transportation: *Provided*, That none of the personnel covered by this provision may be assigned on temporary detail outside the Department of Transportation.

❖ Sec. 182 retains the provision that prohibits funds to be used for salaries and expenses of more than 110 appointees.

Sec. 183.

(a) No recipient of funds made available in this Act shall disseminate personal information (as defined in 18 U.S.C. 2725(3)) obtained by a State department of motor vehicles in connection with a motor vehicle record as defined in 18 U.S.C. 2725(1), except as provided in 18 U.S.C. 2721 for a use permitted under 18 U.S.C. 2721.

(b) Notwithstanding subsection (a), the Secretary shall not withhold funds provided in this Act for any grantee if a State is in noncompliance with this provision.

❖ Section 183 retains the provision that prohibits recipients of funds made available in this Act from releasing certain personal information and photographs from a driver's license or motor vehicle record, without express consent of the person to whom such information pertains; and prohibits the withholding of funds provided in this Act for any grantee if a State is in noncompliance with this provision.

Sec. 184. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other

public authorities, and private sources for expenses incurred for training may be credited respectively to the Federal Highway Administration’s “Federal-Aid Highways” account and to the Federal Railroad Administration’s “Safety and Operations” account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

- ❖ Section 184 retains the provision that permits funds received by specified DOT agencies from States or other private or public sources for expenses incurred for training to be credited to certain specified agency accounts.

Sec 185. None of the funds in this Act to Department of Transportation may be used to make a loan, loan guarantee, line of credit, or grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than 3 full business days before any project competitively selected to receive a discretionary grant award, any discretionary grant award, letter of intent, loan commitment, loan guarantee commitment, line of credit commitment, or full funding grant agreement totaling \$1,000,000 or more is announced by the department or its modal administrations from:

- (1) any discretionary grant or federal credit program of the Federal Highway Administration including the emergency relief program;
 - (2) the airport improvement program of the Federal Aviation Administration;
 - (3) any program of the Federal Railroad Administration;
 - (4) any program of the Federal Transit Administration other than the formula grants and fixed guideway modernization programs; or
 - (5) any program of the Maritime Administration; or
- (5) any funding provided under the headings “National Infrastructure Investments” in this Act: *Provided*, That the Secretary gives concurrent notification to the House and Senate Committees on Appropriations for any “quick release” of funds from the emergency relief program: *Provided further*, That no notification shall involve funds that are not available for obligation.

- ❖ Section 185 retains the provision that prohibits funds from being used to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations no less than three days in advance of any discretionary grant award, letter of intent, or full funding grant agreement totaling \$1,000,000 or more.

Sec. 186. Rebates, refunds, incentive payments, minor fees and other funds received by the Department of Transportation from travel management centers, charge card programs, the subleasing of building space, and miscellaneous sources are to be credited to appropriations of the Department of Transportation and allocated to elements of the Department of Transportation using fair and equitable criteria and such funds shall be available until expended.

- ❖ Section 186 retains the provision that allows funds received from rebates, refunds, and similar sources to be credited to appropriations of the Department of Transportation.

Sec. 187. Amounts made available in this or any other Act that the Secretary determines represent improper payments by the Department of Transportation to a third party contractor under a financial assistance award, which are recovered pursuant to law, shall be available--

(1) to reimburse the actual expense incurred by the Department of Transportation in recovering improper payments; and

(2) to pay contractors for services provided in recovering improper payments or contractor support in the implementation of the Improper Payments Information Act of 2002: *Provided*, That amounts in excess of that required for paragraphs (1) and (2)--

(A) shall be credited to and merged with the appropriation from which the improper payments were made, and shall be available for the purposes and period for which such appropriations are available: *Provided further*, That where specific project or accounting information associated with the improper payment or payments is not readily available the Secretary may credit an appropriate account, which shall be available for the purposes and period associated with the account so credited; or

(B) if no such appropriation remains available, shall be deposited in the Treasury as miscellaneous receipts: *Provided further*, That prior to the transfer of any such recovery to an appropriations account, the Secretary shall notify to the House and Senate Committees on Appropriations of the amount and reasons for such transfer: *Provided further*, That for purposes of this section, the term “improper payments”, has the same meaning as that provided in section 2(d)(2) of Public Law 107-300.

❖ Section 187 retains the provision that allows amounts from improper payments to a third party contractor that are lawfully recovered by the DOT to be available to cover expenses incurred in the recovery of such payments.

Sec. 188. Notwithstanding any other provision of law, if any funds provided in or limited by this Act are subject to a reprogramming action that requires notice to be provided to the House and Senate Committees on Appropriations, transmission of notice of said reprogramming action shall be provided solely to the Committees on Appropriations[, and said reprogramming action shall be approved or denied solely by the Committee on Appropriations]: *Provided*, That the Secretary may provide notice to other congressional committees of the action of the Committees on Appropriations on such reprogramming but not sooner than 30 days following the date on which the reprogramming action has been [approved or denied by] *transmitted to* the House and Senate Committees on Appropriations.

❖ Section 188 proposes a provision that allows the Secretary to provide notice to other Congressional Committees of the approval or denial of a reprogramming action of the Committees on Appropriations not sooner than 30 days following the date of approval or denial.

Section 189. Funds appropriated in this Act to the modal administrations may be obligated for the Office of the Secretary for the costs related to assessments or reimbursable agreements only when such amounts are for the costs of goods and services that are purchased to provide a direct benefit to the applicable modal administration or administrations.

❖ Section 189 proposes a provision that would allow the Office of the Secretary of Transportation to assess or enter into reimbursable agreements with the modal administrations only to the degree that such amounts are for the costs of goods and services that are purchased to provide a direct benefit to the applicable modal administration or administrations.

Sec. 190. The Secretary of Transportation is authorized to carry out a program that establishes uniform standards for developing and supporting agency transit pass and transit benefits authorized under section 7905 of title 5, United States Code, including distribution of transit benefits by various paper and electronic media.

❖ Section 190 would explicitly designate the Department of Transportation as the Government-wide executive agency for the Federal transportation transit benefit program. While the Department of Transportation currently acts as the *de facto* executive agent, the lack of an official designation creates confusion with coordinating with the Office of Management and Budget and other agencies as to the Federal agency with the policy role for the program. In an April 2007 report, the Government Accountability Office (GAO) identified weaknesses in the design of program controls for transit benefit program at numerous Federal agencies; noted the lack of Government-wide policies or standards for establishing internal controls for the Federal transit benefits program; and concluded that weak program controls at each agency is a factor in fraud and abuse. The Department of Transportation has taken many of the corrective actions identified in the GAO report, but a formal designation as the Government-wide executive agent would enable the Department to lead more effectively the effort against transit benefit subsidy fraud and abuse.

Sec. 191. The Department of Transportation may use funds provided by this Act, or any other Act, to assist a contract under title 49 U.S.C. or title 23 U.S.C. utilizing geographic, economic, or any other hiring preference not otherwise authorized by law, except for such preferences authorized in this Act, or to amend a rule, regulation, policy or other measure that forbids a recipient of a Federal Highway Administration or Federal Transit Administration grant from imposing such hiring preference on a contract or construction project with which the Department of Transportation is assisting, only if the grant recipient certifies the following:

- (1) that except with respect to apprentices or trainees, a pool of readily available but unemployed individuals possessing the knowledge, skill, and ability to perform the work that the contract requires resides in the jurisdiction;
- (2) that the grant recipient will include appropriate provisions in its bid document ensuring that the contractor does not displace any of its existing employees in order to satisfy such hiring preference; and
- (3) that any increase in the cost of labor, training, or delays resulting from the use of such hiring preference does not delay or displace any transportation project in the applicable Statewide Transportation Improvement Program or Transportation Improvement Program.

Section 3 – FY 2017 Budget Request by Appropriations

- ❖ Section 191 proposes a provision that allows the Department to use funds to assist a contract utilizing geographic, economic, or any other hiring preference not otherwise authorized by law.

GENERAL PROVISIONS—THIS ACT

Sec. 401. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

❖ Section 401 continues the prohibition on the use of funds for pay and other expenses provided in the appropriation act for compensating non-Federal parties intervening in regulatory or adjudicatory proceedings funded by the act.

Sec. 402. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

❖ Section 402 continues the prohibition on obligations beyond the current fiscal year and transfers of funds to other appropriations unless expressly provided in the appropriations act.

Sec. 403. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

❖ Section 403 continues the limitation on expenditures for consulting service through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Sec. 404. Except as otherwise provided in this Act, none of the funds provided in this Act, provided by previous appropriations Acts to the agencies or entities funded in this Act that remain available for obligation or expenditure in fiscal year 2017, or provided from any accounts in the Treasury derived by the collection of fees and available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds that:

- (a)(1) creates a new program;
- (2) eliminates a program, project or activity;
- (3) increases funds or personnel for any program, project, or activity for which funds have been denied or restricted by the Congress;
- (4) proposes to use funds directed for a specific activity by either the House or Senate Committees on Appropriations for a different purpose;
- (5) augments existing programs, projects, or activities in excess of \$5,000,000 or 10 percent, whichever is less;

(6) reduces existing programs, projects, or activities by \$5,000,000 or 10 percent, whichever is less; or

(7) creates, reorganizes, or restructures a branch, division, office, bureau, board, commission, agency, administration, or department different from the budget justifications submitted to the Committees on Appropriations or the table accompanying the explanatory statement accompanying this Act, whichever is more detailed, unless *notice is transmitted to the House and Senate Committees on Appropriations: Provided, That not later than 60 days after the date of enactment of this Act each agency funded by this Act shall submit a report to the Committees on Appropriations of the Senate and of the House of Representatives to establish the baseline for application of reprogramming and transfer authorities for the current fiscal year: Provided further, That the report shall include:*

(A) a table for each appropriation with a separate column to display the prior year enacted level, the President’s budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal year enacted level;

(B) a delineation in the table for each appropriation and its respective prior year enacted level by object class and program, project, and activity as detailed in the budget appendix for the respective appropriation; and

(C) an identification of items of special congressional interest.

(b) Notwithstanding any other transfer restriction under this Act, not to exceed 10 percent of any appropriation made available for current fiscal year for the Federal Aviation Administration by this Act or provided by previous appropriations Acts may be transferred between such appropriations for the Federal Aviation Administration, but no such appropriation except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfer: Provided, That funds transferred under this section shall be treated as a reprogramming of funds under subsection (a) and shall not be available for obligation unless the Committees on Appropriations of the Senate and the House of Representatives are notified 15 days in advance of such transfer: Provided further, that any transfer from an amount made available for obligation as discretionary grants-in-aid for airports pursuant to section 47117(f) of title 49, United States Code shall be deemed as obligated for grants-in-aid for airports under part B of subtitle VII of title 49, United States Code for the purposes of complying with the limitation on incurring obligations in this appropriations Act or any other appropriations Act under the heading “Grants-in-Aid for Airports.”

❖ Section 404 continues the provision that each Department provide a report to the Committees on Appropriations that establishes the baseline for application of reprogramming and transfer authorities for the current fiscal year not later than 60 days after enactment.

Sec. 405. Except as otherwise specifically provided by law, not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 2017 from appropriations made available for salaries and expenses for fiscal year 2017 in this Act, shall remain available

through September 30, 2018, for each such account for the purposes authorized: *Provided*, That a *notification* shall be submitted to the House and Senate Committees on Appropriations prior to the expenditure of such funds: *Provided further*, That these *notifications* shall be made in compliance with reprogramming guidelines under section 404 of this Act.

- ❖ Section 405 continues the provision providing that 50 percent of unobligated balances are available for certain purposes.

Sec. 406. No funds in this Act may be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use: *Provided*, That for purposes of this section, public use shall not be construed to include economic development that primarily benefits private entities: *Provided further*, That any use of funds for mass transit, railroad, airport, seaport or highway projects as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water-related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields as defined in the Small Business Liability Relief and Brownsfields Revitalization Act (Public Law 107-118) shall be considered a public use for purposes of eminent domain.

- ❖ Section 406 continues the provision prohibiting the use of funds for eminent domain unless such taking is employed for public use.

Sec. 407. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriations Act.

- ❖ Section 407 proposes a provision that does not allow any funds provided in the Act to be transferred to any department, Agency, or instrumentality of the U.S. Government unless transfer made by or transfer authority provided in this Act or other Appropriations Act.

Sec. 408. No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the “Buy American Act”).

- ❖ Section 408 prohibits the availability of funds to any person or entity that does not comply with the Buy American Act.

Sec. 409. No funds appropriated or otherwise made available under this Act shall be made available to any person or entity that has been convicted of violating the Buy American Act (41 U.S.C. 10a-10c).

- ❖ Section 409 prohibits the availability of funds to any person or entity that has been convicted of violating the Buy American Act.

Section 3 – FY 2017 Budget Request by Appropriations

Sec. 410. None of the funds made available in this Act may be used for first-class airline accommodations in contravention of sections 301-10.122 and 301-10.123 of title 41, Code of Federal Regulations.

❖ Section 410 prohibits the use of funds for the purchase of first-class airline accommodations.

Sec. 411. None of the funds made available by this Act may be used by the Department of Transportation, the Department of Housing and Urban Development, or any other Federal agency to lease or purchase light duty vehicles for any executive fleet, or for an agency's fleet inventory, except in accordance with Presidential Memorandum—Federal Fleet Performance, dated May 24, 2011.

❖ Section 411 prohibits Federal funds from being used to lease or purchase light duty vehicles for any executive fleet, or for an agency's fleet inventory, except in accordance with Presidential Memorandum—Federal Fleet Performance, dated May 24, 2011.

History of Budget Authority, Appropriations and User Fees
 (\$ in thousands)
 Office of the Secretary

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Enacted	Request
Salaries & Expenses	83,961	91,782	98,248	102,686	102,481	102,481	97,121	107,000	105,000	108,750	114,396
Trans., Ping., Res. & Dev. (TPR&D)	14,893	13,884	18,300	18,168 ^{3/}	9,799	9,000	8,529	7,000	6,000	8,500	17,043
TPR&D Cancellation of Unobligated Balances	0	0	0	0	0	0	0	-2,750	0	0	0
Office of Civil Rights	8,527	9,141	9,384	9,667	9,648	9,384	8,893	9,551	9,600	9,678	9,751
Small and Dis. Bus. Util. & Outreach (Min. Bus. Outreach)	2,970	2,970	3,056	3,074	3,068	3,068	2,908	3,088	3,099	3,084	4,646 ^{6/}
Minority Business Resource Center	893	893	912	923	921	922	874	925	925	933	941
Financial Management Capital	0	0	5,000	5,000	4,990	4,990	4,729	7,000	5,000	5,000	4,000
Digital Services	0	0	0	0	0	0	0	0	0	0	1,000
Essential Air Service	[50,000] ^{1/}	[65,000] ^{2/}	[12,286] ^{4/}	[50,000] ^{1/}	[50,000] ^{1/}	[50,000] ^{1/}	[97,697] ^{1/}	[118,906] ^{1/}	[110,164] ^{1/}	[103,469] ^{1/}	[104,239] ^{1/}
Payments to Air Carriers	59,400	60,000	86,213	150,000	149,700	143,000	135,520	149,000	155,000	175,000	150,000
Compensation to Air Carriers	-50,000	-22,000	-848	0	0	0	0	0	0	0	0
Compensation for General Aviation Operations	0	0	0	0	0	-3,254	0	0	0	0	0
New Headquarters Building	49,500	0	0	0	0	0	0	0	0	0	0
Safe Transportation of Energy Products Fund	0	0	0	0	0	0	0	0	0	0	0
NII Mandatory	0	0	0	0	0	0	0	0	0	0	1,250,000
National Infrastructure Investments	0	0	0	600,000	526,944	500,000	473,847	600,000	500,000	500,000	0
ARRA - National Surface Transportation System	0	0	1,500,000	0	0	0	0	0	0	0	0
Cyber Security/IT Infrastructure	0	0	0	0	0	10,000	9,477	4,455	5,000	8,000	15,000
DATA Act	0	0	0	0	0	0	0	0	0	3,000	4,000
Research & Technology	7,736 ^{5/}	12,000	12,900	13,007	12,981	15,981	15,145	14,765	13,000	13,000	18,007
Bureau of Transportation Statistics	27,562	27,000	27,000	27,000	27,000	25,206	25,948	26,000	29,000	29,579	0
National Surface Transportation & Innovative Finance Bureau:	0	0	0	0	0	0	0	0	0	0	3,000

¹ Overflight fees collected by FAA

² Overflight fees collected by FAA (\$50m) and funds from sale of spectrum (\$15m)

³ Includes \$2 million for the Mississippi-Missouri Rivers project pursuant to P.L. 111-117 Section 195.

⁴ A total of \$50 million of overflight fees was available to the EAS program during FY 2009. \$23 million was transferred by FAA as an unobligated balance at the start of FY 2009, and an additional \$27 million of overflight fees was transferred during FY 2009. In addition, \$15 million of collections from the Department of Commerce into the EAS account in FY 2009. The \$15 million was used to pay back funds that were borrowed in FY 2008, pursuant to P.L. 109-171; however, for the purpose of budgetary presentation, the \$15 million offsets the \$27 million of overflight fees, resulting in a net amount of new budgetary authority of \$12

⁵ FY 2007 reflects Continuing Resolution (H.J. Resolution 20) at the FY 2006 budget level of \$5,736,000 and funds to support Air Transportation Statistics program.

⁶ Funding for the Office of Small and Disadvantaged Utilization (formerly in Salaries and Expenses) has been merged with the Minority Business Outreach appropriation and the appropriation has been renamed Small and Disadvantaged Business Utilization and Outreach.

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

	TASC/ Working <u>Capital Fund 1/</u>	Direct <u>Loans</u>	Guaranteed <u>Loans</u>
FY 1996	95,463	15,000	
FY 1997	114,812	15,000	
FY 1998	118,800	15,000	
FY 1999	109,124	13,775	
FY 2000	133,673	13,775	
FY 2001	126,887		13,775
FY 2002	116,023		18,367
FY 2003	118,391		18,367
FY 2004 Actual	98,899		18,367
FY 2005 Actual	94,881		18,367
FY 2006 Actual	99,006		18,367
FY 2007 Actual	118,014		18,367
FY 2008 Actual	128,094		18,367
FY 2009 Actual	128,094		18,367
FY 2010 Actual	147,596		18,367
FY 2011 Actual	147,596		18,367
FY 2012 Actual	172,000		18,367
FY 2013 Actual	171,656		18,367
FY 2014 Actual	178,000		18,367
FY 2015 Enacted	181,500		18,367
FY 2016 Enacted	190,039		2/
FY 2017 Request	3/		2/

Notes:

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

2/ No limitation is proposed. The amount of loans guaranteed will be determined by the amount of subsidy funding enacted.

3/ No limitation is proposed.

**DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY**

FY 2017 CONGRESSIONAL BUDGET JUSTIFICATION

SALARIES & EXPENSES TABLE OF CONTENTS

	<u>Page</u>
SALARIES & EXPENSES	
Immediate Office of the Secretary	S&E - 1
Office of the Deputy Secretary	S&E - 4
Office of the Under Secretary for Transportation Policy	S&E - 7
Office of the Executive Secretariat	S&E - 15
Office of Small and Disadvantaged Business Utilization.....	S&E - 18
Office of Intelligence, Security, and Emergency Response	S&E - 20
Office of the Chief Information Officer.....	S&E - 31
Office of Public Affairs	S&E - 42
Assistant Secretary for Budget and Programs/Chief Financial Officer	S&E - 46
Office of the General Counsel	S&E - 52
Office of the Assistant Secretary for Governmental Affairs	S&E - 60
Office of the Assistant Secretary for Administration	S&E - 63
FY 2016 - FY 2017 Object Class Detail by Office.....	S&E - 72
Budget Appendix Schedule.....	S&E - 74

GENERAL NOTES

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

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Immediate Office of the Secretary - (S-1)

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$2,203	\$2,239	\$2,255	\$16
Travel	\$202	\$202	\$204	\$2
Other Costs	\$291	\$294	\$299	\$5
TOTAL	\$2,696	\$2,734	\$2,758	\$23

STAFFING

Direct Positions	15	15	15	0
Direct FTEs	13.0	14.0	14.0	0.0
Reimbursable Positions	8	8	8	0
Reimbursable FTEs	6.0	8.0	8.0	0.0

The Immediate Office of the Secretary is requesting \$2.758 million and an estimated 14 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Immediate Office of the Secretary

What Is This Program And Why Is It Necessary?

The Immediate Office of the Secretary supports the **Organizational Excellence** strategic goal by providing leadership for the Department and developing a shared understanding of the Department's vision, mission, and strategic goals. The Office is responsible for overall planning, direction, and control of the Department's agenda.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund; and (5) an estimated 1 percent inflation increase; as well as an estimated 14 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

What Benefits Will Be Provided To The American Public Through This Request?

The Immediate Office of the Secretary is necessary to provide executive leadership essential to responding to the American Public about transportation issues affecting the Nation.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

**Explanation of Funding Changes
for the
Immediate Office of the Secretary - (S-1)
(\$000)**

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$2,696	13
FY 2016 Enacted	\$2,734	14
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$7	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$17	
January 2017 Pay Raise	\$26	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$3	
Inflation	\$5	
FY 2017 Baseline Estimate	\$2,758	14
<u>FY 2017 Program Changes (+/-):</u>	\$0	0
Total, FY 2017 Request	\$2,758	14

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Office of the Deputy Secretary - (S-2)

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$929	\$942	\$954	\$12
Travel	\$35	\$35	\$35	\$0
Other Costs	\$47	\$48	\$50	\$3
TOTAL	<u>\$1,011</u>	<u>\$1,025</u>	<u>\$1,040</u>	<u>\$15</u>

STAFFING

Direct Positions	7	7	7	0
Direct FTEs	5.0	7.0	7.0	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0

The Office of the Deputy Secretary is requesting \$1.040 million and an estimated 7 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of the Deputy Secretary

What Is This Program And Why Is It Necessary?

The Office of the Deputy Secretary supports the **Organizational Excellence** strategic goal by assisting the Secretary in the overall planning, direction and control of the Department's agenda.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund; and (5) an estimated 1 percent inflation increase; as well as an estimated 7 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

What Benefits Will Be Provided To The American Public Through This Request?

The Office of the Deputy Secretary assists the Secretary in the overall planning, direction and control of the Department's agenda. The office is essential to prioritizing responses to the American Public about transportation issues affecting the Nation.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of the Deputy Secretary - (S-2)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$1,011	5
FY 2016 Enacted	\$1,025	7
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$3	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$7	
January 2017 Pay Raise	\$11	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$8	
Inflation	\$1	
FY 2017 Baseline Estimate	\$1,040	7
<u>FY 2017 Program Changes (+/-):</u>	0	0
Total, FY 2017 Request	\$1,040	7

OFFICE OF THE SECRETARY OF TRANSPORTATION**SALARIES AND EXPENSES***Office of the Undersecretary of Transportation for Policy - (S-3)***What Is The Request and What Funds are Currently Spent on the Program?**

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$9,008	\$9,133	\$9,600	\$468
Travel and Transportation	\$134	\$135	\$187	\$51
Other Costs	\$658	\$673	\$1,321	\$648
TOTAL	<u>\$9,800</u>	<u>\$9,941</u>	<u>\$11,108</u>	<u>\$1,167</u>
<u>STAFFING</u>				
Direct Positions	85	85	89	4
Direct FTEs	66.0	72.0	73.0	1.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

The Office of the Under Secretary for Policy is requesting \$11.108 million and an estimated 73 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

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

What Is This Program/Activity And Why Is It Necessary?

The Under Secretary of Transportation for Policy (S-3) serves as a principal policy advisor to the Secretary and provides leadership in the development and implementation of policies for the Department, generating proposals and strategic planning, and providing advice regarding legislative and regulatory initiatives across all modes of transportation. By statute, the Under Secretary is third in the Department's order of succession, after the Secretary. The Under Secretary collaborates with the Assistant Secretary for Budget and Programs to ensure coordination between the Department's budget development and policy development functions. The Under Secretary oversees the Assistant Secretary for Aviation and International Affairs and the Assistant Secretary for Transportation Policy, coordinating transportation policy development with the goal of making the Nation's transportation resources function as an integrated national system. The work of each of the offices within S-3 supports the Department's strategic goals. Four offices primarily address the **Economic Competitiveness** strategic goal (Offices of the Chief Economist; Aviation Analysis; International Transportation & Trade; International Aviation); three offices address the **Safety, Quality of Life in Communities and Environmental Sustainability** strategic goals, (Offices of Safety Oversight; Policy Development, Strategic Planning and Performance; International Transportation and Trade); and one office further promotes **Organizational Excellence** and the Nation's **State of Good Repair** (Office of Policy Deployment, Program Delivery and Innovation).

The **Office of the Chief Economist** examines transportation policy issues from an economic perspective, conducts analyses of the economic effects of transportation policies, and designs more economically efficient policies. These analyses focus on the economic impact of transportation investments, strategies for using transportation infrastructure more efficiently, ways of increasing the economic efficiency of federal transportation programs, and the costs and benefits of transportation rulemakings and transportation investments. The Office also helps communicate departmental priorities with key stakeholders through the development of white papers, reports and other materials. The Office of the Chief Economist also develops the Department's standards and guidance on key parameters such as the Value of Time and the Value of Statistical Life.

The **Office of Policy Development, Strategic Planning and Performance** manages long-term research, analysis, and initiatives on issues involving safety, energy and the impact of transportation investments on the human and natural environment, and quality of life. The Office leads efforts to promote reform to speed the development of infrastructure projects and use taxpayer funds more efficiently. The Office leads strategic initiatives to ensure improvements in performance management, transportation planning, and project delivery that will improve safety, reduce energy use, and create better environmental outcomes while improving the accessibility

and connectivity of the transportation system. Also, this Office serves as the lead office on the development and implementation of the Departmental Strategic Plan.

The **Office of Policy Deployment, Program Delivery and Innovation** focuses on the implementation of priority initiatives through Departmental actions, including regulation, legislative proposals, budget proposals and other guidance. This office supports the Departmental initiatives on freight, innovative finance, competitive grant programs (including National Infrastructure Investments), and technology. These efforts attempt to ensure that federal funding can be leveraged.

The **Office of Safety Oversight** provides consistency and management of all safety-related activity in the modes, with a particular focus on better integrating the safety activities of the modal administrations. This integration will allow the Department to focus on areas of the highest risk for the traveling public, while streamlining the States' safety-related interactions with DOT (including safety planning and reporting requirements). The Office is responsible for creating savings through identifying and eliminating overlap between the modes, and improving consistency and quality of government responses to safety concerns by proactively harmonizing the different safety practices of the modes. The Office ensures safety modes are coordinating to follow best practices, eliminating duplication of safety efforts and research, and developing the most effective safety regulations. The office enables efficient application of transportation safety resources at the federal and state level by ensuring data from States and others is collected only once and appropriately shared by all safety modes.

The **Office of Aviation Analysis (OAA)** serves as an independent source of analytical input into the Department's aviation and international affairs policy making function; exercises the Department's economic oversight of the domestic and international aviation industries; ensures the initial and continuing economic fitness of U.S. carriers; operates the Essential Air Service (EAS) program to ensure that eligible small and rural communities are connected to the U.S. transportation system; oversees grants to small communities to assist them in attracting sufficient air carrier services; and establishes Alaskan mail rates as required by law. The OAA analyzes and supports the Department's decision makers on major airline issues, including: airline mergers and competition issues, domestic and international code-share alliances, immunized international alliances between U.S. and foreign carriers, airline distribution practices, airline strike and bankruptcy issues, and airline service at rural communities.

The **Office of International Aviation (OIA)** develops, coordinates, and executes Departmental international aviation transportation policy. Specifically, this includes negotiating liberalized bilateral and multilateral aviation agreements to provide increased commercial opportunities for U.S. airlines and better service at lower fares for consumers. It also includes awarding regulatory authority to airlines, whether for scheduled or charter operations, own-aircraft or codeshare, so that, consistent with Department policies and regulations, they can use the opportunities available and enhance service to the public, thereby contributing to U.S. economic growth. The OIA systematically maintains contact with the U.S. aviation community to determine liberalization priorities and develop new initiatives to enhance the usability of aviation rights. The office also engages in ongoing monitoring of all U.S. international aviation relationships to ensure that U.S. rights are honored and that where U.S. carriers suffer foreign

discriminatory or unfair practices, appropriate diplomatic and/or regulatory steps can be taken to achieve redress.

The **Office of International Transportation and Trade (OITT)** provides Departmental leadership, direction, and coordination on international surface and inter-modal transportation and trade policies and programs, including trade facilitation, technical assistance and cooperation programs, trade promotion and advocacy, multimodal transportation issues, and international diplomatic and protocol activities. OITT also leads and coordinates Departmental participation in global transportation and trade organizations. OITT develops DOT activities under the President's National Export Initiative (NEI) through transportation dialogues with priority NEI countries such as Brazil, China and India. OITT also develops DOT positions on transportation-related aspects of free trade agreements that the United States is negotiating, including the Trans-Pacific Partnership Agreement, the Trade in Services Agreement, and the US-EU Transatlantic Trade and Investment Partnership.

The Office of the Under Secretary also houses the **Department's efforts on public engagement** as well as Americans with Disabilities Act (ADA) and accessible transportation. The public engagement effort focuses on coordinating outreach to stakeholders and the public with regard to actions being taken; getting feedback from stakeholders and the public on actions under consideration; and getting higher-level involvement in Departmental work from stakeholders and, particularly, under-represented populations. There is also a focus on ADA and accessible transportation, to coordinate the Department's work on improving access to the transportation system for people with disabilities and older adults. This includes serving on the United States Access Board, acting as liaison to the disability community, and working with the Operating Administrations to ensure that policies, guidance, and regulations developed by the Department properly consider and further the goal of universal access.

FY 2016 Anticipated Program Accomplishments:

The Office of the Under Secretary will develop and coordinate agency initiatives in the areas of safety, public and intergovernmental outreach, freight policy, and international transportation policy. The Office will also continue to support White House-led efforts that complement Departmental goals. The Office's outreach with major transport ministers will continue to develop policy positions on transport and transport-related trade matters, while further continuing to participate in the negotiation of liberalized aviation trade agreements between the United States and other countries.

Performance Measures:

Economic Competitiveness

- Establish or participate in 14 technology transfer and capacity building programs to improve training opportunities for international transport ministries to U.S. transportation technologies. (OST/Aviation and International Affairs).

- Remove 3 or more market-distorting barriers to trade in transportation through solution of major stakeholder commercial concerns/or negotiation of new bilateral and multilateral aviation agreements. (OST/Aviation and International Affairs).
- Advance DOT goals with foreign governments through the conduct of at least 75 annual international meetings, and other events at the Secretary, Deputy Secretary, or Under Secretary Level (OST/Aviation and International Affairs). Examples include bilateral and multilateral meetings with foreign ministers of transport, heads of state, ambassadors to the U.S., and other senior-level foreign government and industry officials. Event and forum participation include the U.S.-China Transportation Forum, African Growth and Opportunity Act (AGOA) Forum, China Civil Aviation Development Forum, Asia-Pacific Economic Cooperation Ministerial, and USG Trade Missions in cooperation with other USG agencies.

Safety

- Increase the number of States and localities that adopt roadway design policies that accommodate all road users (i.e., Complete Streets) from 22 states and one territory in 2010 to 32 in 2016 (OST/Policy).

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund; and (5) an increase for an estimated 1 percent inflation, as well as an estimated 73 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

An additional \$1.073 million is requested for the Chief Safety Office to provide consistency and management of all safety-related activity in the modes which will allow the Department to focus on areas of the highest risk for the traveling public, while streamlining the States' safety-related interactions with DOT (including safety planning and reporting requirements). The Office is also responsible for creating savings through identifying and eliminating overlap between the modes.

What Benefits Will Be Provided To The American Public Through This Request?

The Under Secretary of Transportation for Policy (S-3) serves as a principal policy advisor to the Secretary and provides leadership in the development of policies for the Department, generating proposals and the strategic plan, and providing advice regarding legislative and regulatory initiatives across all modes of transportation. Specifically, the Salaries and Expenses account within S-3 acts as the main funding source for the policy experts, trade negotiators, economists, financial specialists and administrative support vital to the policy-making operations of S-3. The

Office of the Under Secretary for Policy is leading the implementation of the FAST Act, the first long-term transportation authorization in 10 years. The FAST Act makes changes and reforms to many Federal transportation programs, including streamlining the approval processes for new transportation projects, providing new safety tools, and establishing new programs to advance critical freight projects.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of the Under Secretary of Transportation for Policy - (S-3)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$9,800	66
FY 2016 Enacted	\$9,941	72
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$30	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$70	
January 2017 Pay Raise	\$105	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$23	
Inflation	\$4	
FY 2017 Baseline Estimate	\$10,033	72
<u>FY 2017 Program Changes (+/-):</u>	0	-2
Total, FY 2017 Request	\$10,033	70

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Chief Safety Office
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$0	0
FY 2016 Enacted	\$0	0
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$0	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	\$0	
January 2017 Pay Raise	\$0	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$0	
FY 2017 Baseline Estimate	\$0	0
<u>FY 2017 Program Changes (+/-):</u>		
To provide consistency and management of all safety-related activity in the modes which will allow the Department to focus on areas of the highest risk for the traveling public, while streamlining the States' safety-related interactions with DOT (including safety planning and reporting requirements). The Office is also responsible for creating savings through identifying and eliminating overlap between the modes.	\$1,075	3
Total, FY 2017 Request	\$1,075	3.0

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Office of the Executive Secretariat - (S-10)

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$1,593	\$1,615	\$1,634	\$19
Travel	\$2	\$2	\$2	\$0
Other Costs	\$119	\$120	\$124	\$4
TOTAL	<u><u>\$1,714</u></u>	<u><u>\$1,737</u></u>	<u><u>\$1,760</u></u>	<u><u>\$23</u></u>

STAFFING

Direct Positions	15	15	15	0
Direct FTEs	12	14	14	0.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

The Office of Executive Secretariat is requesting \$1.760 million and an estimated 14 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of the Executive Secretariat

What Is This Program And Why Is It Necessary?

The Office of the Executive Secretariat supports the **Organizational Excellence** strategic goal by providing organized staff services to the Secretary and Deputy Secretary, including the editing and vetting of correspondence, congressional reports, travel requests, and other documents for their signatures, committee management oversight, and directives management.

The Office of the Executive Secretariat is necessary to provide staff support for controlling and coordinating the flow of correspondence to the Secretary and Deputy Secretary in addition to administrative management services to their offices.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund; and (5) an estimated 1 percent inflation increase; as well as an estimated 14 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

What Benefits Will Be Provided To The American Public Through This Request?

The Office of the Executive Secretariat ensures the timely response to Secretarial inquiries from the general public (and Congress on their behalf) regarding transportation-related issues.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of the Executive Secretariat - (S-10)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$1,714	12
FY 2016 Enacted	\$1,737	14
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$5	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$12	
January 2017 Pay Raise	\$19	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$11	
Inflation	\$1	
FY 2017 Baseline Estimate	\$1,760	14
<u>FY 2017 Program Changes (+/-):</u>	0	0
Total, FY 2017 Request	\$1,760	14

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Office of Small and Disadvantaged Business Utilization - (S-40)

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$1,347	\$1,367	\$0	-\$1,367
Travel	\$0	\$0	\$0	\$0
Other Costs	\$67	\$67	\$0	-\$67
TOTAL	\$1,414	\$1,434	\$0	-\$1,434

STAFFING

Direct Positions	9	9	0	-9
Direct FTEs	6.0	9.0	0.0	-9.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

The FY 2017 budget proposes to merge the Salaries and Expenses appropriation for the Office of Small and Disadvantaged Business Utilization with the Minority Business Outreach appropriation, thereby establishing a single Small and Disadvantaged Business Utilization and Outreach appropriation.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of Small and Disadvantaged Business Utilization - (S-40)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$1,414	6
FY 2016 Enacted	\$1,434	9
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$4	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$10	
January 2017 Pay Raise	\$16	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$1	
FY 2017 Baseline Estimate	\$1,444	9
<u>FY 2017 Program Changes (+/-):</u>	-\$1,444	-9
Total, FY 2017 Request	\$0	0

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

*Office of Intelligence, Security, and Emergency Response - (S-60)*What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$8,656	\$8,998	\$9,064	\$65
Travel	\$375	\$375	\$379	\$4
Other Costs	\$1,569	\$1,420	\$1,646	\$227
TOTAL	<u>\$10,600</u>	<u>\$10,793</u>	<u>\$11,089</u>	<u>\$296</u>

STAFFING

Direct Positions	55	55	55	0
Direct FTEs	49	53	53	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0	0	0	0

The Office of Intelligence, Security, and Emergency Response is requesting \$11.089 million and an estimated 53 FTEs in FY 2017 to accomplish the mission as outlined on the pages that follow.

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

What Is This Program And Why Is It Necessary?

The Office of Intelligence, Security, and Emergency Response (S-60) ensures the development, coordination and execution of plans and procedures for the Department of Transportation (DOT) to balance transportation security requirements with the safety, mobility, and economic needs of the nation through effective intelligence, security, preparedness and emergency response programs. These programs are mandated and governed by statutes, Executive Orders (EOs), and Presidential Directives.

The Office of Intelligence, Security, and Emergency Response supports the **Organizational Excellence** goal in DOT's Strategic Plan. Specifically, that goal relates to developing a diverse and collaborative workforce that will enable the DOT to advance a transportation system that serves the nation's long-term social, economic, security, and environmental needs and is effective, when needed, for defense mobility, emergency preparedness, response, and recovery.

S-60 is comprised of five primary areas of responsibility: Intelligence, Security Policy, Preparedness, Operations, and Protective Services. Currently, the office has assigned one staff member as the liaison officer to North American Aerospace Defense /U.S. Northern Command (NORAD/NORTHCOM) at Peterson Air Force Base, Colorado. Additionally, an intelligence staff officer is assigned to the National Counterterrorism Center to coordinate the flow of national intelligence.

Intelligence Division - The Intelligence Division has four mission areas of responsibility: Analysis and Production; Intelligence Engagement and Information Sharing; Defensive Counterintelligence and Insider Threat; and Cyber Intelligence Support. The Intelligence Division executes these mission areas in order to establish and enhance situational awareness of threats to US and international transportation systems and infrastructure, support the development of DOT international engagement strategies, and identify and mitigate threats from foreign intelligence services, insider, and cyber threats.

During 2016, the Intelligence Division will accomplish the following in its four mission areas of responsibility:

Analysis and Production

- Analyze all available reporting concerning known or developing threats to domestic and foreign transportation infrastructure and assets and provide transportation-related

- all-source intelligence to the Secretary, Deputy Secretary, his principal staff, and other key DOT officials;
- Identify, review, assess, and disseminate relevant Intelligence and Law Enforcement Community transportation-related products to Operating Administration senior leaders, security personnel, and emergency response staff through web-based sites and direct coordination;
- Coordinate with Intelligence and Law Enforcement Community, Department of Defense, and other US Departments and Agencies to identify potential areas for DOT collaborative and coordinated intelligence analysis and production regarding DOT mission equities;
- Assist in identifying and developing areas for enhancing geospatial product access and production, when possible, to the DOT National Response Program.

Intelligence Engagement and Information Sharing

- Represent DOT and its interests on the Information Sharing and Access Interagency Policy Committee (ISA IPC), the Federal Partners Forum, the National Counterintelligence Working Group, the Federal Bureau of Investigation National Joint Terrorism Task Force, the National Insider Threat Task Force, and other forums addressing information sharing, law enforcement, and intelligence-related topics at the national level;
- Work closely with the Director of National Intelligence Federal Partner Forum Office on a range of topics;
- Establish procedures and processes to leverage existing National Suspicious Activity Reporting (SARs) systems and protocols for the submission and DOT identified suspicious activities and identification of nationally reported SARs related to US transportation systems and infrastructure;
- Work in conjunction with the National Counterterrorism Center to identify DOT components that have counterterrorism-related programs and projects contributing to the National Counterterrorism budget;
- Support Intelligence Community (IC) efforts to leverage all DOT's unique access to critical and difficult sources of information to enhance analysis and assessments;
- Respond, in accordance with existing DOT authorities and policies, to external request for support by other US Departments and Agencies.

Defensive Counterintelligence and Insider Threat

- Coordinate with the National Counterintelligence and Security Center (NCSC) Office of Counterintelligence Executive and the National Insider Threat Task Force (NITTF) to develop an effective and efficient Insider Threat Program in accordance with EO 13587 (Structural Reforms to Improve the Security of Classified Networks and the Responsible Sharing and Safeguarding of Classified Information);

- Provide counterintelligence-related briefings to DOT personnel traveling overseas in an effort to improve their situational awareness and help prevent the exploitation of travelers by unfriendly or hostile intelligence organizations;
- Provide screening support of foreign visitors to DOT facilities and engagement meetings;
- Develop and execution of the DOT CI/Insider Threat Program policies, procedures and HUB operations with a focus on training and oversight;
- Identify, evaluate and implement, as required, information-sharing and analytical software tools to aid in the identification, assessment, and response to insider threats.

Cyber Intelligence Support

- Coordinate, as required, the review and screening of all items provided to DOT employees from foreign visitors and hosts to safeguard DOT personnel and networks;
- Evaluate and implement, as required, processes and procedures for the collection and sharing of cyber-based elicitation of DOT employees for the purposes of collecting DOT sensitive information, gaining unique access to DOT personnel, or targeting of DOT networks.

Security Policy and Plans Division - The Security Policy and Plans Division supports DOT's interests on national security policy issues and coordinates DOT representation on various interagency groups, as convened by the White House/National Security Council staff. These activities are in direct support of various Presidential Policy Directives (PPDs), Executive Orders (EO), National Strategies and Frameworks, and Congressional mandates.

The division produces or coordinates in-depth studies, reports, analysis, and federal and departmental plans. The division also coordinates DOT policy with other departments and agencies, allowing the government to balance the programs and funding for one program with the needs of others.

During FY 2016, the Security Policy and Plans Division will accomplish the following:

- Support the DOT Secretary and Deputy Secretary in their respective roles as part of the Principals and Deputies Committees at the White House;
- Analyze security policy related to transportation infrastructure and assets and make policy recommendations to key Departmental officials;
- Represent DOT and its interests in setting transportation security policy in federal, state, local, tribal, territorial, and international arenas;
- Participate in interagency and White House-led efforts to develop and implement national security policy issues that include, but are not limited to, biological threats and bio-surveillance, climate change and adaptation, critical infrastructure, and cybersecurity;
- Work with the Department of Homeland Security (DHS) to identify and prioritize critical infrastructure, and collaborate with DHS and others through a public-private

- partnership model to address physical and cyber critical infrastructure in an all-hazards environment;
- Update Departmental policy for the Sensitive Security Information program, provide input to guidance and policy documents that address transportation security issues, and provide input and coordination to the five National Preparedness Frameworks from PPD-8;
 - Carry out the authorities delegated to the Secretary for Defense Production Act activities;
 - Represent DOT as the co-Sector-Specific Agency for the Transportation Systems Sector, working alongside DHS to ensure unity of effort while coordinating the development of policy and strategy documents, interagency communications, and outreach to stakeholders.

Preparedness Division - The Preparedness Division has three primary areas of responsibility: National Security Continuity Programs, International Civil Transportation Emergency Preparedness Programs, and Training and Exercise Programs.

1. The National Security Continuity Program is responsible for the continuity of essential DOT and other governmental functions. The program develops and maintains the Office of the Secretary of Transportation's Continuity of Operations Plan and maintains alternate secure facilities in a high state of readiness for use by DOT. The program develops and updates departmental devolution plans and procedures, and ensures DOT support to Federal continuity of government programs.

During FY 2016, the National Security Continuity Program will accomplish the following:

- Utilize the "OneDOT" alternate continuity site, for Departmental and Operating Administration senior leadership, Emergency Coordinators, Planning Team members, Intelligence staff and the Crisis Management Center Watch which replaced the temporary DOT site in 2016;
 - Maintain operational continuity of operations sites and improve facility configuration and communications/IT capabilities – incorporating all requirements of National Communications Systems Directive (NCS D 3-10) and other applicable directives and requirements;
 - Manage and coordinate training of personnel supporting continuity programs;
 - Identify alternative continuity of operations sites as possible additional locations, with the goal of providing enhanced command and control at multiple locations.
2. The International Civil Transportation Emergency Preparedness Program represents the U.S. and DOT in international organizations and groups engaged in development of civil transportation response plans in the interest of national security and disaster preparedness. Program staff works in coordination with DOT and other federal entities in

planning and technical policy development concerning international civil transportation emergency response and recovery initiatives.

During FY 2016, the International Civil Transportation Emergency Preparedness Program will accomplish the following:

- Coordinate with Transport Canada in planning for mutual support in cross border operations during security incidents and other disasters;
- Represent the U.S. in North Atlantic Treaty Organization (NATO) transportation-related civil emergency planning matters related to civil aviation resources, acquisition, and deployment to support NATO operations, or support to other nations during disasters;
- Provide expert consultation, guidance and input in the development and conduct of training and training support programs for the NATO civil aviation experts and national planners;
- Continue to support the Safety and Disaster Assistance Working Group of the U.S./China Transportation forum by conducting a steering committee meetings and a multi-modal workshops, seminar and expos with the Chinese's Ministry of Transport;
- Support the US/Brazil Transportation Partnership by conducting video teleconference, steering committee meeting and multi-modal workshops as part of the Disaster Preparedness & Response Working Group;
- Continue to work with the Asian Pacific Economic Cooperation (APEC) on Global Supply Chain Resilience;
- Represent DOT at international forums on transportation-related civil emergency preparedness, response and recovery and training exercises.

3. The Training and Exercise Program - is responsible for coordinating the DOT's participation in national, regional, and local emergency preparedness/response exercises to ensure a high state of readiness through periodic inter- and intra-agency training and exercises. It also institutionalizes the emergency management capability in DOT, helps create an expert cadre of transportation emergency management professionals, establishes a system to adopt lessons learned, and ensures quality and performance of the emergency management training and exercise program.

During FY 2016, the Training and Exercise Program will accomplish the following:

- Conduct exercises mandated by the National Exercise Program including one national-level Capstone full-scale exercise, tabletop exercises in support of the Capstone, an annual Continuity of Operations exercise (Eagle Horizon), senior level (Cabinet) tabletop exercises, and Department-wide senior leader exercises;
- Conduct National Response Framework (NRF) and National Incident Management System refresher training for DOT staff;

- Support regional Emergency Support Function–1 (ESF–1) transportation training programs and provide exercise support for the Office of Intelligence, Security, and Emergency Response training;
- Support exercise development and execution for the Operating Administration’s internal exercises and preparedness seminars;
- Participate in support of other federal-level interagency exercises.

Operations - The Operations Division has two primary areas of responsibility: the Crisis Management Center (CMC) and the National Response Program (NRP).

1. The Crisis Management Center serves as the focal point for the Department’s actions during crises. The CMC is designed to monitor the nation’s transportation systems and infrastructure 24-hours a day, 7 days a week. The CMC hosts the Secretary’s Emergency Response Team (ERT) and other support personnel who provide the Secretary and OAs with information pertinent to the crisis at hand. Information sharing with other federal agencies and the White House is enabled using secure communications for unclassified and classified information.

The CMC is the central point for the Department’s interagency liaison and coordination with the Department of Homeland Security’s National Response Coordination Center.

During FY 2016, the CMC will accomplish the following:

- Provide program management and operation of “DOT Alerts”, a Department-wide Emergency Notification System;
 - Improve preparedness in the use of the CMC alternate operating facilities by training and conducting drills and perform operational communications testing in support of federal continuity programs per National Communications System Directive 3-10;
 - Provide ongoing secure and other vital communications links for the Secretary and other senior officials;
 - Lead the National Security Professional Development Operation Center- Community of Practice. Holding quarterly meetings with the Federal Operations Centers in the national Capitol Region;
 - Conduct internal DOT Emergency Response Team Operations Section meetings and training.
2. The National Response Program is responsible for coordinating departmental preparedness, response, and recovery activities in all-hazards crises for the Office of the Secretary, and supports the Secretary's responsibilities under the NRF, Emergency Support Function #1 (ESF-1) Transportation. ESF-1 is designed to provide transportation support to assist in domestic incident management, including reporting status of damage to transportation infrastructure, identifying temporary alternative transportation, coordinating the restoration and recovery of the transportation infrastructure, performing activities conducted under the direct authority of DOT, and coordinating and supporting

prevention/preparedness/mitigation among transportation infrastructure stakeholders at all levels.

The NRP has Regional Emergency Transportation Coordinators (RETCOs), Regional Emergency Transportation Representatives (RETREPs), and Regional Emergency Cadre (RET-C) representing all DOT modes. These teams, which are based in ten regions across the country, coordinate with federal state, local, tribal, and territorial (FSLTT), and private sector partners for disaster planning, training and exercises, and deployment to key regional, state, and local field offices to provide critical emergency transportation services.

During FY 2016, the NRP Program will accomplish the following:

- Carry out ESF-1 preparedness, response, and recovery operations and serve as a supporting agency to other ESFs as identified in the NRF and other Recovery Support Functions (RSFs) in the National Disaster Recovery Framework (NDRF);
- Participate in planning, preparedness, operations, exercises, training and outreach activities related to disaster response, to include annual training for NRP personnel, partner agencies and leadership, regional OneDOT meetings, and participation in the National Hurricane Conference;
- Coordinate DOT's regional preparedness, response, and recovery activities for all-hazards incidents and events;
- Assist in the development of national policy and procedures related to transportation elements of emergency management, critical infrastructure security, resilience, and recovery;
- Assist FSLTT partners through application of our technical expertise in the preparedness, response, and recovery activities in all-hazards crises;
- Support other S-60 Program initiatives including, but not limited to, the Emergency Preparedness Committee for Civil Transportation (EPCCT) and the Safety and Disaster Assistance Working Group of the U.S./China Transportation Forum.

Protective Service Division - The Protective Service Division (PSD) provides the Secretary and Deputy Secretary highly-trained and experienced Special Agents who are deputized U.S. Marshals. The Special Agents provide protection for the Secretary and conduct security advance work in the U.S. and overseas. The Special Agents provide the Secretary daily personal protection and protect the Secretary on all local, domestic, and international travel. This protective service support is required to ensure the Secretary's security and safety and continuity of the Presidential Successor Program.

During FY 2016, the Protective Services Division will accomplish the following:

- Provide protection for the Secretary;
- Conduct security advance work for all official and public events and any planned travel by the Secretary in the U.S. and overseas;

- Ensure the Secretary is briefed and has the protective service support to meet the planned/unplanned demands of the Presidential Successor Program.

NORAD/NORTHCOM (N/NC) Liaison Officer - N/NC civil support mission includes domestic disaster relief operations which may arise from incidents including, but not limited to, fires, hurricanes, floods, earthquakes, and management of consequences of a terrorist incident employing a weapon of mass destruction.

The N/NC Interagency Directorate's mission is to facilitate the integration and synchronization of interagency activities to ensure mutual understanding, unity of effort, and full spectrum support to and from N/NC during emergencies.

During FY 2016, the NORAD/NORTHCOM Liaison Officer will accomplish the following:

- Provide DOT context to the N/NC Commander's decision making process;
- Coordinate with senior military leadership in N/NC on all transportation matters to include policy issues, operational plans, training, and exercises for Office of the Secretary and DOT Operating Administrations;
- Assist N/NC in fulfilling their Defense Support to Civil Authorities mission and clarify the impact of proposed N/NC actions on the DOT mission and the nation's transportation infrastructure;
- Represent DOT interests in day-to-day operations and significant events/incidents; communicating DOT equities while supporting the N/NC mission.

The responsibilities of the Office of Intelligence, Security and Emergency Response are derived from EOs, Statutes, and policies. EO 12656, "Assignment of Emergency Preparedness Responsibilities," issued on November 18, 1988, requires agencies to design preparedness measures to permit a rapid and effective transition from routine to emergency operations. This includes development of a system of emergency actions that define alternatives, processes, and issues to be considered during various stages of national security emergencies and identification of actions that could be taken in the early stages of a national security emergency or a pending emergency to mitigate the impact or reduce significantly the lead times associated with full emergency action implementation. Section 101, Title 49 USC requires the DOT to provide "coordinated and effective administration of the transportation programs of the U.S. Government and to "achieve transportation objective considering the needs of the public...and the national defense." Section 301(1) of Title 49 USC states that the Secretary of Transportation also must "under the direction of the President...exercise leadership in transportation matters, including those matters affecting national defense and those matters involving national or regional emergencies."

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days;

(3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund; and (5) an increase for an estimated 1 percent inflation as well as an estimated 53 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

In addition, the request includes a program increase of \$200 thousand in Other Contractual Services for contingencies on upgrading analog audio visual equipment with digital equipment and A123/FMFIA support.

What Benefits Will Be Provided To The American Public Through This Request?

In support of the Department of Transportation's (DOT) mission which is to develop and coordinate policies that will provide an efficient and economical national transportation system, with due regard for need, the environment, and the national defense, the Office of Intelligence, Security, and Emergency Response (S-60) ensures the development, coordination, and execution of plans and procedures for the DOT to balance transportation security requirements with the safety, mobility, and economic needs of the nation.

Benefits to the American public include, but are not limited to:

- Providing a security policy framework that will ensure preparedness, mitigate the consequences of transportation sector emergencies, and support DOT's mission;
- Assuring continuity of operations, support continuity of government, and maintain emergency operations capabilities to respond effectively to incidents and fulfill our commitments under Presidential Directives and the NRF;
- Ensuring plans, procedures, training, and exercises will prepare DOT to meet federal emergency preparedness, response and recovery policies, strategies, and other requirements;
- Delivering timely, relevant, and expert intelligence analysis on preparedness efforts, operational response, and fulfill technical requests from the intelligence and law enforcement communities;
- Staying abreast of and responding to behavior that may be indicative of intelligence gathering or pre-operational planning related to terrorism, criminal, or other illicit intention;
- Providing immediate or urgent information on time sensitive threats or situations that may impact local security environments and may require responsive activity;
- Fulfilling DOT's commitments to NATO and other agreements;
- Ensuring security for the Secretary by using best practices, standards, and assessments.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of Intelligence, Security, and Emergency Response - (S-60)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$10,600	49
FY 2016 Enacted	\$10,793	53
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$29	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$68	
January 2017 Pay Raise	\$103	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$18	
Inflation	\$14	
FY 2017 Baseline Estimate	\$10,889	53
<u>FY 2017 Program Changes (+/-):</u>	\$200	0
Program increase for contractual support for the Crisis Management Center, contingencies on system upgrades, and A123/FMFIA support.		
Total, FY 2017 Request	\$11,089	53

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Office of the Chief Information Officer - (S-80)

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)				
ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$5,382	\$8,107	\$10,100	\$1,993
Travel	\$15	\$15	\$15	\$0
Other Costs	\$10,103	\$8,158	\$6,968	-\$1,190
TOTAL	<u>\$15,500</u>	<u>\$16,280</u>	<u>\$17,084</u>	<u>\$804</u>
<u>STAFFING</u>				
Direct Positions	52	61	71	10
Direct FTEs	28.0	60.0 ^{1/}	65.0 ^{2/}	5.0
<u>IT Workforce Restructuring:</u>				
Contractor Positions Eliminated	10	5	0	N/A
New Federal Positions	10	5	0	N/A
New Federal FTE	9.5	7.5	0.0	N/A
<u>Program Increase & Redirection of Contract Resources:</u>				
New Federal Positions	6	10	0	N/A
New Federal FTE	3.0	5.0	0.0	N/A
<u>Redirection from RITA:</u>				
New Federal Positions	0	4	0	N/A
New Federal FTE	0.0	4.0	0.0	N/A
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

1/ Includes 3 annualized FTE from 6 new positions in 2015. 2/ Includes 5 annualized FTE from 10 new positions in 2016.

The Office of the Chief Information Officer is requesting \$17.084 million and an estimated 65 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow. The staffing levels through FY 2016 reflect approval of the IT Workforce Restructuring reprogramming, and the transfer of four positions and FTE from the former RITA/OST-R OCIO associated with the integration of RITA into OST.

Detailed Justification for the Office of the Chief Information Officer

What Is This Program And Why Is It Necessary?

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT), cyber security, privacy, and records management advisor to the Secretary. Under Federal Information Technology Acquisition Reform Act (FITARA), the DOT CIO is responsible for all information technology in the Department. The Office of the Chief Information Officer (OCIO) supports the **Organizational Excellence** Strategic Goal by providing leadership on all matters associated with the Department's \$3.5 billion IT portfolio. This includes information assurance, privacy, records, investment, and data management, and improvements in the delivery of services to the American taxpayer through electronic government initiatives. The OCIO includes an OST CIO and associated staff responsible for ensuring that the Office of the Secretary has IT operational and technical support.

The OCIO administers three sources of funding in performing its various roles in support of DOT. Each funding stream is maintained and reported independently. The three funding sources track to the CIO's areas of responsibility: the annually appropriated Salaries and Expenses (S&E) for carrying out IT security, strategy, and policy (which includes monitoring, reporting and guidance); the Working Capital Fund (WCF) cost reimbursements for providing Department-wide core IT operational support functions and enterprise shared services (email services, help desk support, etc.); and Cyber Security initiatives focused on implementing security-related improvements.

The S&E appropriation funds the following:

IT Governance and Alignment – The DOT OCIO ensures updated processes and policies are implemented while managing risks and adopting a systematic and professional approach to the management of IT services at the enterprise level. IT Governance is a critical component in the Department's effort to effectively and efficiently procure and provide lifecycle management and oversight of its Information Technology resources. Specific IT alignment and value services include:

- Capital Investment Planning – The OCIO manages a Capital Planning and Investment Control (CPIC) program to track the DOT IT portfolio using program performance metrics.
- Enterprise-Level Records Management Program – The OCIO works to outline requirements for the enterprise-wide Records Management Program based on the Managing Government Records Directive.
- Enterprise Architecture – The OCIO continues to use the enterprise architecture roadmap to focus on business-outcome-driven delivery by maintaining long-term vision, and focus on enabling business and IT leaders to make investment decisions that balance and prioritize current operational demands, disruptions and opportunities with the longer-term strategic vision of DOT.

The OCIO is responsible for managing the Investment Review Board (IRB) process. The governance structure includes the following components and focus areas:

- The **Investment Review Board (IRB)** is the highest level of reporting for the updated governance structure, with a focus on Department-wide portfolio concerns and major

investments.

- The **CIO Council** is an enterprise-wide committee that is the principal forum responsible for advising the Secretary on the departments overall IT strategic direction, reviews the technical and managerial soundness of IT investments and provides recommendations to the IRB.
- The **Enterprise Architecture (EA) Board** is an enterprise-wide board responsible for coordinating with the DOT IRB and other departmental IT governance boards to drive the adoption of an integrated IT investment model that uses an enterprise-wide transformation roadmap for current and new investments, and responds to business and technology disruptions.

Technology Modernization – Business and IT portfolios are interconnected, and OCIO is accelerating business transformation driven by technology shifts, and identifying opportunities for digitization of across the enterprise.

- **Cloud First** – DOT continues to transition to cloud-based solutions and services to advance its long term objective to reduce ownership, operation and sustainment of hardware and other commoditized IT. The OCIO will continue to develop policy around the Department’s cloud strategy. Cloud-based solutions will significantly boost IT operational efficiency, increase network security, improve interoperability with mission partners and posture DOT to adopt innovative technology more quickly and at a lower cost.
- **Open Government** – OCIO, in collaboration with the Assistant Secretary for Public Engagement, continues to drive policy and internal culture change that facilitates transparency, participation and collaboration – both inside the Department as well as other Federal agencies and members of the public. DOT will continue scaling initiatives to broadly engage the public in the agency’s rulemaking process, innovating our open data programs, and using technology and engagement to expedite infrastructure delivery.

Information Assurance and Privacy –The OCIO continues to enforce the business strategy to make targeted investments in policy, people, processes, and technology that will strengthen the Department’s ability to ensure the confidentiality, integrity, and availability of its vital data and assets. Priority Information Assurance and Privacy activities include: Education, Training, and Awareness (ETA); Requirements, Standards, Policies, and Directives; Situational Awareness and Incident Response; Independent Verification and Validation; Certification and Accreditation (C&A); and Privacy.

The CIO’s office is responsible for reporting and tracking compliance with the Cross-Agency Performance (CAP goals), which include:

- Mandatory Personal Identification Verification (PIV) Card Usage
- Continuous Monitoring
- Trusted Internet Connection (TIC)

The OCIO continues to mature the Department’s privacy risk management program through improved understanding of its personally identifiable information (PII) footprint and the implementation of established best practices. The OCIO’s efforts to lessen the Department’s privacy risk have been achieved through the issuance of policy and guidance, standards, and training. The OCIO’s privacy program provides leadership across the Department in the following privacy disciplines; Accountability, Redress & Breach Response, PII Reduction, and Compliance.

The OCIO is responsible for reporting and tracking of Component compliance with;

- The Privacy Act of 1974, as amended
- The E-Government Act of 2002
- The Consolidated Appropriations Act of 2005

Records Management – OCIO develops policies and plans to assist with the implementation of the Federal Records Act and the Presidential Directive on Managing Government Records. The Department’s strategy focuses on the continued migration and evolution of its systems of our “born digital/live digital” approach to records and information management. Specific areas of focus include email management and electronic information systems.

Anticipated FY 2016 Accomplishments:

In FY 2016, OCIO will strengthen collaboration within DOT and the IT Governance structure, through the implementation of the Federal IT Acquisition Reform Act (FITARA). OCIO will continue to build upon the strategies in providing IT and related services to match customer demands and advancements in technology, and using IT as a key enabler of new strategies and services. Work to enhance the overall technology strategy and policy at DOT is described below by focus area.

The OCIO programs are needed to address the steady increase in the number, timing, depth, and complexity of IT infrastructure and services, and inform agency efforts to identify and eliminate duplicative spending, increase DOTs controls to end change of troubled IT programs/projects and, strengthen accountability for IT costs, schedule and performance. OCIO must create and maintain agile, reliable, innovative and scalable IT environment and business services that enable the mission of DOT to align IT requests with overall strategic goals. Strategic implementation is necessary for sustainable, stable, and efficient IT infrastructure and IT systems. The OCIO focuses on ensuring project and investment management is planned, processed and delivered in a standardized manner across the Department. Processes and procedures must be further developed and enforced that reduce inefficiency and ineffectiveness in performance. The OCIO continues to work to develop business processes to improve compliance with Federal mandates.

Real-time technology demands have grown in size, scope, depth, and complexity. The programs and activities funded through the OCIO are necessary to use IT as a mission enabler that drives enhanced decision-making and risk management, and aligns investments to the Department’s strategy.

IT Workforce. The OCIO will continue to implement a workforce realignment to better balance contract and federal resources. As part of this multi-year initiative, OCIO has received authority to convert contract positions into federal positions to realize cost avoidance and better manage inherently governmental programs. OCIO will also focus on workforce development to ensure the DOT IT workforce competencies are aligned to effectively manage the existing business while also exploring and adopting new, innovative business capabilities.

Expanding Governance and Departmental IRB. The OCIO will continue to reform IT management within the Department by implementing an effective, efficient, outcome-oriented governance structure for IT infrastructure, business support and mission systems. With the implementation of the Federal Information Technology Reform Act (FITARA) the OCIO plans to strengthen its governance workforce and skillsets to fully support all aspects of the law as follows:

- Establish and implement Department-wide IT management controls that meet the FITARA requirements and enable effective planning, budgeting, and execution for IT investments;
- Improve Capital Planning and Investment Control (CPIC) oversight of the Department's \$3.3B IT Portfolio through an enterprise DOT Investment Review Board (IRB), in accordance with, the Clinger-Cohen Act of 1996 (40 U.S. Code § 11312), OMB Circulars A-130, A-11 and applicable Federal and DOT laws, regulations and policies;
- Strengthen accountability for information technology cost, schedule, and performance to meet FITARA requirements through both capital planning activities and integrated program reviews with stakeholders, such as Office of the Senior Procurement Executive, Budget and Operating Administrations across the Department;
- Advance DOT IT governance through continuous process improvements that result in the delivery of comprehensive, disciplined, and integrated investment management guidance that exceeds GAO and IG standards; and
- Serve as the CIO's trusted advisor and liaison to the White House's Office of Management and Budget and Congress as requested and for regular reporting on IT assets and initiatives, such as the IT Dashboard, Integrated Data Collection, E-Government Reports, Portfolio Stat, Budget Data Requests, and applicable benchmarking efforts.

Information Assurance. The CIO's office will make progress in planning and tracking compliance with CAP goals and meeting the new and evolving cyber threats.

Privacy. The OCIO will continue to make progress in planning and tracking of its compliance program and reducing the Department's exposure across all Components.

Records Management. The CIO's office will make progress on policies and procedures around implementing the Presidential Directive on Managing Government records and the National Archives and Records Administration (NARA) requirements. OCIO will continue to work with NARA recommendations to develop and implement policies for records schedule, ascensions, and the review of records collection.

Data Management. OCIO will lead efforts for the National Information Exchange Model (NIEM) Surface Transportation domain to enhance the safety and accessibility of our nation's transportation systems by improving decision-making through increased data quality, more efficient and secure data exchange, and accelerated adoption of data standards. OCIO will facilitate the implementation of a DOT Data Governance Board that provides vision and establishes strategic intent for the department's data program.

Geospatial. The OCIO will continue to manage the Transportation Theme of the National Spatial Data Infrastructure. OCIO will continue to develop and support of the All Roads Dataset National Geospatial Digital Archive (NGDA) and its related Address Range-Feature Name Relationship File and the Address Ranges Relationship File NGDAs. Additionally, OCIO will evaluate recent pilot work in developing address files to enhance its web feature services for the NGDA data sets. This includes working with the stakeholder community and forming partnerships.

Cloud First. OCIO will continue to enable a more standardized, centrally managed cloud-enabled environment by building the foundation for transitioning to cloud-enabled capabilities. This includes rationalizing existing systems, applications and associated data as part of on-going portfolio management efforts while determining the most appropriate cloud service/deployment model.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund; (5) an increase for an estimated 1 percent inflation increase; and (6) a program increase as well as an estimated 65 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

In FY 2017, the OCIO will focus on expanding the capabilities in these areas:

- Enterprise Architecture and Governance – The OCIO will take a targeted approach in reinvigorating the enterprise architecture (EA) program in conjunction with ongoing enhancements in the areas of Capital Planning & Investment Control (CPIC), and IT Governance. These improvements will enhance the reporting, tracking, and categorization of the DOT IT Investments as well as the reporting towards Departmental capabilities.
- IT Workforce – The OCIO will continue to develop the DOT IT workforce to ensure professional skills and competencies are realigned to accommodate new business requests. The OCIO must balance the workforce skills between the ability to effectively manage the existing business while also exploring and adopting new, innovative business capabilities.
- Enterprise Architecture – OCIO will continue to focus on portfolio management efforts to further align the business and IT priorities to successfully manage change through maturity in its IT investment process. Segment architecture reviews and alignment will continue to focus on enterprise-wide initiatives that reduce duplication and take advantage of cloud-enabled capabilities.
- Digital Communications – The Department will continue to consolidate DOT websites and migrate them into the Departmental enterprise web environment. OCIO will focus on consolidating application development and better consolidating and using SharePoint and other enterprise resources.
- Data Management – OCIO will continue to mature Data Management across the department including integrating safety data across the departmental modes, and addressing gaps in existing safety data programs. OCIO will continue to lead and coordinate efforts around the standardization of data, data collection methods, and data management and storage techniques for data collected by DOT, the operating administrations, state and local government, metropolitan planning organizations and private sector entities; define data interfaces and flows, and collect data in support of a myriad of functions across the department.

- Geospatial Information Systems – OCIO will drive efficient, efficient use of shared technology infrastructure and cloud-enabled capabilities to encourage and support better information sharing that result in cost savings through reduced duplication of effort and greater stakeholder involvement. This includes continued development and support of single data sets for transit, rail, airport and runway, intermodal, waterway and all-roads. DOT will continue to provide institutional leadership for the development and coordination of transportation geospatial standards and policies resulting in the greater and utilization of standards for enhanced interoperability of geospatial data, services, and systems.
- Cyber Security – The DOT CISO will focus on a Cyber Risk Management program to improve security practices across the Department. OCIO will put in place processes that continually adapt to changing threats, vulnerabilities, and assets. OCIO will enhance compliance with federal cybersecurity mandates through a focused compliance and auditing program. The audit program will improve our security posture by improving collaboration and standardization throughout the Department.
- Records Management – The OCIO will focus on addressing policies and procedures related to records management and retention. The OCIO will also implement a process to improve the tracking and efficiency of records collection reviews. The Program will make improvements tracking IT investment activities and providing recommendations for corrective action plans. The program will also analyze future IT investments at the modes.
- Privacy – The DOT Chief Privacy Officer will focus on reducing the Department’s exposure to breaches of its public commitments to protect the PII entrusted to it. The DOT CPO will implement processes integrated with mission and technology decision making to ensure that PII collected, used, and maintained by the Department is consistent with its authorities, minimized to that necessary, and protected appropriately. The CPO will enhance compliance with federal privacy statute by bolstering its audit and compliance management program. The program will leverage technical capabilities implemented by the cybersecurity and IT shared services programs.

In addition, DOT has identified the need to fund additional positions, as outlined below:

OCIO requests 10 additional positions (10 FTP/5 FTE) to meet the OCIO mission. To fully fund these positions, OCIO requests a program increase of \$599,554. The 10 new positions will focus on the following OCIO programs:

Privacy – The DOT Chief Privacy Officer is responsible for providing privacy risk analysis and management services to all DOT Operating Administrations and Secretarial Offices for all rulemaking programs and technology initiatives. The Office handles over 50 privacy impact assessments each year. As the Department consolidates IT systems and processes and accelerates its use of third party cloud solutions there is an increased risk that PII will be accessed and shared inappropriately. In a recent audit on the DOT Privacy Program, the Office of the Inspector General (OIG) recommended a review of the current organization structure and resource levels working on Privacy within the OCIO.

- Policy Analyst/Team Lead – DOT currently operates under a single point of failure for Privacy, with only the Chief Privacy Officer working on Departmental issues. This severely limits the Department’s ability to conduct analysis, document risk findings, and identify mitigation controls for programs, systems, and rulemakings.

Office of the Secretary of Transportation (OST) Chief Information Officer – The OST CIO ensures the IT needs of OST Offices are met and sound investment decisions are made, consistent with mission and business requirements of the DOT CIO. The OST CIO position functions similar to the role of an operating administration CIO, and enables the DOT CIO to focus on Departmental priorities. Additional staff is needed to adequately manage OST IT portfolio and to provide technical guidance for OST business and mission support systems.

Most IT services provided to OST users come directly from the remainder of the DOT OCIO (primarily IT Shared Services). The OST CIO requests an additional position to help manage expanded information security management requirements due to the addition of Office of the Assistant Secretary for Research and Technology (OST-R) systems. With the elevation of the Research and Innovative Technology Administration (RITA), the OST CIO has been presented with an additional workload. Two OST liaison positions are requested to focus primarily on OST OCIO IT operations, financial charge-back activities, acquisition, and application of emerging technologies/data management.

With approval of this request, the OST CIO can increase OST IT services effectiveness and can, in turn, hold the other parts of the DOT OCIO accountable for adequate service delivery on behalf of OST. The role of the OST OCIO liaisons will be the translation of OST IT needs to action. The liaisons will work with OST users to ensure IT service levels and costs are understood. In addition, liaisons will assist OST users with identifying emerging technology needs and develop concrete, actionable solutions.

- **IT Security Specialist** – Responsible for information and system security for OST systems. Conducts system security reviews, monitors applications and data flows, and investigates security incidents. The OST CIO's office currently has only one position dedicated to IT Security for OST systems. The additional position will conduct system security reviews, monitor applications and data flows, and investigate security incidents for systems in OST.
- **IT Specialist** – Responsible for coordinating the IT infrastructure support to OST offices. The IT specialist will work directly with senior OST and IT Shared Services managers to document needs and resolve delivery issues. The OST offices operate IT infrastructure in a decentralized way, without involvement from the OST CIO's office. In many cases, solutions are duplicative and noncompliant with Departmental requirements. The IT Specialist would work directly with OST offices and the IT Shared Services organization to ensure compliance with Departmental solutions.

IT Governance – DOT CIO is requesting an increase of 3 positions to fully support all aspects of IT Governance and functions brought on by FITARA, e.g. increased Financial Management oversight, Budget Analysis, Program Review and Capital planning activities for the effective utilization and management oversight of IT resources.

- **Program Management Analyst** – This position would perform integrated program reviews for OMB 300 and 53 investments and participate in the development, planning, and lifecycle management of IT acquisition efforts. This position would serve as a liaison with the Office of the Senior Procurement Executive and would focus on the effective management and oversight of IT resources.
- **Program Analyst** – This position would perform data-driven assessments for any IT project to inform acquisition, budget, and milestone review decisions for the IT portfolio.
- **Financial Management Analyst** – FITARA requires Departmental CIO certification of the IT spend across the Department, so this position would conduct quantitative and qualitative budget analysis to review and approve IT spend plans across the Department.

Enterprise Architecture – The OCIO continues to use the enterprise architecture roadmap to focus on business-outcome-driven delivery by maintaining long-term vision, and focus on enabling business and IT leaders to make investment decisions that balance and prioritize current operational demands, disruptions and opportunities with the longer-term strategic vision of DOT. The DOT Enterprise Architecture program is responsible for

coordinating with the DOT IRB and other departmental IT governance boards to drive the adoption of an integrated IT investment model that uses an enterprise-wide transformation roadmap for current and new investments, and responds to business and technology disruptions. Without the positions the DOT Enterprise Architecture (EA) program will not be successful in integrating business and IT strategy to improve business effectiveness and financial efficiency.

- IT Specialist Domain Architects (2) – With over 350 investments within 22 EA segments, these architects would join DOT’s current Chief Architect to work on Departmental EA issues in accordance with the Clinger-Cohen Act, FITARA, and its related guidance in OMB Circular A-130 requirements. The effectiveness of DOT’s Investment Review Board (IRB) process relies on a thorough and accurate understanding of the domains that make-up the DOT EA. The Domain Architects would assist program and projects managers to ensure platform, software, and network solutions comply with DOT’s EA. The presence of Domain Architects would reduce duplication and increase the effectiveness of the DOT IT portfolio.

Program Management Office –The Program Management Office (PMO) performs a variety of program management and support activities, and serves as the authoritative expert and advisor to senior management on a wide range of complex program activities. It works to ensure standardization, reduce duplication and leverage resources for enterprise-wide activities such as cloud migration, data center consolidation, and geospatial; and supports modal program alignment with departmental IT strategies.

- Management Program Analyst – In the first FITARA scorecard, DOT scored an F on three elements (FDCCI, PortfolioStat, incremental development) and a C on the fourth measure (investment risk). In large part, the low scores are indicative of the lack of enterprise-wide program support and performance measurement. This position would be a dedicated resource tracking and reporting on these cross-government initiatives.

Data Management – The DOT CIO is delegated authorities under 44 USC 35 to “[carry] out the agency’s information resources management activities to improve agency productivity, efficiency, and effectiveness.” The DOT Chief Data Officer in conjunction with the Data Governance Board establishes overall vision and strategic intent for DOT data and information management activities, focusing on issues that are cross-modal. Responsibilities include identifying needs and opportunities to coordinate resource, reduce data redundancies and implement cost-sharing strategies for the collection, management and maintenance of data; identifying needs and opportunities to establish and integrate national data sets to support Departmental strategic goals and performance management objectives; communicating data and information management priorities across DOT; resolving any cross-modal data management and standardization issues; and understanding and promoting the value of data as a DOT-wide asset.

- Information Technology Specialist – Data Architect and domain modeler responsible for the development and maintenance of the National Information Exchange Model (NIEM) surface transportation domain.

What Benefits Will Be Provided To The American Public Through This Request?

IT investment management and oversight are necessary to ensure that the Department is making good business decisions for agency-wide budgeting, planning and execution of IT resources. An enterprise approach facilitates an effective IT focus on business-outcome-driven delivery to prioritize and balance operational demands with longer-term strategy. The OCIO’s IT Governance and Enterprise Architecture programs use an integrated IT investment process to ensure that funding is aligned with departmental mission and goals. The programs and

activities funded through the OCIO are necessary to use IT as a mission enabler that drives enhanced decision-making and risk management, and aligns investments to the Departments strategy.

The OCIO is responsible for enforcing strategies and solutions that strengthen the Department's ability to ensure the confidentiality, integrity, and availability of its vital data resources and other assets. The OCIO's Cybersecurity program addresses urgent and immediate threats to critical transportation related business operations and allows the Department to adapt continually to changing threats, vulnerabilities, and assets.

In line with the Digital Strategy, the OCIO also works to make sure data and information are available to the public. OCIO promotes collaboration and data sharing with the public and throughout the Department. OCIO will continue to focus on improving the strategy and governance for all external web properties to meet Digital Government Strategy goals of creating mobile friendly, accessible, and high value web content for the public.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of the Chief Information Officer - (S-80)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$15,500	28
FY 2016 Enacted	\$16,280	60
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$26	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$62	
January 2017 Pay Raise	\$93	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$123	
Inflation	\$23	
FY 2017 Baseline Estimate	\$16,484	60
<u>FY 2017 Program Changes (+/-):</u>		
Program Increase of 10 positions to meet the demands of the OCIO mission in the areas of Privacy, OST CIO, IT governance, Enterprise Architecture and the Program Management Office.	\$600	5
Total, FY 2017 Request	\$17,084	65

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Office of Public Affairs - (A)

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$1,822	\$1,848	\$1,857	\$10
Travel	\$51	\$51	\$52	\$1
Other Costs	\$127	\$130	\$233	\$103
TOTAL	\$2,000	\$2,029	\$2,142	\$113

STAFFING

Direct Positions	17	17	17	0
Direct FTEs	13.0	15.0	15.0	0.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

The Office of Public Affairs is requesting \$2.142 million and an estimated 15 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of Public Affairs

What Is This Program And Why Is It Necessary?

The Director of Public Affairs is the principal advisor to the Secretary and other senior Department officials and the news media on public affairs questions. The Office of Public Affairs prepares news releases and supporting media materials, articles, facts sheets, briefing materials, publications, byline articles for the Secretary and other senior Department officials; oversees internal communications; and maintains a new/social media presence. The Office responds to news media and other inquiries and provides information to the Secretary on opinions and reactions of the public and news media on programs and transportation issues. It arranges news conferences for significant announcements and prepares speeches, statements and talking points for the Secretary and other senior Department officials. The Office provides guidance to and coordinates the activities of the Department's modal public affairs offices. The Office of Public Affairs also works with a contractor to provide department-wide news clips every day.

The Office of Public Affairs supports the **Organizational Excellence** strategic goal by making available to the public information on steps the Department is taking to address the Nation's transportation needs by working to improve transportation safety, assuring the transportation infrastructure is in a state of good repair, promoting transportation investments that bring lasting benefits to the Nation, fostering livable communities and advancing environmentally sustainable transportation policies.

The Office of Public Affairs will continue to focus on the Department's efforts to enhance safety and to upgrade the Nation's transportation infrastructure and will use public announcements, press releases, video, new/social media, internal communications, the internet and other means to share with the public information about developments that affect them.

The Office of Public Affairs is necessary to keep the American public, the news media and all interested governmental agencies informed of Department of Transportation programs and activities. Not only is there an inherent public right to know, but public understanding and discussion are essential to accomplishing DOT goals. The public support necessary to achieve Department objectives requires an open public information program responsive to media inquiries and public interest. It must also be comprehensive and cohesive, coordinating the public affairs activities of all the Department's modal public affairs offices.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund; (5) an estimated 1 percent inflation increase; and (6) a program increase of \$98 thousand as well as an estimated 15 FTEs and associated costs. The program increase for this office is to help pay costs associated with social media enhancements and external outreach to educate on

transportation related subjects. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

What Benefits Will Be Provided To The American Public Through This Request?

The Office of Public Affairs is the link to the public's right to know. The office prepares responses to inquiries on developing issues and events and presents information informing the public on Administration initiatives and stands. The office reaches out to inform the public in a variety of ways, including through public announcements and speeches, responding to the news media, by press release and through social media.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of Public Affairs - (A)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$2,000	13
FY 2016 Enacted	\$2,029	15
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$6	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$14	
January 2017 Pay Raise	\$21	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$1	
FY 2017 Baseline Estimate	\$2,044	15
<u>FY 2017 Program Changes (+/-):</u>		
Program Increase for costs associated with social media enhancements and external outreach	\$98	0
Total, FY 2017 Request	\$2,142	15

OFFICE OF THE SECRETARY OF TRANSPORTATION**SALARIES AND EXPENSES***Office of the Assistant Secretary for Budget and Programs/CFO - (B)***What Is The Request and What Funds are Currently Spent on the Program?**

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$9,461	\$9,890	\$10,296	\$405
Travel	\$20	\$20	\$20	\$0
Other Costs 1/	\$3,019	\$3,787	\$3,703	-\$83
TOTAL	\$12,500	\$13,697	\$14,020	\$323

STAFFING

Direct Positions	65	72	72	0
Direct FTEs	48	66	68	2
Reimbursable Positions	3	3	4	1
Reimbursable FTEs	1	3	4	1

The Office of the Assistant Secretary for Budget and Programs, and CFO is requesting \$14.020 million and an estimated 68 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of the Assistant Secretary for Budget and Programs, and Chief Financial Officer

What Is This Program And Why Is It Necessary?

The Assistant Secretary for Budget and Programs is the principal budget and financial advisor to the Secretary and serves as Chief Financial Officer (CFO) for the Department, pursuant to 31 U.S.C. 901 (Establishment of Agency Chief Financial Officers). The Office supports the **Organizational Excellence** strategic goal by providing oversight and policy guidance for all budget, financial management, program performance, and internal control activities of the Department and its Operating Administrations.

The Office provides **departmental budget leadership**, and is responsible for preparation, review, and presentation of Department budget estimates; liaison with the Office of Management and Budget and Congressional Budget and Appropriations Committees; preparation of the Department's annual financial statements; departmental financial plans, apportionments, reapportionments, reprogrammings, and allotments; program and systems evaluation and analysis; program evaluation criteria; program resource plans; analysis and review of legislative proposals and one-time reports and studies required by Congress; and budget and financial management relating to the Office of the Secretary. The Office develops performance measures under the Department's strategic goals, and tracks actual outcomes against those measures, pursuant to the Government Performance and Results Act (GPRA) and the GPRA Modernization Act of 2010 (GPRAMA).

The Office is responsible for **departmental financial management leadership** for the Operating Administrations and OST. The primary duty is to uphold strong financial management and accountability while providing timely, accurate, and reliable financial information and enhancing internal controls. This is done through the prompt and precise submission of DOT's consolidated financial statements; preparation and/or review of all deliverables for the annual financial audit; oversight of accounts payable, accounts receivable, and cash management; monitoring and reconciliation of reimbursable agreements; and oversight of the integrity of all transactions in the accounting system. The Office routinely meets OMB and the Department of Treasury's reporting requirements. The Office also manages DOT's Federal Managers Financial Integrity Act (FMFIA) program, the OMB Circular A-123 Internal Control program, Payment Recapture Audit programs, and the Improper Payments Information Act program.

Additionally, the Office develops DOT-wide financial management policy, provides strategic direction for DOT financial operations and serves as system owner to Delphi, DOT's core financial management system. The Office provides management direction and oversight to the Delphi Program and the Enterprise Services Center (ESC), which operates as a division of the Department of Transportation located at the Federal Aviation Administration's Mike Monroney Aeronautical Center in Oklahoma City, Oklahoma, is one of four federal Shared Service Providers (SSP) designated by the OMB. ESC operates Delphi and provides a range of accounting services and financial management information system services to DOT and seven other governmental agencies including the Government Accountability Office (GAO) and the Securities and Exchange Commission (SEC).. Along with Delphi, the Office serves as the system owner to CASTLE, the DOT-wide Consolidated Automated System for Time and Labor Entry. The Office also establishes Departmental travel policy

and guidance, maintains DOT's Travel Credit Card Program, and oversees the travel management contract services throughout DOT.

The Office is further responsible for **oversight of the Department's credit programs**, assisting with the financial review and monitoring of DOT's credit programs and oversees and coordinates all the credit reform requirements with OMB. The Assistant Secretary for Budget and Programs and CFO serves as the Vice Chair of the Department's Credit Council, and the Office leads the Credit Council Working Group, which is comprised of the DOT credit program managers and staff.

The Office is responsible for **budget formulation and execution and financial management for the OST offices** and programs. The Office formulates and justifies the budget requests for OST offices and programs to the Departmental Budget Office, OMB, and Congress and executes enacted appropriations. It also performs the full-range of financial management functions for the OST offices and programs, including: financial statement review; preparation and/or review of all deliverables for the annual financial audit; accounts payable and accounts receivable oversight; cash management; reimbursable agreement monitoring and reconciliation; and oversight of the integrity of all transactions in the accounting system. The Office also manages OST's Federal Managers Financial Integrity Act (FMFIA) and A-123 Internal Control program, develops performance measures under the Department's strategic goals, and tracks actual outcomes against those measures.

FY 2016 Anticipated Accomplishments

In FY 2016, the Office will accomplish an effective presentation of a sound and adequate budget for OST and the Department; foster effective use of resources – such as grant and formula dollars, as well as investments in innovation and research; and provide accurate and reliable financial information with enhanced internal controls. The Office will work to build on its record of clean annual financial audits by enforcing financial controls.

One particular focus areas in FY 2016 will be to continuing to strengthen the execution and oversight of USDOT credit programs, including through implementation of new provisions in the Fixing America's Surface Transportation (FAST) Act. Among other provisions, the FAST Act calls for establishment of a new National Surface Transportation and Innovative Finance Bureau, reporting to the Under Secretary of Transportation Policy. The Office is co-leading a cross-departmental effort to stand up this new Bureau expeditiously and in a manner that protects the integrity and sound operations of all affected programs.

In the area of financial management, the Office will oversee important milestones for ESC over the course of FY2016, as the Center expands its role as a Shared Service Provider for other federal agencies and works to further refine and streamline its service packages and pricing models to benefit broader constituencies and to more easily achieve economies of scale.

In addition, as the Department prepares for a Presidential transition, the Office will redouble its focus on training, with a particular focus on building technical skills related to budgeting and financial management, to ensure that Office staff, as well as relevant staff within the operating administrations, are fully prepared to support the continuity of operations with excellence and rigor.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) annualization of two new FY 2016 positions; (3) two less compensable days; (4) an estimated 1.6 percent pay raise for 2017; (5) adjustments to the Working Capital Fund; and (6) an increase for an estimated 1 percent inflation as well as an estimated 68 FTEs and associated costs.

What Benefits Will Be Provided To The American Public Through This Request?

The Chief Financial Officer and Assistant Secretary for Budget and Programs establishes systems and provides guidance to ensure the effective preparation and presentation of sound budget estimates and financial management information for the Department; reviews policy, program, and legislative proposals to evaluate their impact on departmental budget resource and financial management requirements and plans; and provides policy guidance and oversight of departmental financial management personnel, programs, activities, and operations.

The Office also directs and coordinates all budget development and execution activity. Further, the Office is responsible for designing and implementing the financial systems required for accurate and timely financial reporting, and for establishing financial and accounting policy and programs for the Department.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of the Assistant Secretary for Budget and Programs/CFO - (B)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$10,500	44
FY 2016 Enacted	\$11,697	57
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$29	
Annualization of New Positions Requested in FY 2016	\$312	2
Two Less Compensable Days	-\$68	
January 2017 Pay Raise	\$102	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$11	
Inflation	\$27	
FY 2017 Baseline Estimate	\$12,110	59
<u>FY 2017 Program Changes (+/-):</u>	<u>\$0</u>	<u>0</u>
Total, FY 2017 Request	\$12,110	59

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of the Assistant Secretary for Budget and Programs/CFO - Credit Office
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$2,000	4
FY 2016 Enacted	\$2,000	9
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$4	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$9	
January 2017 Pay Raise	\$14	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	-\$106	
Inflation	\$7	
FY 2017 Baseline Estimate	<u>\$1,909</u>	<u>9</u>
<u>FY 2017 Program Changes (+/-):</u>	\$0	0
Total, FY 2017 Request	<u><u>\$1,909</u></u>	<u><u>9</u></u>

OFFICE OF THE SECRETARY OF TRANSPORTATION**SALARIES AND EXPENSES***Office of the General Counsel - C***What Is The Request and What Funds are Currently Spent on the Program?**

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$17,710	\$18,520	\$18,702	\$183
Travel	\$388	\$388	\$392	\$4
Other Costs	\$1,801	\$1,701	\$1,678	-\$23
TOTAL	<u>\$19,900</u>	<u>\$20,609</u>	<u>\$20,772</u>	<u>\$163</u>

STAFFING

Direct Positions	113	116	116	0
Direct FTEs	100.0	112.0	112.0	0.0
Reimbursable Positions	11	11	11	0
Reimbursable FTEs	8.0	1.0	9.0	8.0

The Office of the General Counsel is requesting a total of \$20.772 million and an estimated 112 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of the General Counsel

What Is This Program And Why Is It Necessary?

The General Counsel is the chief legal officer of the Department of Transportation (DOT). The Office of the General Counsel provides legal advice to the Secretary and Secretarial Offices, and supervision, coordination and review of the legal work of the Chief Counsel Offices in the Department. The Office of the General Counsel supports the **Organizational Excellence** Strategic Goal by providing a broad array of legal services that assist DOT in achieving its Strategic Goals, and by supporting these goals through the development, presentation, and defense of well-reasoned and legally-supportable policies and programs. In addition, the Office of the General Counsel's Aviation Enforcement and Proceedings Office directly supports the **Economic Competitiveness** Strategic Goal.

As discussed below, the Office of the General Counsel is comprised of seven offices and the Center for Alternate Dispute Resolution to carry out these functions:

The **Office of General Law** provides legal advice, counsel, and representation that reflects a problem-solving approach to achieving national transportation policy goals and the efficient operations of DOT in the following areas: appropriations, fiscal law and financial management; acquisitions, acquisition planning, and financial assistance; innovative financing; real property, facilities, and asset management; information technology investment and management, and capital planning; employee ethical conduct, conflicts of interest, and political activities; equal employment opportunity and other civil rights matters; and Federal personnel and employment.

The **Office of International Law** provides legal support for and facilitation of DOT's international programs in areas such as: transportation negotiations with foreign countries; Global Position Satellite matters; international economic aviation licensing and regulatory matters; applications of airline alliances for antitrust immunity; implementation and negotiation of the International Mobile Equipment Financing Convention's sector-specific protocols; war risk insurance issues; international aviation sanctions; Committee on Foreign Investment in the United States (CIFIUS) reviews; and transportation trade issues (such as North American Free Trade Agreement (NAFTA) and interdiction of contraband). In addition, the Office chairs the North Atlantic Treaty Organization (NATO) Insurance Group and the Preparatory Commission for the Establishment of the International Rail Registry under the Rail Protocol to the Mobile Equipment Financing Convention.

The **Office of Litigation and Enforcement** provides advice and legal counsel regarding actual or anticipated litigation in which DOT or one of its Operating Administrations (OAs) is or might become a party or has an interest. In any given year, DOT and its OAs are parties to numerous new cases challenging DOT's decisions, regulations, orders, and policies, or seeking to enforce DOT regulations. The Litigation Office oversees all Supreme Court cases and significant appellate cases involving the Department and coordinates Department of Justice representation in such matters, supervises the preparation of all filings before independent regulatory agencies on behalf of the Department, and provides legal advice concerning litigation risk, and pre- and post-litigation policy decisions. The matters handled directly by the office include cases challenging the decisions of the Secretary, cases of particular importance to the Secretary involving the OAs, bankruptcy cases, and

cases involving cross-modal issues. The Office is also involved, as appropriate, through the filing of amicus briefs or statements of interest, in cases between private parties that implicate DOT statutes, regulations, or policies. The Office also provides advice and guidance on OA enforcement policy and case-specific matters throughout the Department.

The **Office of Legislation** ensures that DOT's non-appropriations legislative materials submitted to Congress adhere to Administration policy. The Office's legislative support work may span several years on one project. While the various elements of legislative proposals are often prepared by other offices in DOT, this Office is responsible for assembling a coherent proposal, ensuring it meets budgetary and other requirements within DOT, obtaining clearance by OMB and other affected agencies, and preparing the transmittal package for the Secretary. The Office provides comparable support for the preparation of testimony, views and letters, including enrolled bill letters, and draft Executive Orders, Presidential Memoranda and Proclamations. In addition, the Office provides support for Departmental nominees in the form of briefing materials and responses to the Committee.

The **Office of Regulation** provides legal support to DOT program offices in their preparation of rules that will meet substantive, procedural, and Administration policy requirements. The Office's management support also includes the tracking and review of all significant DOT rulemaking documents as well as non-significant Office of the Secretary of Transportation (OST) rulemakings. The Office is the principal liaison with OMB on rulemaking matters, and coordinates important cross-cutting substantive rules that affect multiple OAs. In addition, the Office is responsible for drafting air travel consumer, civil rights, and aviation licensing regulations.

The **Office of Operations** provides legal support on a broad range of operational issues related to DOT's programs and strategic objectives. Because many of the Office's practice areas involve issues affecting all modes of transportation, such as environmental law and Freedom of Information Act (FOIA), the Office works closely not only with clients in OST, but also with the OA's Chief Counsel Offices to support all of DOT's programs and ensure consistent legal interpretations on recurring and novel issues. The Office oversees DOT's FOIA Office, and maintains continuous readiness to provide legal support for emergency response activities. The Office also reviews a steady stream of environmental documents, proposed Essential Air Service Orders, SCASDP grants, airport competition plans, Privacy Impact Assessments, security-related directives, and other documents related to maritime law and Native American sovereignty and jurisdiction.

The **Office of Aviation Enforcement and Proceedings (AEP)** functions in four general areas that support DOT's Economic Competitiveness strategic goal by: (1) enforcing air travel consumer protection and civil rights requirements and aviation economic licensing rules; (2) providing legal guidance to DOT program offices, including review of air carrier fitness decisions; (3) serving as Public Counsel in hearing cases involving fitness and international carrier selection proceedings; and (4) prosecuting cases conducted under the Program Fraud Civil Remedies Act to obtain penalties for false statements or false claims made to OST. Of major importance is AEP's work to enforce DOT's rules regarding: the civil rights of air travelers with disabilities and other protected groups; air fare advertising; on-time performance and code share disclosure; unrealistic scheduling; denied boarding compensation; tarmac delays; ticket refunds; baggage liability; public charters; and aviation economic licensing requirements for both direct and indirect, foreign and domestic air carriers. AEP also supports DOT's domestic air carrier economic licensing program by providing extensive legal review of air

carrier fitness decisions. In addition, the Aviation Consumer Protection Division (ACPD), which is an office within AEP, plays an important role in assisting, educating, and protecting aviation consumers. ACPD handles consumer complaints about air travel (8,000-20,000 per year), responds to Congressional inquiries regarding constituent travel problems (400-700 per year) and conducts investigations of airlines for violations of DOT rules. ACPD also publishes the monthly *Air Travel Consumer Report* (ATCR), which summarizes data on flight delays, mishandled baggage, denied boardings, and passenger complaints.

Economic Competitiveness

- Percent of consumer complaints reviewed by a transportation industry analyst within two days of receipt, regardless of mechanism of receipt (email, phone or letter).
- Median investigation time (days) for civil rights complaints (disability and other discrimination).

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

FY 2016 Anticipated Accomplishments:

- The Office of General Law will provide legal sufficiency reviews on over 100 acquisition related documents, over 30 loan actions, and over 100 financial assistance documents. The Office also will review over 125 public financial disclosure statements and 200 confidential financial disclosure statements as well as provide an annual ethics training program to over 325 reporting individuals.
- The Office of International Law will process over 300 international work items, including safety, security, science and technology agreements, administrative adjudication of requests for antitrust immunity, and approximately 20 rounds of international negotiations.
- The Office of Litigation and Enforcement will provide legal advice and support in over 100 new cases; prepare 15 to 20 regulatory filings for proceedings before various independent regulatory agencies and participate in 2 to 4 hearings before such agencies; and improve, in conjunction with the Office of the Chief Information Officer and the modal administrations, the Department's readiness to respond to requests for electronic documents in litigation and in Congressional and OIG investigations.
- The Office of Legislation will coordinate Departmental and Administration-wide clearance of approximately 60 items of Congressional testimony by DOT witnesses, and follow-up transcript review and responses to Questions for the Record and conduct Department-wide clearance of

approximately 700 policy documents (Administration bills, testimony, views letters, reports and Statements of Administration Policy) circulated by the Office of Management and Budget.

- The Office of Regulation will engage in 100-125 significant rulemakings.
- The Office of Operations will process hundreds of FOIA requests and appeals, and continue to work towards a reduction in DOT's FOIA backlog and provide legal support for emergency response activities, including regular exercises and 8-10 annual activations of the U.S. Government's Emergency Support Function No. 1 (Transportation), led by DOT. The Office will draft and negotiate approximately 25 grant agreements under the Small Community Air Service Development grant program (SCASDP), and address legal issues as they arise from the administration of about 100 active SCASDP grants. The Office will also review some 100 Essential Air Service Orders and approximately 50 major environmental documents.
- The Office of Aviation Enforcement and Proceedings will review thousands of aviation consumer complaints within 2 days of receipt by DOT; maintain a median investigation time of 100 days for civil rights complaints (disability and other discrimination); and handle between 150 and 250 items involving carrier economic authority received by DOT; and conduct on-site and other investigation of U.S. and foreign air carriers regarding compliance with consumer protection and civil rights requirements. The office will also draft aviation consumer protection and civil rights rulemakings.
- The Center of Alternative Dispute Resolution will provide conflict management-related training skills training to nearly 200 DOT and provide coaching and mediation of 25 two-party cases and two large group cases.

The Office of the General Counsel is necessary to provide leadership, legal advice and guidance to the Secretary and Secretarial Offices in the implementation and administration of legal matters as the chief legal officer of the Department of Transportation (DOT). The Office also provides supervisory support of legal advice given to the (OAs). The Office coordinates DOT's legislative efforts, regulatory programs, litigation and involvement in proceedings that are before other agencies as well as various operational and international legal matters.

The Office manages for the entire Department clearance of policy views presented to Congress on behalf of the Administration as testimony, views, or proposed legislation, except for appropriations matters. The Office also manages cross-modal international legal advice and coordination for DOT. This includes overseeing DOT's compliance with State Department guidance and international and domestic law, administrative adjudications involving citizenship of U.S. air carriers, and inter-carrier agreements involving foreign air transportation.

The Office provides direction and guidance to OA Chief Counsel Offices to ensure compliance with the Federal laws governing DOT programs, and consistent statutory interpretations throughout DOT. The Office provides legal support and advice in defense of DOT's programs when they are challenged in judicial proceedings. The Office further supports and facilitates DOT's program goals by supervising the preparation of all regulatory filings and participating on behalf of DOT in proceedings in which DOT has an interest before various independent regulatory agencies.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund; and (5) an estimated 1 percent inflation increase; as well as an estimated 112 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

What Benefits Will Be Provided To The American Public Through This Request?

The Office of the General Counsel provides benefits to the American Public by:

- Reviewing each of the thousands of aviation consumer complaints received by the Department.
- Maintaining a median investigation time for civil rights complaints (disability and other discrimination) of 180 days.
- Continuing to improve the air travel environment for persons with disabilities by issuing regulations that contain standards for improving access to facilities and services, and issuing guidance on existing requirements.
- Conducting on-site and other investigations of U.S. and foreign air carriers regarding compliance with consumer protection requirements.
- Conducting investigations to ensure that consumers are properly cared for during extended tarmac delays.
- Continuing to implement a 10% reduction in DOT's FOIA backlog.
- Providing advice and legal counsel regarding actual or anticipated litigation in which DOT or one of its Operating Administrations (OAs) is or might become a party or has an interest. Provide legal support for and facilitation of DOT's international programs.
- Providing legal advice and support in defense of DOT's programs when they are challenged administratively on judicial proceedings.
- Providing legal support to DOT program offices in their preparation of rules that will meet substantive, procedural, and Administration policy requirements.
- Providing legal support on a broad range of operational issues related to DOT's programs and strategic objectives.
- Ensuring the Department's non-appropriations legislative materials submitted to Congress adhere to Administration policy.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of the General Counsel
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$17,400	87
FY 2016 Enacted	\$18,074	97
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$54	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$127	
January 2017 Pay Raise	\$191	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$17	
Inflation	\$9	
FY 2017 Baseline Estimate	\$18,218	97
<u>FY 2017 Program Changes (+/-):</u>	\$0	0
Total, FY 2017 Request	\$18,218	97

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of the General Counsel - Aviation Enforcement and Proceedings - (AEP)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$2,500	13
FY 2016 Enacted	\$2,535	15
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$6	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$15	
January 2017 Pay Raise	\$22	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$6	
FY 2017 Baseline Estimate	\$2,555	15
<u>FY 2017 Program Changes (+/-):</u>	\$0	0
Total, FY 2017 Request	\$2,555	15

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

*Office of the Assistant Secretary for Governmental Affairs - (I)***What Is The Request and What Funds are Currently Spent on the Program?**

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$2,245	\$2,282	\$2,266	-\$16
Travel	\$64	\$64	\$65	\$1
Other Costs	\$191	\$200	\$239	\$39
TOTAL	<u>\$2,500</u>	<u>\$2,546</u>	<u>\$2,569</u>	<u>\$23</u>
<u>STAFFING</u>				
Direct Positions	18	18	18	0
Direct FTEs	14.0	17.0	17.0	0.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

The Office of Governmental Affairs is requesting \$2.569 million and an estimated 17 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

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

What Is This Program And Why Is It Necessary?

The Office of Governmental Affairs supports the **Organizational Excellence** strategic goal by serving as the liaison between the Department of Transportation and Congress and State, local, and tribal governmental entities. The office works with other offices within the Department to ensure that Congressional mandates are fully implemented by the Department. It also works with the White House, other Federal agencies, and Congress in order to fulfill the Secretary's and Administration's legislative priorities. This includes, among other things, working with Congress on Departmental priorities within the annual appropriations bills and working on significant legislation. In addition, the office works with the modal administrations to coordinate Congressional outreach activities related to Secretarial initiatives and programs.

Another key function of the Office of Governmental Affairs is to guide political appointees that require confirmation by the Senate through the Senate confirmation process. This requires working closely with the White House and relevant Senate Committees throughout the various steps of the confirmation process.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund; and (5) an estimated 1 percent inflation increase; as well as an estimated 17 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

What Benefits Will Be Provided To The American Public Through This Request?

The Office of Governmental Affairs works with the White House, other Federal agencies, and Congress in order to fulfill the Secretary's and Administration's legislative priorities. The office is a cornerstone to ensuring the Department's cohesive approach to legislative bodies that represent the interests of the American Public.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of the Assistant Secretary for Governmental Affairs - (I)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$2,500	14
FY 2016 Enacted	\$2,546	17
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$7	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$17	
January 2017 Pay Raise	\$26	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$5	
Inflation	\$2	
FY 2017 Baseline Estimate	\$2,569	17
<u>FY 2017 Program Changes (+/-):</u>	\$0	0
Total, FY 2017 Request	\$2,569	17

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

*Office of the Assistant Secretary for Administration - (M)***What Is The Request and What Funds are Currently Spent on the Program?**

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$7,376	\$7,635	\$8,499	\$864
Travel	\$25	\$25	\$25	\$0
Other Costs	\$17,964	\$18,265	\$21,530	\$3,265
TOTAL	\$25,365	\$25,925	\$30,054	\$4,129

STAFFING

Direct Positions	59	60	60	0
Direct FTEs	45	47	51.5	4.5
Reimbursable Positions	9	9	9	0
Reimbursable FTEs	7	8	8	0

The Office of the Assistant Secretary for Administration is requesting \$30.054 million and an estimated 51.5 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of the Assistant Secretary for Administration

What Is This Program And Why Is It Necessary?

The Office of the Assistant Secretary for Administration's (OASA) Salaries and Expense appropriation supports the **Environmental Sustainability** and **Organizational Excellence** Strategic Goals.

The Assistant Secretary for Administration is the principal advisor to the Secretary and Deputy Secretary on Department-wide administrative matters. This includes strategic management of human capital; policy formulation for matters falling within the functional purview of the Office of the Assistant Secretary; follow-up and resolution of Government Accountability Office and Inspector General audit reviews of department programs, including preparation of required reports; and other management-related initiatives.

In addition, the Assistant Secretary serves as the Chief Human Capital Officer (CHCO), the Chief Acquisition Officer for DOT, and the Chief Sustainability Officer (CSO). As CHCO, the OASA is responsible for the implementation of the DOT hiring reform initiative and monitoring agency efforts to improve the speed and quality of hiring and the satisfaction of managers and applicants with the hiring experience as well as ensuring that DOT's human capital program adheres to the Merit System Principles. As Chief Acquisition Officer, the OASA formulates departmental policy, controls, and standards to ensure that procurement and financial assistance programs are in accord with applicable laws, regulations, and best business practices. As the Chief Sustainability Officer, the OASA leads the Department's implementation of new Executive Order 13693 and the Department's Strategic Sustainability Performance Plan which replaced EO 13514 and 13423. The Assistant Secretary is also the senior security executive for the Department and provides leadership and direction to departmental organizations to ensure the safety, security, and protection of DOT personnel, information, facilities, and other assets.

In addition, the Office of the Senior Procurement Executive serves as the Executive Secretariat for the Strategic Sourcing Executive Steering Committee within the department. This on-going function includes efforts to charter, staff, and oversee cross-agency spend analysis teams, comparing and analyzing (\$6 billion in FY 2013) baseline outlays. The Executive Steering Committee analyzes data, evaluates the results, and implements strategic sourcing solutions in areas that generate Department-wide savings, and since 2006 DOT has approximately \$163 million in savings. DOT will be continuing a strong focus on strengthening the acquisition workforce consistent with the agency acquisition human capital plan, to include increasing capabilities to improve acquisition management and performance outcomes.

FY 2016 Anticipated Accomplishments

The Departmental Office of Human Resource Management's focus will be on acquisition human capital initiatives, closing competency gaps in the Department's mission critical occupations, and ensuring the timely hiring of quality candidates through use of electronic systems. The office

will maintain and institutionalize ongoing Human Capital programs while integrating Human Capital practices, technologies, and programs to contribute to organizational mission accomplishment. It also will continue to play a key role in addressing issues identified in the Annual Federal Employee Viewpoint Survey to strengthen employee engagement throughout DOT. In addition, the Departmental Office of Human Resources will:

- Create a performance culture where DOT's Operating Administrations have performance appraisal and award systems that are linked to agency mission, goals and outcomes; where fairness and equity is the perception of employees; and where human resource personnel is trained on workforce and succession planning to analyze demographic data and forecast future trends and needs that improve the linkage between the corporate recruitment program and projected workforce needs.
- Support efficient, cost-effective, standardized and interoperable HR solutions to provide common, core functionality to support the strategic management of human capital in addressing duplicative and redundant HR systems and processes.

The Office of the Senior Procurement Executive will continue to provide expert advice and direction to the OAs, ensuring that taxpayer dollars achieve the performance outcomes required to accomplish DOT's mission while emphasizing performance, integrity and public policy requirements. Within the parameters of available funding, specific areas of OSPE focus will include the following:

- Active pursuit of the completion of Phase Two of the Strategic Sourcing Charter which incorporates Management Support Services, Furniture, Cellular Services, and Software/Maintenance into the Departmental strategic sourcing plan. This initiative will fully pursue savings and engage the full range of Departmental stakeholders in the spend analysis efforts.
- Focused engagement with OAs to facilitate procurement management reviews (PMRs) to ensure harmony with both Federal and Departmental policies. The PMRs will identify strengths and opportunities for improvement at the Operating Administration level. The PMR program will also improve the overall effectiveness and efficiency of the acquisition program delivery and support the identification of acquisition workforce training needs.
- Initiating development of an in-house training program to strengthen the acquisition workforce. The training program will target training and development needs identified in the 2013 DOT Acquisition Workforce Human Capital Plan, 2014 Federal Acquisition Institute (FAI) Acquisition Workforce Competency Survey, and other known opportunities for improvement in workforce skill/knowledge gaps. The training investment will provide training opportunities for approximately 200 acquisition professionals.

The Office of Security will continue to participate in national discussions and draft a new personnel security order once new Federal guidance is promulgated for the investigation and

adjudication of Federal employees and contractors. The National Archives and Records Administration (NARA) is issuing policy that directs Departments to establish procedures for Controlled Unclassified Information (CUI). In FY 2014, the Office of Security will develop and issue DOT policies that implement NARA's government-wide requirements for standing up a Departmental program for training, inspection and reporting of CUI. The Office of Security will also provide support to DOT components on establishing secure facilities and interpreting standards for the processing, discussion and storage of classified national security information and develop Departmental policy and procedures for security programs.

The Office of Sustainability and Safety Management (OSSM) is responsible for management, oversight, and implementation of sustainability programs; addressing evolving sustainability policy requirements affecting DOT facilities and operations; and supporting prototype and established methods and procedures integrating sustainability policies and programs across all DOT organizations. OSSM will begin developing long term strategic plans and guidance documents for implementation, collecting best practices, tracking performance, and providing training and outreach activities. These ensure critical support to sustainability goals as per the new requirements in EO 13693. Substantially expanded requirements cover such efforts as increased greenhouse gas emission reductions, sustainable buildings, energy efficiency and renewable energy capacity, reduced vehicle fleet emissions, performance management, environmental management systems, pollution prevention and waste management, sustainable acquisition, electronic stewardship, sustainability awareness, recognition and training, water management, climate change mitigation, adaptation and resiliency, and performance-based contracts. Within the parameters of available funding and FTE capacity, OSSM is expected to accomplish the following in fiscal year 2016.

- Begin the implementation of the comprehensive new requirements of EO 13693, "Planning for Federal Sustainability in the Next Decade," including setting new greenhouse gas targets for 2016-2025.
- Use the *Greenhouse Gas and Sustainability Data Report* template developed by the Department of Energy, submit DOT's Greenhouse Gas (GHG) inventory to the Department of Energy for review and comment. In addition, OSSM will complete a Department-wide survey of its employees' commuting habits to measure GHG inventory.
- Update the Department's Strategic Sustainability Performance Plan as per Executive Order 13693.
- Provide bi-annual updates on the Department's performance to OMB through the Sustainability and Energy Management scorecard.
- Provide ongoing technical support and guidance to each of the 10 Operating Administrations regarding activities such as Energy Efficiency and Renewable Energy Consumption, High Performance Sustainable Buildings, Performance-based Contracts, Water, Waste Management, Sustainable Acquisition, Electronic Stewardship and Fleet Management to ensure the Department continues to meet the latest regulatory and legislative requirements along with Departmental goals.
- Complete the Departmental Renewable Energy Action plan, the Metering and Benchmarking plan, and the Solid Waste Management Plan.

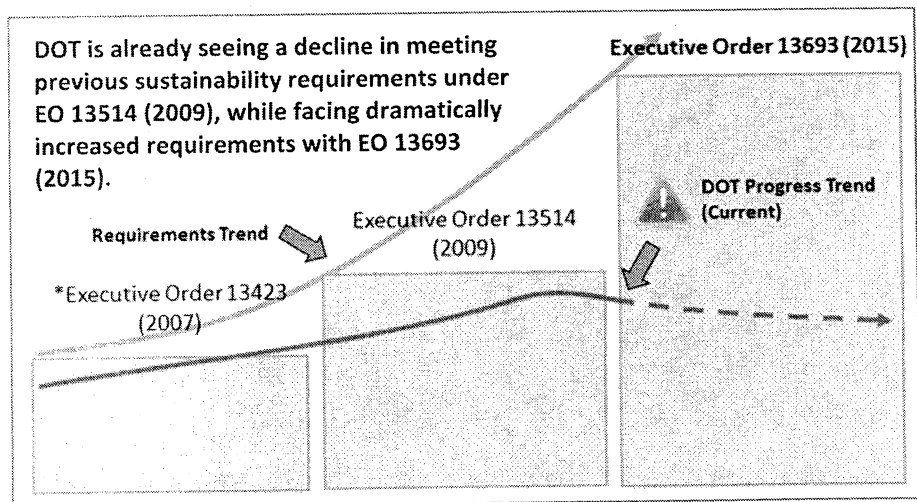
- Due to lack of resources, DOT does not expect to meet goals related to energy efficiency, high performance sustainable buildings, and comprehensive energy and water evaluations.
- In addition, limited resources will take a toll on DOT’s overall performance. Although DOT met most of the FY15 targets, the Department did not meet its building energy intensity and sustainable green buildings goals.

The Assistant Secretary for Administration provides policy leadership to the Office of the Secretary (OST) and departmental elements on laws, regulations, government wide policies, and executive direction related to achieving efficiencies in resource utilization and ensuring full compliance with legal and regulatory requirements. The OASA performs the critical functions of maintaining and institutionalizing new and on-going Human Capital programs while integrating Human Capital practices, reforms, technologies, and programs; providing expert advice and direction to operating administrations to ensure that the over \$85 billion in taxpayer dollars spent annually through DOT’s acquisition and grants business processes achieve the performance outcomes required to accomplish DOT’s mission; launching significant initiatives toward meeting the goals of the Sustainability Executive Order and the Department’s Strategic Sustainability Performance Plan (SSPP); securing DOT by protecting information and other assets through vigilance and innovative technologies; and funding centralized OST payments to the WCF and rental expenses to GSA.

ENVIRONMENTAL SUSTAINABILITY:

OSSM is responsible for management, oversight, and implementation of sustainability Department-wide programs such as greenhouse gas emissions, high performance and sustainable buildings, petroleum reduction and alternative fuel use, energy efficiency and renewable energy management, performance management, environmental management systems, pollution prevention and waste management, sustainable acquisition, electronic stewardship, sustainability awareness, recognition and training, water management, climate change mitigation, adaptation and resiliency, and performance-based contracts.

To support/implement the dramatically more extensive new requirements of Executive Order (EO) 13693, “Planning for Federal Sustainability in the Next Decade,” along with the goals and objectives set forth in the Department’s Strategic Sustainability Performance Plan, OSSM needs a dedicated annual budget line with program



dollars (\$600 thousand) and one-half (.5) additional FTE (\$82.2 thousand) for a total of \$682.2 thousand, in addition to the current FTE accounted for in the FY 2014 budget.

These financial and human capital resources will be used to:

- 1) Review, analyze, and support the development and implementation of new and existing sustainability policy, strategy, guidance, and/or programs as it relates to the operation and maintenance of current and future DOT facilities and infrastructure.
- 2) Develop, integrate, and utilize information management systems that will allow OSSM to better gather required expanded requirements for data, as well as manage programs.
- 3) Provide technical and management assistance for the collection, analysis, validation, and reporting of sustainability data.
- 4) Develop, review and analyze program performance indicators, quantify performance results, provide budget integration support, conduct benchmarking, and formulate best management practices relative to other federal agencies and the private sector.
- 5) Perform site visits to assess program requirements and opportunities, evaluate technologies, provide project management oversight of pilot initiatives, and formulate best management technologies, especially in emerging areas of priority such as climate change resilience and clean energy.
- 6) Assist with the planning and preparation of sustainability awareness, performance recognition, training, and communication materials for the 55,000 employees across DOT.

These programmatic and human capital resources would help the Department increase use of environmentally sustainable practices and effect a reduction in pollution, energy footprint and other adverse environmental effects from DOT owned or controlled transportation services and facilities to achieve the expanded and extensive new requirements of EO 13693. These goals are summarized as:

- 25 percent reduction in building energy intensity from a FY 2015 baseline. (this is in addition to the previous 30 percent reduction from a FY 2003 baseline)
- 30 percent of building electricity consumed comes from renewable sources annually by 2025. (compared to the previous 10 percent goal by 2015)
- 25 percent of energy used annually shall be clean energy by 2025. (new goal)
- 30 percent reduction in overall vehicle fleet per-mile greenhouse gas emissions by 2025 from a FY 2014 baseline. (new goal)
- 36 percent improvement in water efficiency by 2025 from a FY 2007 baseline. (compared to the previous 26 percent reduction goal from a FY 2007 baseline)
- 50 percent recycling and non-hazardous solid waste diversion annually.

- 100 percent of all applicable contracts will meet sustainable acquisition requirements annually. (compared to the 95 percent previous goal)

New buildings constructed after 2020 must be designed to achieve net-zero energy, water and waste. (new goal)

- 35 percent reduction in greenhouse gas emissions from facilities and fleets by 2025 from a FY 2008 baseline. (compared to previous 12.3 percent goal from FY 2008 baseline)
- 35 percent reduction in greenhouse gas emissions from employee business travel and commuting by 2025 from a FY 2008 baseline. (compared to 10.9 percent from FY 2008 baseline)

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) 1.6 percent pay raise for 2017; (4) adjustments to GSA rent; (5) adjustments to Working Capital Fund; and (6) an increase for an estimated 1 percent inflation as well as an estimated 51.5 FTEs and associated costs. Included in this request is \$8.880 million for the Departmental Human Resources, Acquisitions, Sustainability, and Security Oversight and Policy activities; \$8.584 million for payment of centralized administrative and support services for all OST offices, and \$9.472 million for GSA rental expenses for all OST Offices (broken out in the table below).

This request also includes an \$800 thousand increase in salaries and benefits to fund 7 previously authorized positions. The request also includes a \$1.342 million increase to restore contractual services for the Department’s Diversity and Inclusion Strategic Plan and funding for Acquisition’s strategic sourcing spend analysis, performance management reviews, acquisition training program, and increases associated with the suspension and debarment requirements and the new Federal investigative standards and associated price adjustments. Further it includes \$976 thousand for OSSM programmatic funding to support meeting the numerous and expansive new sustainability requirements of EO 13693. A more detailed breakdown of this request can be found in the Object Class by Office exhibit.

Rental Locations	FY 2016 Rental	FY 2017	Net
	Payments	Rental Payments	Increase/Decrease
Southeast Federal Center, WDC	\$ 9,211,459	\$ 9,372,494	\$ 161,035
Des Plaines, IL	\$ 72,851	\$ 72,851	\$ -
Operations and Maintenance	\$ 26,500	\$ 26,500	\$ -
Total:	\$ 9,310,810	\$ 9,471,845	\$ 161,035

What Benefits Will Be Provided To The American Public Through This Request?

The Office of the Senior Procurement Executive (OSPE) serves as the Executive Secretariat for the Strategic Sourcing Executive Steering Committee (SSESC) within the department. This on-going function includes efforts to charter, staff, and oversee cross-agency spend analysis teams, comparing and analyzing (\$6 billion in FY 2013) baseline outlays. The Strategic Sourcing Executive Steering Committee analyzes data, evaluates the results, and implements strategic sourcing solutions in areas that generate Department-wide savings, and since 2006 DOT has saved approximately \$163 million. The OSPE and the SSECS are implementing Phase Two of the Strategic Sourcing Charter which incorporates Management Support Services, Furniture, Cellular Services, and Software/Maintenance into the Departmental strategic sourcing plan, which are estimated to save approximately \$184 million. This initiative will fully pursue savings and engage the full range of Departmental stakeholders in the spend analysis efforts.

The Sustainability Program will implement targeted initiatives to help the Department achieve energy, water, and cost savings by operating DOT facilities in a more efficient manner. These initiatives will also make DOT operations more resilient, strengthening DOT's ability to carry out its mission. By optimizing DOT's resource utilization through careful stewardship, DOT will be able to focus funding to those critical mission requirements that impact citizens on a daily basis. The Office of Security will continue to participate in national discussions and draft a new personnel security order once new Federal guidance is promulgated for the investigation and adjudication of Federal employees and contractors. The personnel security order assures the American Public that criminals, terrorists and other undesirable personnel are not hired or given access to DOT's sensitive information or electronic systems.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

Explanation of Funding Changes
for the
Office of the Assistant Secretary for Administration - (M)
(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$25,365	45.0
FY 2016 Enacted	\$25,925	47.0
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$25	
Annualization of New Positions Requested in FY 2016	\$0	0.0
Two Less Compensable Days	-\$58	
January 2017 Pay Raise	\$88	
GSA Rent	\$68	
Working Capital Fund and FECA Changes	\$784	
Inflation	\$105	
FY 2017 Baseline Estimate	\$26,936	47
<u>FY 2017 Program Changes (+/-):</u>		
An \$800 thousand increase in PC&B to fund 7 previously authorized positions (4.5 FTEs); \$1.3 million increase to restore contractual services for the Department's Diversity and Inclusion Strategic Plan and funding for Acquisition's strategic sourcing spend analysis, performance management reviews, acquisition training program, and increases associated with the suspension and debarment requirements and the new Federal investigative standards and associated price adjustments; and \$976 thousand for OSSM programmatic funding to support meeting the numerous and expansive new sustainability requirements of EO 13693.	\$3,118	4.5
Total, FY 2017 Request	\$30,054	51.5

**SALARIES AND EXPENSE APPROPRIATION
FY 2016 REQUEST
OBJECT CLASS DETAIL BY OFFICE**

(In thousands of dollars)

	OFFICE OF THE SECRETARY (S-1)	OFFICE OF THE DEP. SEC (S-2)	UNDER SEC OF TRANSP POLICY (S-3)	OFFICE OF THE EX SEC (S-10)	OFFICE OF SDBU (S-40)	OFFICE OF INTELL., SEC., AND EMERG. RESPONSE (S-60)	OFFICE OF THE CIO (S-80)	OFFICE OF PUBLIC AFFAIRS (A)	ASSIST SEC FOR BUDGET (B)	GENERAL COUNSEL (C)	ASSIST SEC FOR GOVT AFFRS (I)	ASSIST SEC FOR ADMIN (M)	TOTAL
a. PC&B COSTS													
PERSONNEL COMP. & BENEFITS	913	371	6,576	1,251	1,079	6,528	6,116	821	6,645	14,003	936	5,961	51,199
(1) FTP COSTS	836	392	527	13	0	0	164	546	349	553	737	12	4,130
(2) OT/FTP COSTS	0	0	31	0	0	413	81	0	0	0	0	0	525
(3) OTHER COMPENSATION													
SUBTOTAL COMPENSATION	1,749	763	7,134	1,263	1,079	6,941	6,362	1,367	6,994	14,556	1,673	5,973	55,853
b. PERSONNEL BENEFITS	490	179	1,999	352	288	2,058	1,745	480	2,856	3,954	609	1,662	16,723
SUBTOTAL, PC&B	2,239	942	9,133	1,615	1,367	8,998	8,107	1,848	9,890	18,520	2,282	7,635	72,576
2. TRAVEL & TRANS. OF PERS.	202	35	135	2	0	375	15	51	20	388	64	25	1,313
3. TRANSPORTATION	0	0	3	0	0	0	0	0	0	0	0	0	3
4. RENTAL PAYMENTS TO GSA	0	0	0	0	0	0	0	0	0	0	0	9,311	9,311
5. COMM., UTIL., & MISC.	0	0	67	3	0	5	1	0	0	64	0	0	140
6. PRINTING & REPRODUCTION	0	0	0	0	0	0	0	0	0	306	0	0	306
7. OTHER SERVICES	245	43	580	116	67	1,404	8,137	130	3,734	1,238	180	8,944	24,816
8. SUPPLIES & MATERIALS	48	5	20	1	0	11	10	0	39	93	20	10	258
9. EQUIPMENT	0	0	3	0	0	0	10	0	14	0	0	0	27
SUBTOTAL, OTHER COSTS	495	83	808	122	67	1,795	8,173	181	3,807	2,089	264	18,290	36,174
TOTAL	2,734	1,025	9,941	1,737	1,434	10,793	16,280	2,029	13,697	20,609	2,546	25,925	108,750

STAFFING DIRECT POSITIONS FTE	89 1/2	76.00 1/2	89 1/2	15	9	55	61	17	72	116	18	60	534
REIMBURSABLE POSITIONS FTE	14.00	7.00	76.00 1/2	14.00	9.00	53.00	60.00	15.00	66.00	112.00	17.00	47.00	490.00
POSITIONS FTE	8	0	0	0	0	0	0	0	3	11	0	9	31
POSITIONS FTE	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	1.00	0.00	8.00	20.00

1/ Includes 4 positions and FTE associated with SCASDP.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES & EXPENSES

PROGRAM AND FINANCING
(In thousands of dollars)

Identification code	FY 2015	FY 2016	FY 2017
69-0102-0-1-407	Actual	Enacted	Request
Obligations by program activity:			
0001 General Administration	103,213	112,302	117,948
0002 SCASDP Grants	7,507	10,514	0
0004 Cyber and Personnel Security	3,057	0	0
0100 Direct program activities, subtotal	113,777	122,816	117,948
0801 Reimbursable program	5,576	8,100	9,300
0900 Total new obligations	119,353	130,916	127,248
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	10,700	8,308	1,794
1012 Unobligated balance transfers between expired/unexpired	3,100	0	0
1021 Resources available from recoveries of prior year obligations	4	0	0
1050 Unobligated balance (total)	13,804	8,308	1,794
Budget Authority: appropriations, discretionary			
1100 Appropriation	105,000	108,750	114,396
1130 Appropriations permanently reduced (disc)	0	0	0
1160 Appropriations, discretionary (Total)	105,000	108,750	114,396
Spending authority from offsetting collections, discretionary:			
1700 Collected	12,829	15,652	11,852
1701 Change in uncollected payments, Federal sources	-257	0	0
1723 New/Unob. Balances Temp Reduced	0	0	0
1750 Total Spending authority	12,572	15,652	11,852
1900 Budget Authority (Total)	117,572	124,402	126,248
1930 Total Budgetary Resources Available	131,376	132,710	128,042
Memorandum (non-add) entries:			
1940 Unobligated Balance Expiring	-3,715	0	0
1941 Unexpired unobligated balance, end of year	8,308	1,794	794
Change in obligated balance:			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	46,168	50,462	20,845
3010 Obligations incurred, unexpired accounts	119,353	130,916	127,248
3011 Obligations incurred, expired accounts	630	0	0
3020 Obligated balance, Outlays (gross)	-114,224	-160,533	-125,683
3040 Recoveries of prior year unpaid obligations, unexpired	-4	0	0
3041 Recoveries of prior year unpaid obligations, expired	-1,461	0	0
3050 Unpaid obligations, end of year	50,462	20,845	22,410
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward Oct 1	323	610	610
3070 Change in uncollected pymts, Fed sources, unexpired	257	0	0
3071 Change in uncollected pymts, Fed sources, expired	30	0	0
3090 Uncollected pymts, Fed sources, end of year	610	610	610
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	46,490	51,072	21,455
3200 Obligated balance, end of year	51,072	21,455	23,020
Budget Authority and outlays, net:			
4000 Budget authority, gross	117,572	124,402	126,248
Outlays, gross:			
4010 Outlays from new discretionary authority	96,603	113,527	114,808
4011 Outlays from discretionary balances	17,621	47,006	10,875
4020 Outlays, gross (Total)	114,224	160,533	125,683
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources	-11,386	-13,100	-9,300
4033 Non-Federal sources	-1,522	-2,552	-2,552
4040 Total offsetting collection (cash)	-12,908	-15,652	-11,852
Additional offsets against gross budget authority only:			
4050 Chg in Uncollected pymts, Fed Sources (unexpired)	257	0	0
4051 Chg in Uncollected pymts, Fed Sources (expired)	79	0	0
4052 Offsetting collections credited to expired accounts	0	0	0
4060 Additional offsets against budget authority only (total)	336	0	0
4070 Budget authority, net (discretionary)	105,000	108,750	114,396
4080 Outlays, net (discretionary)	101,316	144,881	113,831
4180 Budget authority, net (total)	105,000	108,750	114,396
4190 Outlays, net (total)	101,316	144,881	113,831

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES & EXPENSES

OBJECT CLASSIFICATION

(In thousands of dollars)

Identification Code		FY 2015	FY 2016	FY 2017
69-0102-0-1-407		ACTUAL	ENACTED	REQUEST
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	41,528	51,999	53,925
11.3	Other than full-time permanent	5,094	4,130	4,159
11.5	Other personnel compensation	<u>906</u>	<u>725</u>	<u>544</u>
11.9	Total personnel compensation	47,528	56,853	58,628
12.1	Civilian personnel benefits	14,060	16,723	17,600
21.0	Travel and transportation of persons	1,153	1,316	1,379
23.1	Rent	9,051	9,311	9,472
23.3	Communications, utilities and misc.	149	140	141
24.0	Printing	318	306	309
25.2	Other services - Other	8,335	5,903	6,022
25.3	Other services - Federal	935	21,465	24,100
26.0	Supplies and materials	23,355	258	266
31.0	Equipment	1,386	27	30
41.00	Grants, subsidies and contributions	7,507	10,514	0
42.00	Insurance claims & Indemnity	0	<u>0</u>	<u>0</u>
99.0	Subtotal, direct obligations	113,777	122,816	117,948
99.0	Reimbursable obligations	<u>5,576</u>	<u>8,100</u>	<u>9,300</u>
99.9	Total obligations	119,353	130,916	127,248
	PERSONNEL SUMMARY			

Identification Code		FY 2015	FY 2016	FY 2017
69-0102-0-1-407		ACTUAL	ENACTED	REQUEST

1001	Total compensable workyears:			
	Full-time equivalent employment	403.00	490.00	495.50
2001	Reimbursable workyears:			
	Full-time equivalent employment	22.00	20.00	29.00

OFFICE OF THE SECRETARY OF TRANSPORTATION

SMALL COMMUNITIES AIR SERVICE DEVELOPMENT PROGRAM (SCASDP)

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	[\$478]	\$478	\$0	-\$478
Travel	[\$4]	\$4	\$0	-\$4
Other Costs	[\$5,018]	\$4,518	\$0	-\$4,518
TOTAL	[\$5,500]	\$5,000	\$0	-\$5,000

STAFFING

Direct Positions	4	4	6	2
Direct FTEs	4.0	4.0	6.0 ^{1/}	2.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

^{1/} In FY 2017, FTE are required to administer prior year active grants.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SMALL COMMUNITIES AIR SERVICE DEVELOPMENT PROGRAM (SCASDP)

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$5,500	4
FY 2016 Enacted	\$5,000	4
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$2	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	\$2	
January 2017 Pay Raise	\$6	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$4	
FY 2017 Baseline Estimate	\$5,013	4
<u>FY 2017 Program Changes (+/-):</u>	(5,013)	2
Total, FY 2017 Request	\$0	6

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SUPPLEMENTAL DISCRETIONARY GRANTS FOR A NATIONAL SURFACE TRANSPORTATION
SYSTEM, RECOVERY ACT

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017	
69-0106-0-1-401	ACTUAL	ENACTED	REQUEST	
Change in obligated balance:				
3000	Ob Bal: SOY: Unpaid obs brought forwd, Oct 1	187,120	114,293	0
3020	Ob Bal: Outlays (gross)	-72,794	-114,293	0
3040	Total outlays (gross)	-72,794	-114,293	0
3041	Ob Bal: Recov, prior year unpaid obs, exp accts	-33	0	0
3050	Obligated balance, end of year	114,293	0	0
Outlays (gross), detail:				
4010	Outlays from new discretionary authority	0	0	0
4011	Outlays from discretionary balances	72,794	114,293	0
4020	Outlays, gross (total)	72,794	114,293	0
Net budget authority and outlays:				
4190	Outlays, net (total)	72,794	114,293	0

OFFICE OF THE SECRETARY OF TRANSPORTATION
FINANCIAL MANAGEMENT CAPITAL

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Other Costs	\$5,000	\$5,000	\$4,000	-\$1,000
TOTAL	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$4,000</u>	<u>-\$1,000</u>
<u>STAFFING</u>				
Direct Positions	0	0	0	0
Direct FTEs	0	0	0	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0	0	0	0

Financial Management Capital is requesting \$4 million in FY 2017 to complete the mission outlined on the following pages.

Detailed Justification for Financial Management Capital

What Is This Program/Activity and Why is it Necessary?

The Financial Management Capital Account supports the **Organizational Excellence** strategic goal and supports projects which modernize DOT's financial systems and business processes to comply with key financial management initiatives.

Financial management initiatives are led by the Chief Financial Officer (CFO) and Office of the Assistant Secretary for Budget and Programs in coordination with the Office of the Senior Procurement Executive and the Chief Information Officer and includes full participation and support from each Operating Administration (OA) to ensure success of each project.

On May 2, 2014, DOT was designated by the Office of Management and Budget (OMB) and Treasury's Office of Financial Innovation and Transformation as a federal shared service provider for financial management. With this designation, DOT has the opportunity to provide financial services to multiple cabinet level agencies. In order to best serve our customers, DOT has an immediate need to expand its electronic invoicing capabilities to the vendor community and to accelerate award ID implementation.

In addition to complying with government wide reporting requirements, these initiatives will better position DOT and its customers to comply with Federal laws, regulations and standards, including the:

- Digital Accountability and Transparency Act,
- Federal Financial Management Improvement Act (FFMIA),
- Federal Managers' Financial Integrity Act (FMFIA),
- Federal Information Security Management Act (FISMA),
- OMB requirements, and
- Government Accountability Office (GAO) standards for internal control in the Federal Government.

\$2 million will be used to accelerate the award ID implementation to comply with the OMB's M-15-12, "Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable." Pursuant to M-15-12, we are required to carry the prime award identification number (the **Federal Award Identification Number (FAIN)** for financial assistance and the Procurement Instrument Identifier (PIID) for procurement) in our financial management system, Delphi. In order to fully comply with this requirement, we will make system changes to Delphi and the Operating Administrations' grants management systems. In addition, the Department needs to modify the software which integrates our PRISM procurement and grant award transactions with Delphi and reconfigure Delphi to address the uniform numbering requirements. These changes are essential for compliant reporting of financial data from financial management systems for all award transactions.

DOT plans to use the remaining \$2 million to deploy existing **eInvoicing** capabilities to the vendor community, which is currently being used by DOT grantees. This funding will assist DOT and other Federal agencies that use the Department's shared service provider to comply with OMB's M-15-19, "Improving Government Efficiency and Saving Taxpayer Dollars Through Electronic Invoicing." The Department will use this funding to comply with eAuthentication standards, perform vendor clean-up, and integrate the System for Award Management (SAM) with Departmental systems. By extending these capabilities to the vendor community, we will eliminate current manual processes and reduce costs, increase timeliness of payments and improve data quality.

FY 2016 Anticipated Accomplishments

DOT received funding in the FMC account in FY 2016 to complete the implementation of improved reporting tools and a financial data warehouse in FY 2017. During FY 2016, DOT plans to complete the design and build phase of the first set of financial reports in the new reporting tool. In addition, the purchase of hardware and software needed to implement the data warehouse will be completed in FY 2016.

In FY 2016, we will accelerate, and identify the details of the award ID implementation which will include changes to the supporting information systems for award and financial management and their associated business processes. We will analyze the results of DOT's FAIN Traceability Study and the effects of those related systems. We will implement a policy option for a more standard structure throughout DOT and develop a consolidated plan of action and milestones for these changes – each Operating Administration will have unique needs. For PIID compliance we will finalize our project plan to enable COTS Web Services to provide complete traceability of unique PRISM interfaced to Delphi.

The electronic invoicing project will be completed in FY 2018. During FY 2016, DOT will complete a pilot for the vendor roll-out of eInvoicing. The pilot will provide DOT with information needed to develop a vendor clean-up strategy and eAuthentication strategy for implementation in FY 2017.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes \$4 million, which is \$1 million lower than the \$5 million requested in FY 2016.

What benefits will be provided to the American Public through this request?

The primary goal of this effort is to capture and make financial management data readily available and enable data consumers to follow the complete life cycle of Federal spending – from appropriations to the disbursements of grants, contracts, and administrative spending. A traceable, consistent award identification number is the key to reaching this goal and paves the way for a system that will allow the American public to easily track federal spending data.

The electronic invoicing initiative will result in cost savings by automating manual entry of vendor invoices. In addition, the Department's eInvoicing system provides increased transparency for vendors by providing an online portal to review the status of their payments.

OFFICE OF THE SECRETARY OF TRANSPORTATION

FINANCIAL MANAGEMENT CAPITAL

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$5,000	0
FY 2016 Enacted	\$5,000	0
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$0	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	\$0	
January 2017 Pay Raise	\$0	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
FERS and FEHB Increases	\$0	
Inflation	\$50	
FY 2017 Baseline Estimate	\$5,050	0
<u>FY 2017 Program Changes (+/-):</u>	-\$1,050	0
Program decrease to adjust the funding level required to award ID implementation and deploy eInvoicing capabilities.		
Total, FY 2017 Request	\$4,000	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-0116-0-1-407			
Obligations by program activity:			
00.01 Financial Management Capital	5,050	11,385	4,000
09.00 Total new obligations (object class 25.2)	5,050	11,385	4,000
Budgetary resources available for obligation			
10.00 Unobligated balance available, Oct 1	3,729	6,385	0
10.21 Recoveries of prior year unpaid obligations	174	0	0
10.50 Unobligated balance (total)	3,903	6,385	0
Budget Authority: Appropriations, discretionary:			
11.00 Appropriation	5,000	5,000	4,000
11.30 Appropriation permanently reduced	0	0	0
11.60 Appropriation, discretionary (Total)	5,000	5,000	4,000
Spending authority from offsetting collections, discretionary:			
17.00 Collected	2,532	0	0
17.50 Total Spending authority	2,532	0	0
19.00 Budget Authority	7,532	5,000	4,000
19.30 Total Budgetary Resources Available	11,435	11,385	4,000
Memorandum (non-add) entries:			
19.40 Unobligated Balance Expiring	0	0	0
19.41 Unexpired unobligated balance, end of year	6,385	0	0
Change in obligated balance:			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	235	35	1,000
30.10 Obligations incurred, unexpired accounts	5,050	11,385	4,000
30.20 Outlays (gross)	-5,076	-10,421	-4,200
30.40 Recoveries of prior year unpaid obligations, unexpired	-174	0	0
30.50 Unpaid obligations, end of year (gross)	35	1,000	800
31.00 Obligated balance, start of year (net)	235	35	1,000
32.00 Obligated balance, end of year (net)	35	1,000	800
Budget Authority and outlays, net:			
40.00 Budget authority, gross	7,532	5,000	4,000
Outlays, gross:			
40.10 Outlays from new discretionary authority	4,980	4,000	3,200
40.11 Outlays from discretionary balances	96	6,421	1,000
40.20 Outlays, gross (total)	5,076	10,421	4,200
Offsets against gross budget authority and outlays:			
40.30 Federal sources	-2,532	0	0
40.33 Non-Federal sources	0	0	0
40.40 Offset against gross budget authority and outlays (total)	-2,532	0	0
41.80 Budget authority, net (total)	5,000	5,000	4,000
41.90 Outlays, net (total)	2,544	10,421	4,200

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-0116-0-1-407	ACTUAL	ENACTED	REQUEST
Direct obligations:			
25.2 Non-Fed Other services	0	11,385	4,000
25.3 Fed-Other Purchases of Goods & Service:	5,050	0	0
Total Obligations	5,050	11,385	4,000

PERSONNEL SUMMARY

Identification Code	FY 2015	FY 2016	FY 2017
69-0116-0-1-407	ACTUAL	ENACTED	REQUEST
Total compensable workyears:			
1001 Full-time equivalent employment	0	0	0

OFFICE OF THE SECRETARY OF TRANSPORTATION**OFFICE OF CIVIL RIGHTS****What Is The Request and What Funds are Currently Spent on the Program?**

(\$000)				
ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$6,207	\$6,223	\$6,282	\$58
Travel	\$48	\$48	\$49	\$0
Other Costs	\$3,345	\$3,406	\$3,421	\$15
TOTAL	\$9,600	\$9,678	\$9,751	\$73
<u>STAFFING</u>				
Direct Positions	55	55	55	0
Direct FTEs	39	53	53	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0	0	0	0

The Departmental Office of Civil Rights is requesting \$9.751 million and an estimated 53 FTE's in FY 2017 to accomplish the mission on the pages to follow.

Detailed Justification for the Office of Civil Rights

What Is This Program And Why Is It Necessary?

The Departmental Office of Civil Rights (DOCR) supports the Department of Transportation's **Organizational Excellence, Quality of Life in Communities and Economic Competitiveness** strategic goals. DOCR is responsible for advising the Secretary and Departmental Executive Management on equity, diversity and inclusion in its workforce and activities. Further, it enforces laws and regulations that prohibit discrimination in federally operated and assisted transportation programs.

DOCR provides oversight and guidance through services that include alternative dispute resolutions, final agency decision-writing, training, disadvantaged business enterprise certification appeals, internal and external policy development and complaint investigations, education and quality control, and Equal Employment Opportunity (EEO) compliance oversight and reviews. DOCR also provides its civil rights partners, customers, and stakeholders with business operation and information technology services that enable them to make informed and timely civil rights decisions. Major statutes that DOCR enforces include: Titles VI and VII of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; Title II of the Americans with Disabilities Act of 1990; the Equal Pay Act of 1963; and the Age Discrimination in Employment Act of 1967.

DOCR operates the Department of Transportation's (DOT's) national civil rights program from Washington, DC, but maintains a national presence with field investigators located throughout the United States. The headquarters personnel provide leadership, policy guidance, and support to the Office of the Secretary (OST) and to the Department's Operating Administrations (OAs) that partner with DOCR to deliver an effective, consistent and compliant internal and external civil rights program. DOCR's field investigators provide Title VII, Civil Rights Act of 1964 operational support by investigating complaints filed by current and former employees and individuals applying for positions within DOT.

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

FY 2016 Anticipated Accomplishments

- Improve language access by translating critical DOT Civil Rights information and guidance.
- Improve and strengthen its affirmative enforcement of civil rights laws.

- Establish and implement a records modernization infrastructure that promotes greater openness, accessibility, and accountability by aligning physical and digitized civil rights records.
- Make and report progress against Departmental plans pursuant to various Executive Orders.
- Monitor and report DOT's progress toward meeting Federal and Departmental civil rights responsibilities and goals.
- Seek to further increase the participation of under-represented demographic groups in the DOT workforce by analyzing employee and applicant data, identifying potential barriers to entry for diverse groups, and aligning solutions and measures for sustained accountability.
- Improve its policy and quality control processes and practices by (1) researching and defining requirements for an electronic system to manage internal DOCR documents and external correspondence and (2) establishing review timelines and panels for all current and future policies for which DOCR has oversight responsibility.
- Create, design, improve or provide civil rights training to leaders, employees, stakeholder and customers and expand civil rights awareness to enhance access and messaging to underserved and underrepresented audiences.
- Disseminate accessible critical safety and DOT information to the American public, including persons with disabilities and with low literacy, and to the approximately 25 million limited-English speakers.
- Timely and accurately process and monitor External civil rights complaints against DOT and/or recipients of federal financial assistance.
- Provide External equal opportunity training opportunities to employees, stakeholder and customers and expand civil rights awareness by garnering support from new and underrepresented audiences through the communication of critical safety and civil rights information in various languages other than English.
- Develop and implement an effective dispute resolution program by increasing the use of Alternative Dispute Resolution (ADR) and reducing complaint processing timeframes.
- Coordinate the Department's oversight of the Disadvantaged Business Enterprise (DBE) program, and provide guidance to the Operating Administrations that are the first points of contact regarding, and are primarily responsible for overseeing and enforcing, the day-to-day administration of the program by DOT recipients.
- Responding to policy questions on behalf of the Secretary.
- Improve DOT civil rights controlled unclassified information processes to ensure critical information is safeguarded.

The DOT civil rights program reinforces DOT's commitment toward establishing a high performing organization, attracting and retaining a talented and diverse work force, and creating an environment where employees succeed and meet the challenges of DOT's mission. Of equal

importance is ensuring that individuals are provided access to programs and activities under the Americans with Disabilities Act and under programs receiving Federal transportation funding and other financial support.

DOCR, through its affirmative employment, EEO policy and quality control, education, external civil rights, compliance operations, complaint adjudication and business operation services, provides oversight and guidance, while ensuring agency compliance for all DOT civil rights matters.

Equal Employment Opportunity – Pursuant to civil rights laws and implementing regulations, DOCR promotes an affirmative employment program to address the low participation rates of diverse groups and women in the Federal workforce. DOCR also establishes internal civil rights policies, provides guidance and oversees merit principles governing the fair and equitable treatment of DOT employees. A government that is representative of its people ensures quality of life in communities and economic competitiveness throughout the nation. Further, an inclusive and welcoming work environment ensures productivity to further the mission and strategic goals of this Department.

As mentioned above, DOCR is responsible for ensuring compliance with federal civil rights laws. To do so, it must carry out an affirmative civil rights program that investigates, reviews, research and consults on matters in which it proactively advances equal opportunities. In doing so, DOCR provides quantitative and qualitative data to staff and civil rights directors, audits DOT OAs' EEO activities, defines and implements strategies and measures for proactive civil rights program improvement, supports the Agency's continuous learning initiatives and actively participates in forums and conferences that promote equal opportunity and special emphasis improvements nationally.

DOCR also provides oversight in connection with external civil rights laws. Among other things, DOCR ensures that it is preventing discrimination on the bases of race, color, national origin (including language access for limited English proficient persons), religion, sex, age, reprisal and disability, and eliminates barriers that impede equal opportunity in federally assisted programs and activities. As part of this ongoing obligation, DOCR engages with communities throughout the United States and performs equity analyses on projects and programs that receive federal financial assistance.

Further, DOCR provides guidance and direction for federally regulated special emphasis programs that include the National Federal Women's Program, Persons with Disabilities, and Hispanic Employment programs. It partners with the Department's various Offices of Human Resources to oversee a formal program for diversity and inclusion that enhances opportunities for all employees and applicants. DOCR offers guidance and direction to the Department's OAs regarding the implementation of programs that ensure equal access and equal opportunity in employment activities. All of these programs promote diversity and aid in fostering an appreciation for social and cultural similarities and differences within the Department. DOCR is required to provide oversight and guidance for the DOT Civil Rights Scorecard or similar approach. This scorecard complies with Federal requirements for implementing internal audit

and evaluation of processes and practices. It is used by the Office of the Secretary and the DOT OAs to review and measure progress for civil rights initiatives.

This initiative is vital to the Department in monitoring the agency's progress in reaching its diversity goal and devising strategies to maintain the agency's position as a model employer and federal agency that rigorously and proactively enforces federal civil rights laws.

Policy & Quality Control – DOCR ensures uniform and consistent Department-wide application and implementation of civil rights policies, regulations, statutes, and guidance in accordance with the regulations and guidance provided by the EEOC, U.S. Department of Justice, the Office of Personnel Management, and other Federal agencies.

DOCR serves as a clearinghouse for all DOT civil rights policies, procedures, and guidance that affect the Department; provides advice to the Secretary and his agents to implement policy in the workplace to meet the goals of the enforcing OAs and to maintain a productive model workplace; and serves as the point of contact on Secretarial committees to ensure that the mission of the Department reflects the policies developed by these committees.

DOCR designs, implements, and maintains a comprehensive system of quality control processes and procedures composed of many important aspects. This includes the design and documentation of formal communication; monitoring and reporting on compliance assuring civil rights policies, procedures, and guidance; and implementing Federal laws, statutes, and regulations Department-wide.

Education – DOCR provides to DOT employees, civil rights practitioners and stakeholders and the general public, training that raises awareness about key Federal and Departmental civil rights issues, requirements, and initiatives. DOCR implements, manages and sustains a Department-wide internal and external civil rights education program; establishes appropriate internal and external civil rights curriculum and/or guidance for DOT employees, recipients of DOT financial assistance, contractors, and stakeholders; and conducts evaluations of education efforts. The overarching goal of the DOCR Education Program is to identify core requirements, develop curriculum consistency and knowledge sharing across Operating Administrations, standardize instruction development and delivery, and enhance access to Civil Rights materials for all internal and external patrons to facilitate administration of an effective Civil Rights Program.

In order to effectively conduct its civil rights, education, compliance, and oversight services, DOCR employs Federal and contractual support staff versed in establishing, implementing and evaluating civil rights education and training standards. Collectively, these experts provide guidance and technical assistance to DOT employees and key stakeholders responsible for administering DOT's civil rights programs, and for employees who oversee federally funded transportation and emergency preparedness related programs and services.

External Civil Rights – The Disadvantaged Business Enterprise (DBE) program is the Department's most effective tool for remedying ongoing discrimination and the continuing effects of past discrimination against women and minorities in federally-assisted highway, transit, airport, and highway safety financial assistance transportation contracting markets

nationwide. As in past surface reauthorizations, which were passed by Congress and signed by the President, the Moving Ahead for Progress in the 21st Century Act, expressed the continued need for the DBE program due to the discrimination and related barriers that pose significant obstacles for minority and women-owned businesses seeking to work on federally-assisted surface transportation projects. The DBE program provides a ladder of opportunity for small businesses. One of the program's primary objectives is the leveling of the playing field for small businesses owned and controlled by socially and economically disadvantaged individuals so that they may compete fairly for federally-funded contracts let by State and local transportation agencies, local transit authorities, and airports in an environment free from discrimination.

One of DOCR's major responsibilities, by regulation, is to adjudicate and issue written decisions on administrative appeals filed by DBE and Airport Concession DBE (ACDBE) applicants to the program that have been denied certification or existing firms that were decertified by a highway, transit, or aviation recipient. In fiscal years 2012-2014, DOCR received 244, 283, and 194 appeals respectively. The number of appeals continues to be high. This is due in part to the large amount of transportation funding extended to recipients through the Department's surface and aviation reauthorizations, which mandate the program, and the continued need for the program's existence in several transportation infrastructure sectors. To render final appeal decisions, Federal staff (and at times, experts contracted to DOT), analyze recipients' and applicant submissions made part of the official record in each case.

In April 2013, the Department's Office of Inspector General (OIG) released a report on weaknesses it perceived in the DBE Program. DOCR created an Internal Plan of Action Working Group (IPAWG) to respond to the OIG's recommendations. The group is comprised of staff members from DOCR, the OAs, General Counsel's Office, and the Office of Small and Disadvantaged Business Utilization (OSDBU). The IPAWG helped the Department achieve closure on several recommendations. The IPAWG is developing a curriculum plan to support DOCR's train-the-trainer program and DBE Academy is being coordinated jointly with DOCR's Policy and Quality Control Division.

The work of the IPAWG aligns with a February 2014 Order signed by Secretary Anthony Foxx (Order 4220.1) on coordination and oversight of the DBE program. This Order defines roles and responsibilities within the Department responsible for supporting and overseeing the implementation of the DBE program. The Order articulates our overall objective to ensure that (1) the DBE program is administered properly, (2) all regulatory provisions are appropriately implemented by our recipients, and (3) information about the program and its administration is communicated by the Department in a consistently clear and unified way, to all parties and stakeholders. The order designated DOCR as the lead office in OST for the DBE program, including overseeing and providing guidance to the OAs and responding to policy questions on behalf of the Secretary. The External Civil Rights Division (DOCR) communicates the Secretary's DBE oversight expectations and established an oversight mechanism to ensure that the OAs carry out their oversight, compliance, and enforcement responsibilities for the DBE program, including how well they gauge recipient post-contract award monitoring. DOCR also collects and compiles DBE and ACDBE utilization data in federally-assisted contracts let by DOT recipients submitted by the OAs and will perform trend analysis as required by the Order. DOCR created and houses a centralized data system to collect DBE Uniform Report information so that we can measure the effectiveness of the program and achieve greater transparency on

DBE and ACDBE commitments, awards, and payment data. DOCR also has embarked on developing a “train-the-trainer” program for OA staff so that they may deliver consistent training and guidance to their recipients on all aspects of the DBE program. DOCR maintains the Department’s DBE program website and provides ongoing technical support to the OAs, recipients, and their staff.

DOCR also collects and compiles DBE and ACDBE utilization data in federally-assisted contracts let by DOT recipients submitted by the OAs and will perform trend analysis as required by the Order. DOCR created and houses a centralized data system to collect DBE Uniform Report information so that we can measure the effectiveness of the program and achieve greater transparency on DBE and ACDBE commitments, awards, and payment data. DOCR also has embarked on developing a “train-the-trainer” program for OA staff so that they may deliver consistent training and guidance to their recipients on all aspects of the DBE program. DOCR maintains the Department’s DBE program website and provides ongoing technical support to the OAs, recipients, and their staff.

In fiscal year 2016 and continuing into 2017, DOCR and OSDBU will develop a comprehensive approach to address the question how best to expand the number of DBEs utilized on federally-assisted projects. Along with extrapolating and summarizing known DBE utilization data points, DOCR may participate in regional summits and outreach sessions in conjunction with the OSDBU Small Business Transportation Resource Centers located throughout the country over a 12-month period that may include the following elements: (1) an interactive exchange with stakeholders in the region on DBE utilization, (2) DBE workshop/training on rights/responsibilities/accessing opportunities, and (3) compiling best practices used by recipients to open more doors for new and existing DBEs. The plan is an alternative to one of the OIG’s 2013 DBE audit recommendations suggesting that DOT require recipients to collect data on the number of contracts actually received by each DBE since certification and the number of years the DBE has been in the program.

Contractual support of \$225 thousand is used for technical experts who work with Federal staff to prepare DBE Appeals.

Compliance Operations – DOCR ensures appropriate and expeditious processing of formal Federal sector EEO complaints and provides a platform for employees, former employees, and applicants of DOT to have their civil rights complaints against the Department heard. DOCR has made significant contributions toward EEO compliance by raising processing expectations, providing training that enhances the knowledge of staff responsible for processing formal complaints, and leveraging technology features that support consistency, accuracy and timeliness.

DOCR uses contractors to increase its internal staff of EEO investigators. Additionally, DOCR instituted electronic systems to aid in the tracking of cases and ultimately in the filing of EEO complaints electronically. These actions have reduced the overall processing time on formal complaints filed by DOT employees, former employees and applicants for employment. The average processing time for formal EEO complaints filed against the DOT is 140 days, which is well below the 180 day regulatory timeframe.

The Compliance Operations Division plans to reduce the processing times further by aggressively incorporating alternative dispute resolution (ADR) methods and related services into its business model. The Division will partner with other DOT Operating Administrations and the Federal Shared Neutrals to oversee ADR services provided for internal and external customers seeking to prevent or resolve conflicts. ADR services currently provide customers with additional methods for addressing personal and professional differences that hinder the organization's ability to provide and oversee its transportation related mission and programs. The ADR services are integral to effective conflict management, and reducing formal internal complaints filed against the Department.

DOT's emphasis is placed on the EEO processing stages that support the issuance of timely reports of investigations, hearing records, and appeals. These essential services enable DOCR to reduce EEO complaint processing times by maintaining an EEO complaint processing steady state consistent with the timeline established in 29 C.F.R. §1614. The Department must maintain compliance with these governing regulations to ensure that applicants, current and former employees of the DOT have access to a neutral venue to have their complaints of alleged discrimination addressed. Contractual support of \$589 thousand is used to support DOCR's compliance program. Without this contractual support, current and former employees and applicants alleging discrimination would see a significant increase in the time frame for processing their complaints, and some allegations could go unresolved. In addition, an adverse inference may be made against the agency or the agency could face possible sanctions by the Equal Employment Opportunity Commission for failure to adhere to regulatory timeframes.

Complaints Adjudication & Program Evaluation – DOCR issues Final Agency Decisions (FAD) in employment discrimination complaints filed against DOT. FADs are prepared by Federal employees and contractors based on an analysis of complaint investigative files and applying EEO case law. The FAD program function is required by regulation, 29 C.F.R. § 1614. Contractual support of \$200 thousand is used for technical experts who work with Federal staff to prepare Final Agency Decisions.

Information Technology and Business Operations – DOCR provides administrative and technical support services to its personnel, stakeholders and various civil rights customers. These services include financial management, information technology support, along with coordinated human resources, facilities management, procurement, records management, printing/graphics and security support.

DOCR also oversees the implementation and delivery of various civil rights tools that enhance product and service delivery. These products and services enable the organization to attract and retain the most qualified civil rights personnel and to provide them with the tools necessary to effectively implement and oversee the Department's civil rights program. These products and services enable civil rights practitioners and customers outside of DOCR to identify potential discriminatory risks that immediately raise the level of attention required by DOT Civil Rights leaders and program managers.

DOCR manages various civil rights and administrative software applications and databases supporting its automated business environments. Its Federal and contract staffs work exclusively with various tracking systems developed to support each civil rights initiative and all associated annual reporting requirements. The staff implements various automated services to aid in disseminating information to support the organization's commitment to transparency, awareness and preparation. The IT services ultimately ensure that DOT civil rights practitioners are informed and prepared to make timely and accurate decisions.

DOCR manages the records management and records retention program under the guidance of the Federal Records Act of 1950, which require it to implement and maintain secure and comprehensive electronic civil rights records. Federal Rules of Civil Procedure (FRCP), Sarbanes-Oxley, and other recent regulations mandate resource intensive processes for administering electronically stored information that are frequently produced for the courts when required.

DOCR implements inter-agency agreements and contracts to support the organization's national civil rights IT infrastructure and various administrative responsibilities. DOCR established physical and virtual facilities for regional employees located throughout the country that are consistent with the facilities provided to employees in its headquarters location. These financial agreements also support service needs such as telecommunications, IT support, administrative support, procurement support, mail collection, monitoring and delivery, physical and cyber security technical experts, employee transit benefit assistance, supplies, equipment, and printing. Through its business endeavors DOCR has been able to maintain a highly effective civil rights working environment. Contractual support of \$1,445 thousand is used for IT, national and regional infrastructure, applications and databases supporting its automated business environments.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund and Federal Employees Compensation Act (FECA); and (5) an increase for an estimated 1 percent inflation as well as an estimated 53 FTEs and associated costs.

What Benefits Will Be provided To The American Public Through This Request?

The Department of Transportation's Civil Rights Program ensures Federal transportation initiatives are aligned with civil rights laws. The Department of Transportation, Office of the Secretary, Office of Civil Rights (DOCR) enforces laws and regulations that prohibit discrimination on the basis of race, color, national origin, sex, disability and age in employment and the provision of services. DOCR is responsible for providing leadership to ensure that DOT does not discriminate against its employees or applicants for employment nationwide, and that DOT conducts programs supporting the general public free of discrimination. In addition, the office is responsible for providing leadership, appropriate monitoring and oversight to ensure

that recipients of Federal transportation funds conduct their programs, services and activities in a nondiscriminatory manner.

OFFICE OF THE SECRETARY OF TRANSPORTATION

OFFICE OF CIVIL RIGHTS

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$9,600	39
FY 2016 Enacted	\$9,678	53
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$20	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$47	
January 2017 Pay Raise	\$72	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$3	
Inflation	\$26	
FY 2017 Baseline Estimate	\$9,751	53
<u>FY 2017 Program Changes (+/-):</u>	<u>\$0</u>	<u>0</u>
Total, FY 2017 Request	\$9,751	53

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-0118-0-1-407			
Obligations by program activity:			
00.01 Office of Civil Rights	8,505	9,678	9,751
09.00 Total new obligations	8,505	9,678	9,751
Budget Authority:			
Appropriations, discretionary:			
11.00 Appropriation	9,600	9,678	9,751
11.30 Appropriation permanently reduced	0	0	0
11.60 Appropriation, discretionary (Total)	9,600	9,678	9,751
19.00 Budget Authority (total)	9,600	9,678	9,751
19.30 Total Budgetary Resources Available	9,600	9,678	9,751
Memorandum (non-add) entries:			
19.40 Unobligated Balance Expiring	1,095	0	0
19.41 Unexpired unobligated balance, end of year	0	0	0
Change in obligated balance:			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	1,661	1,497	968
30.10 Obligations incurred, unexpired accounts	8,505	9,678	9,751
30.11 Obligations incurred, expired accounts	51	0	0
30.20 Outlays (gross)	-8,329	-10,207	-9,744
30.41 Recoveries of prior year unpaid obligations, expired	-390	0	0
30.50 Unpaid obligations, end of year (gross)	1,497	968	975
Uncollected payments:			
30.60 Uncollected cust pymts, brought forward Oct. 1	0	0	0
30.71 Change in uncollected cust pymts, Fed sources, expired	0	0	0
30.90 Change in uncollected pymts, Fed sources, unexpired	0	0	0
31.00 Obligated balance, start of year (net)	1,661	1,497	968
32.00 Obligated balance, end of year (net)	1,497	968	975
Budget Authority and outlays, net:			
40.00 Budget authority, gross	9,600	9,678	9,751
Outlays, gross:			
40.10 Outlays from new discretionary authority	7,470	8,710	8,776
40.11 Outlays from discretionary balances	859	1,497	968
40.20 Outlays, gross (total)	8,329	10,207	9,744
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.30 Federal sources	0	0	0
40.33 Non-Federal sources	0	0	0
40.40 Total offsetting collection (cash)	0	0	0
Additional offsets against gross budget authority only:			
40.50 Chg in Uncollected cust orders fin Fed Sources (unexpired)	0	0	0
40.52 Offsetting collections credited to expired accounts	0	0	0
40.60 Additional offsets against gross budget authority only (total)	0	0	0
41.80 Budget authority, net (total)	9,600	9,678	9,751
41.90 Outlays, net (total)	8,329	10,207	9,744

Section 3 - FY 2017 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code		FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-0118-0-1-407				
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	3,777	4,646	4,680
11.3	Other than full-time permanent	48	0	0
11.5	Other personnel compensation	39	0	0
11.9	Total personnel compensation	3,864	4,646	4,680
12.1	Civilian personnel benefits	1,104	1,577	1,602
21.0	Travel and transportation of persons	27	48	49
23.3	Communications, utilities and misc.	9	29	30
24.0	Printing	35	11	11
25.0	Other contractual services	9	0	0
25.1	Advisory and assistance	1,235	1,228	1,240
25.2	Other services	542	395	399
25.3	Other goods and services from Federal source	1,152	1,017	1,007
25.7	Operation and maintenance of equipment	484	675	682
26.0	Supplies and materials	31	51	52
31.0	Equipment	14	0	0
42.0	Insurance claims and indemnities	0	0	0
99.9	Total obligations	8,505	9,678	9,751

PERSONNEL SUMMARY

Identification Code		FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-0118-0-1-407				
1001	Total compensable workyears:			
	Full-time equivalent employment	39	53	53

OFFICE OF THE SECRETARY OF TRANSPORTATION
SMALL AND DISADVANTAGED BUSINESS UTILIZATION and OUTREACH
(formerly MINORITY BUSINESS OUTREACH)

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$583	\$593	\$1,979	\$1,386
Travel	\$19	\$19	\$19	\$0
Other Costs	\$2,497	\$2,472	\$2,649	\$177
TOTAL	<u>\$3,099</u>	<u>\$3,084</u>	<u>\$4,646</u>	<u>\$1,562</u>

STAFFING

Direct Positions	4	4	13	9
Direct FTEs	3.0	4.0	13.0	9.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

Small and Disadvantaged Business Utilization and Outreach is requesting \$4.646 million and an estimated 13 FTEs to accomplish the mission outlined on the pages that follow. The FY 2017 request proposes merging funding formerly requested in the Salaries and Expenses appropriation for the Office of Small Disadvantaged Business Utilization plus funding for the Minority Business Outreach appropriation.

Detailed Justification for the Small and Disadvantaged Business Utilization and Outreach

What Is This Program And Why Is It Necessary?

The Small and Disadvantaged Business Utilization and Outreach (SDBUO) supports the **Economic Competitiveness** Strategic Goal by ensuring the small and disadvantaged business policies and programs of the Secretary of Transportation are developed and implemented throughout the Department in a fair, efficient, and effective manner to serve small and disadvantaged businesses across the country. In this capacity, SDBUO is responsible for (1) providing policy direction for small and disadvantaged business participation in the Department's procurement and grant programs and for implementing provisions of sections 8, 15 and 31 of the Small Business Act, as amended; and (2) ensuring that effective outreach activities are in place to broaden the small and disadvantaged business participation in DOT procurements and DOT-funded contracts and grants for transportation-related projects across the nation.

The FY 2017 Budget merges the Salaries and Expenses and Minority Business Outreach appropriations into a single appropriation entitled Small and Disadvantaged Business Utilization and Outreach (SDBUO). In addition, SDBUO will continue to manage a financial capacity building program, funded through the Minority Business Resource Center (MBRC) Program appropriation, that provides Disadvantaged Business Enterprises (DBE), Small Business Administration's (SBA) 8(a) firms, Small and Disadvantaged Businesses, Historically Underutilized Business Zone (HUBZone) firms, and Service Disabled Veteran-Owned Small Business firms with access to the financial capital they need to grow and compete in the transportation industry. A separate MBRC Program Detailed Justification describes that program.

SDBUO participates in the DBE Oversight and Compliance Council for DOT, which is chaired by the Deputy Secretary and comprised of the Departmental Civil Rights Director, Administrators of Federal Highway Administration, Federal Aviation Administration, Federal Transit Administration, SDBUO Director, Office of the General Counsel, OST Office of the Assistant Secretary for Governmental Affairs, and the OST Office of the Under Secretary of Transportation for Policy. The Council facilitates DOT collaboration, communication, and accountability among the DOT components responsible for DBE program oversight and assist in the formulation of Departmental policy regarding DBE program management and operation.

SDBUO conducts a series of Small Business Days across the country to highlight DOT opportunities for small businesses to gain access to capital, and how to do business with the government. These events connect small businesses with federal, state, and local government contracting opportunities, while educating small business owners on the resources available to help their business grow.

SDBUO also works to ensure targeted contractual levels for the small, minority, women-owned and disadvantaged business enterprises (DBEs) are met. Specifically, the SDBUO appropriation will fund activities to increase the number of small businesses that are prepared to compete for,

and enter into, transportation-related prime and subcontract opportunities with DOT and DOT-funded contracts or grants for transportation-related projects throughout the country.

The Small Business Transportation Resource Centers (SBTRCs) are the primary mechanism for providing outreach to small businesses. They provide a comprehensive delivery system of business training and counseling, technical assistance, and the dissemination of information to transportation-related DBEs within their regions. The SBTRCs are established regionally through cooperative agreements with trade organizations, college/universities, chambers of commerce and business-centered community-based organizations. These partnerships create a delivery system that targets all small businesses, including DBEs and women-owned businesses, enabling them to become competitive in the government procurement marketplace.

The SBTRC Program provides an array of services and information regarding DOT to the small business communities in order to notify them of procurement opportunities that are available within all modes under the DOT. The SBTRCs serve as SDBUO's outreach arm and provide information and technical assistance to ensure that small, women-owned and DBEs participate in DOT funded and DOT assisted contracts and subcontracts. Examples of how the program works are:

- Technical Assistance to assist small businesses with certifications, such as DBE, 8(a), HUB Zone, women-owned small businesses and service disabled veteran-owned small businesses.
- Plans and presents the Department's Short Term Lending Program (STLP) workshops for small businesses, to provide opportunities to obtain short-term working capital at reasonable rates for DOT and DOT-funded transportation-related contracts; including local banking representation and participation in the sessions.
- Bonding Education Program (BEP) which is implemented by the SBTRCs, enhances and furthers the opportunity for small businesses and DBEs to obtain bid, performance and payment bonds for transportation-related contracts originating from the USDOT, its grantees, recipients, and their contractors and subcontractors.
- Women and Girls in Transportation Initiative (WITI) to encourage girls to pursue careers in science, engineering, technology and transportation-related fields and help women in these fields to achieve their goals. The initiative focuses on Outreach, Partnerships, Internships, Business Development and establishing regional Advisory Committee.
- Conference hosting and attendance to reach large numbers of small disadvantaged, women-owned and veteran-owned businesses sharing information on the services available at the SBTRCs.
- Collaborating with other (federal, state and local) agencies and organizations to participate in outreach activities that allow the SBTRCs to share information on their services with large numbers of small disadvantaged, women-owned and veteran-owned businesses.

The SDBUO facilitates economic competitiveness through a domestic and global transportation system that enables economic growth development through the expansion of opportunities for small and disadvantaged businesses. These businesses routinely develop, manufacture and distribute quality products to the private sector, but continue to face significant hurdles participating in procurement opportunities with the Federal Government. To help these

entrepreneurs have a fair opportunity to compete, procurement targets have been established for the Federal Government to help overcome the barriers to success for women-owned businesses and DBEs.

The SDBUO appropriation funds many of the major initiatives that SDBUO operates to help small and disadvantaged businesses. By continuing this funding, SDBUO can further expand and create programs to help small businesses compete and win transportation-related contracts. OSDBU serves as the Department's chief advocate for small and disadvantaged businesses, which is at the core of SDBUO's mission and is vital to achieving the goals for small business contracting set by Congress and SBA. Without a well-funded SDBUO appropriation, SDBUO would not be able to satisfactorily serve the nation's transportation-related small businesses, which play a key role in building and maintaining the country's infrastructure as well as contributing to the economic recovery.

FY 2016 Anticipated Accomplishments:

In FY 2016, SDBUO will continue to focus on effective outreach activities to broaden the small and disadvantaged business participation in DOT procurements and DOT-funded contracts and grants for transportation-related projects across the nation. Specific activities will include hosting Small Business Days and Small Business Vendor Days.

The SDBUO will:

- Continue to ensure small and disadvantaged businesses are provided with the education and resources needed to successfully compete for and participate on transportation contracts across the United States of America and its territories.
- Enhance the efficiency, effectiveness and follow-up activities of the SBTRCs.
- Take SDBUO's programs and services to new types of audiences, including Spanish speaking small business owners.
- Increase the number of businesses served by 11 percent, from 3,000 in FY 2015 to 3,330 in FY 2016.
- Increase the number of new appointments (new clients) by 22 percent, from 2,200 in FY 2015 to 2,684 in FY 2016.
- Increase the amount of DOT procurement dollars received by SBTRC small business clients by 10 percent, from \$55.2 million in FY2015 to \$59.4 million in FY 2015.

Performance Measures:

Economic Competitiveness:

- Increase percent share of total dollar value of DOT-procurement dollars (direct contracts) that are awarded to small disadvantaged business.
- Increase percent share of total dollar value of DOT-procurement dollars (direct contracts) that are awarded to women-owned businesses.

To meet these goals, DOT makes significant effort to engage the Small and Disadvantaged Business and Women-Owned small business community by working closely with DOT

prime contractors, program, and procurement officials to ensure maximum practicable opportunities for small businesses to participate in DOT contracts and subcontracts. Efforts also include providing management oversight and serving as a liaison with the Small Business Administration in administering the various programs implemented through the DOT procurement process. Outreach efforts are with small business organizations and trade associates with an emphasis on small, women-owned and disadvantaged small businesses to ensure the maximum practical opportunity for small businesses.

Why Do We Need To Fund The Program At The Request Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments to Working Capital Fund; (5) an increase for an estimated 1 percent inflation, and (6) a program increase as well as an estimated 13 FTEs and associated costs.

What Benefits Will Be Provided To The American Public Through This Request?

The program is necessary to facilitate economic competitiveness through a domestic and global transportation system that enables economic growth and development. Expanded opportunities for small and disadvantaged businesses serve the economic interests of the United States, both nationally and globally. In general, a Small Disadvantaged Business as defined in current government regulations is at least 51 percent owned and controlled by one or more socially and economically disadvantaged individuals. Socially disadvantaged individuals include African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Sub-Continent Asian Americans, and other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act. These small and disadvantaged businesses routinely develop, manufacture and distribute quality products to the private sector, but continue to face significant hurdles participating in procurement opportunities with the Federal Government. SDBUO along with the Secretary has established procurement goals to help these entrepreneurs have a fair opportunity to compete and overcome the barriers for success.

The data that follows was collected from the SBTRCs' for Fiscal Year 2015 and demonstrates the commitment to ensuring the small business community is provided adequate support. These activities contribute to SDBUO's ability to meet or exceed the two performance measure targets.

Small Business Transportation Resource Centers – FY 2015 Activity Tracking	
Counseling Hours	
Total Counseling Hours	6161
Appointments	
New Appointments	2913
Follow-up Appointments	2745
Total	5659
Inquiries	
Phone Inquiries	2457
E-Mail Inquiries	3773
Total	6835
Businesses Served	
DBE	2827
8a	340
WOB	872
HubZone	236
SDB	292
SDVOB	207
VOB	71
Non-Certified Business	1545
Total (DBEs and Non-Certified)	6069
Marketing	
As an attendee	335
As an exhibitor	202
As a panelist/presenter	258
Events attended at request of SDBUO	89
Total Events Attended	597
Meetings	
With DOT reps (state)	294
With DOT reps (regional)	152
With Other Agencies	422
Total	854
DBE Procurement Workshop	84
One-on-One Matchmaking	58
Other Workshops	64
Total	204

OFFICE OF THE SECRETARY OF TRANSPORTATION

**SMALL AND DISADVANTAGED BUSINESS UTILIZATION and OUTREACH *formerly*
MINORITY BUSINESS OUTREACH**

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$3,099	3
FY 2016 Enacted	\$3,084	4
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$2	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$5	
January 2017 Pay Raise	\$7	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$130	
Inflation	\$5	
FY 2017 Baseline Estimate	\$3,224	4
<u>FY 2017 Program Changes (+/-):</u>		
Merger of the Office of Small Disadvantaged Business Utilization Salaries and Expenses account funding with the Minority Business Outreach appropriation.	\$1,423	9
Total, FY 2017 Request	\$4,646	13

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SMALL AND DISADVANTAGED BUSINESS UTILIZATION AND OUTREACH

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-0119-0-1-407	ACTUAL	ENACTED	REQUEST
Obligations by program activity:			
0001	2,578	3,084	4,646
0002	834	7,082	0
0900	3,412	10,166	4,646
Budgetary resources available for obligation:			
1000	7,308	7,082	0
1021	87	0	0
1050	7,395	7,082	0
Budget authority:			
<i>Appropriation, discretionary:</i>			
1100	3,099	3,084	5,008
1130	0	0	0
1160	3,099	3,084	5,008
1900	3,099	3,084	5,008
1910	10,494	10,166	5,008
Memorandum (non-add) entries:			
1940	-41	0	0
1941	7,041	0	362
Change in obligated balances:			
3000	2,444	2,006	1,992
3010	3,412	10,166	4,646
3011	0	0	0
3020	-3,645	-10,180	-3,086
3040	-87		
3041	-118		
3050	2,006	3,426	3,879
3100	2,444	2,006	1,992
3200	2,006	3,426	3,879
Budget authority and outlays, net:			
Discretionary:			
4000	3,099	3,084	4,972
Outlays (gross), detail:			
4010	540	2,789	2,776
4011	3,105	7,391	310
4020	3,645	10,180	3,086
4180	3,099	3,084	5,008
4190	3,645	10,180	3,086

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
SMALL AND DISADVANTAGED BUSINESS UTILIZATION AND OUTREACH

OBJECT CLASSIFICATION
(In Thousands)

Identification Code	FY 2015	FY 2016	FY 2017
69-0119-0-1-407	ACTUAL	ENACTED	REQUEST
Direct obligations:			
11.0 Personnel compensation	370	480	1,570
12.1 Civilian benefits	92	113	409
21.0 Travel and transportation of persons	22	19	19
22.0 Transportation of Things	1	0	0
23.0 Rent, Communications & Utilities	0	1	1
24.0 Printing	0	3	3
25.1 Other Services	245	440	445
25.2 Other Services	7	0	23
25.3 Other Services	71	80	226
26.0 Supplies & Materials	10	22	22
41.0 Grants, subsidies and contributions	2,594	8,968	1,929
42.0 Insurance claims and indemnities	0	0	0
99.9 Total obligations	3,412	10,125	4,647

PERSONNEL SUMMARY

Identification Code	FY 2015	FY 2016	FY 2017
69-0119-0-1-407	ACTUAL	ENACTED	REQUEST
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	3	4	13

OFFICE OF THE SECRETARY OF TRANSPORTATION**NATIONAL SURFACE TRANSPORTATION AND INNOVATIVE FINANCE BUREAU****What Is The Request and What Funds are Currently Spent on the Program?**

(\$000)

ITEM	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$0	\$0	\$1,795	\$1,795
Travel	\$0	\$0	\$36	\$36
Other Costs	\$0	\$0	\$1,168	\$1,168
TOTAL	\$0	\$0	\$3,000	\$3,000

STAFFING

Direct Positions	0	0	12	12
Direct FTEs	0.0	0.0	12.0	12.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

The National Surface Transportation and Innovative Finance Bureau is requesting \$3 million and an estimated 12 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the National Surface Transportation and Innovative Finance Bureau

What Is This Program/Activity?

The Fixing America's Surface Transportation (FAST) Act (Public Law 114-94) was enacted on December 4, 2015. This law authorizes the surface transportation programs for the Nation and provides policy direction and guidance for five years. Among the new provisions included in this Act, is the establishment of the National Surface Transportation and Innovative Finance Bureau within the Office of the Secretary of Transportation and will align, coordinate or consolidate aspects of the U.S. Department of Transportation's (USDOT) existing surface transportation innovative finance programs with or within the new Bureau. The National Surface Transportation and Innovative Finance Bureau also supports the **Organizational Excellence** strategic goal by assisting the Secretary to improve the state of the nation's transportation infrastructure.

The FAST Act calls for the Bureau to fulfill a number of specific responsibilities, including the following:

- Provide assistance and communicate best practices and financing and funding opportunities to entities eligible under USDOT infrastructure finance programs;
- Administer the application process for USDOT infrastructure finance programs;
- Administer the application process for a new Nationally Significant Freight and Highway Projects program;
- Reduce uncertainty and delays related to environmental reviews and permitting, as well as project delivery and procurement risks and costs for projects financed by the USDOT infrastructure finance programs and the new Nationally Significant Freight and Highways Projects programs;
- Increase transparency and the public availability of information regarding projects financed by the USDOT infrastructure finance programs and the new Nationally Significant Freight and Highway Projects program; and
- Promote best practices in procurement for projects financed by the USDOT infrastructure finance programs and the new Nationally Significant Freight and Highway Projects program by developing benchmarks related to procurement.

Why is This Particular Function Necessary?

The Bureau will build on a number of actions that USDOT has taken to advance these goals, including the establishment of USDOT's Build America Transportation Investment Center in 2014 as a single point of contact and coordination for states, municipalities and project sponsors looking to utilize federal transportation expertise, apply for federal transportation credit programs and explore ways to access private capital in public private partnerships. Notably, in their explanatory statement of the FAST Act, Congressional conferees explicitly recognized the accomplishments of the Administration's Build America Investment Initiative to increase infrastructure investment and economic growth.

The Bureau will be managed by an Executive Director reporting to the Under Secretary of Transportation for Policy. The FAST Act also establishes a new Council on Credit and Finance (the Council) chaired by the Deputy Secretary, which is charged with the review and approval of innovative finance applications, making recommendations to the Secretary, and reviewing approved projects on a regular basis. The Council may build on the Credit Council that USDOT had previously established through administrative measures.

Why Do We Want/Need To Fund The Program At the Requested Level?

The FY 2017 budget request includes \$3 million and 12 positions (12 FTEs) to establish the National Surface Transportation and Innovative Finance Bureau. This funding includes salaries and expenses as well as funds for Build America Transportation Investment Center grants. Current modal and OST employees working on these programs and initiatives will be transferred into the Bureau.

What Benefits Will Be Provided to the American Public through this Request?

The establishment of the Bureau also represents the opportunity to create administrative homes for the Secretary's key priorities into the Office of the Secretary of Transportation including and especially efforts to support communities that seek to promote opportunity through infrastructure investments. To assist with establishing the Bureau, the FAST Act provides the Secretary with certain authorities to redirect personnel and budgetary resources, if necessary, to support the establishment and effectiveness of the Bureau. These authorities are available for two years. The FAST Act requires that, within 90 days of enactment and in 90-day intervals thereafter, USDOT report to Congress on how these authorities are being implemented, and any additional legislative actions that may be needed.

OFFICE OF THE SECRETARY OF TRANSPORTATION

NATIONAL SURFACE TRANSPORTATION AND INNOVATIVE FINANCE BUREAU

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$0	0
FY 2016 Enacted	\$0	0
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$0	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	\$0	
January 2017 Pay Raise	\$0	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$0	
FY 2017 Baseline Estimate	\$0	0
<u>FY 2017 Program Changes (+/-):</u>		
12 positions and 12 FTEs are requested in FY 2017 for the establishment of this new organization.	\$3,000	12
Total, FY 2017 Request	\$3,000	12

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NATIONAL SURFACE TRANSPORTATION & INNOVATIVE FINANCE BUREAU

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-0170	ACTUAL	ENACTED	REQUEST
Obligations by program activity:			
0001 National Surface Transportation & Innovative Finance Bureau	0	0	3,000
0900 Total new obligations (object class 25.2)	0	0	3,000
Budgetary Resources:			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation	0	0	3,000
1121 Appropriation transferred from other accounts	0	0	0
1160 Appropriation, discretionary (total)	0	0	3,000
1930 Total budgetary resources available	0	0	3,000
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	0	0	0
3020 Obligated balance, start of year (net)	0	0	0
3010 Obligations incurred, unexpired accounts	0	0	3,000
3020 Outlays (gross)		0	-2,700
Obligated balance, end of year (net):			
3050 Unpaid obligations, end of year (gross)	0	0	300
3200 Obligated balance, end of year (net)	0	0	300
Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross	0	0	3,000
Outlays, gross:			
4010 Outlays from new discretionary authority	0	0	2,700
4180 Budget authority, net (total)	0	0	3,000
4190 Outlays, net (total)	0	0	2,700

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
NATIONAL SURFACE TRANSPORTATION & INNOVATIVE FINANCE BUREAU

OBJECT CLASSIFICATION
(In Thousands)

Identification Code	FY 2015	FY 2016	FY 2017
69-0170	ACTUAL	ENACTED	REQUEST
.			
Direct obligations:			
11.0 Personnel compensation	0	0	1,436
12.1 Civilian benefits	0	0	359
21.0 Travel and transportation of persons	0	0	36
22.0 Transportation of Things	0	0	0
23.0 Rent, Communications & Utilities	0	0	0
24.0 Printing	0	0	0
25.1 Other Services	0	0	1,113
25.2 Other Services	0	0	22
25.3 Other Services	0	0	0
26.0 Supplies & Materials	0	0	11
31.0 Equipment	0	0	22
41.0 Grants, subsidies and contributions	0	0	0
42.0 Insurance claims and indemnities	0	0	0
99.9 Total obligations	0	0	3,000

PERSONNEL SUMMARY

Identification Code	FY 2015	FY 2016	FY 2017
69-xxxx	ACTUAL	ENACTED	REQUEST
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	0	0	12

OFFICE OF THE SECRETARY OF TRANSPORTATION

DATA ACT COMPLIANCE

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Other Costs	\$0	\$0	\$4,000	\$4,000
TOTAL	\$0	\$0	\$4,000	\$4,000

STAFFING

Direct Positions	0	0	0	0
Direct FTEs	0	0	0	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0	0	0	0

The DATA Act Compliance program is requesting \$4.0 million in FY 2017 to accomplish the mission on the pages to follow.

Detailed Justification for DATA Act Compliance

What Is This Program/Activity?

The “Digital Accountability Transparency Act” (DATA Act) (Pub. L. 113-101) calls for the establishment and implementation of Government-wide data standards for financial data to provide consistent, reliable, and searchable spending data for easy public consumption. The Office Management and Budget (OMB) and Treasury along with the Federal accounting and budget, financial assistance, and procurement communities are working together to identify a common taxonomy and set of definitions of terms used in reports so that they are understandable to a non-federal audience.

Now that OMB and Treasury have published the standard data elements, associated definitions and guidance Federal agencies must understand their meaning, map these standards within their current system environments, and incorporate them into appropriate business processes.

The Department has established a governance structure to oversee the global efforts needed in order to provide centralized and proper project management over DATA Act activities. This effort requires thoughtful collaboration among several communities at the Department, while closely coordinating efforts with DOT’s shared service provider, the Enterprise Services Center (ESC).

Why Is This Particular Program Necessary?

The DATA Act requires the establishment of Government-wide data standards, the disclosure of direct federal spending, and full agency compliance with the new data standards while upholding the quality of the data being readily available to the public.

Full effective implementation will provide transparency to the public and address ongoing management challenges by ensuring data quality and expanding the availability of Federal spending data. Having a better understanding of our data will also make it possible to make fully informed decisions about how our resources should be allocated, and provide us with additional data analytics that coincide nicely with other Departmental data reporting requirements.

DOT will assess the impacts of existing workflow and establish the standard linkage of the unique award identification between the Operating Administration’s award management systems with the Department’s financial management system. This will include an assessment of the organizations who manually manage award workflow. The OMB guidance requires agencies, including DOT, to establish award ID linkages. To comply with OMB guidance, DOT will be required to make modifications to both award management systems and financial management systems.

Given the number of DOT systems that will require modification, as well as the complexity and variety of DOT award management workflows; a coordinated, central investment approach is required. This funding is necessary for DOT to be able to comply with DATA Act reporting requirements.

Why Do We Need To Fund The Program At The Requested Level?

The Department is requesting \$4 million in FY 2017 to carry out implementation of the requirements set forth in the DATA Act. The DATA Act expands the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) by disclosing direct Federal agency outlays and linking Federal contract and financial assistance spending information to program activities and object classes of Federal agencies to enable taxpayers and policy makers to track Federal spending more effectively. Additional types of spending information will be disclosed in a machine readable, public assessable Government-wide standard format. The additional disclosures will include a breakdown of each appropriation, a breakdown of each account, including amounts received, obligated and outlaid and further account breakdowns by program activity and by object class.

In order to fully adopt and implement newly defined Government-wide data standards, the Department will need to make system modifications to capture this information. Implementation of these standards will foster improved data quality over all Federal spending. Portions of this funding may be transferred to the Department's Operating Administrations for implementation activities. We will need to directly connect to Treasury's infrastructure, and data will need to be transmitted directly to the Treasury data repository using their defined protocols.

The DATA Act also provides for the improvement of the quality of data submitted to USA Spending.gov by holding Federal agencies accountable to submit accurate data. DOT will make changes to current business processes/certifications to ensure data quality and completeness over Federal spending and to establish a consistent, repeatable, process to improve financial assistance data quality and accuracy with annual data quality assessments and certifications.

Strengthening Financial Reporting: Linking critical systems by uniquely identifying federal awards:

By providing \$4 million for necessary expenses to support the Department's activities related to the implementation of the Digital Accountability and Transparency Act (DATA Act) – Public Law 113-101; DOT will develop solid business processes and make system changes to efficiently track grants and contracts using a consistent end-to-end unique identification number throughout the lifecycle of an award. These changes support OMB's M-15-12, "Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable."

The current format and business rules of the Federal Award Identification Number (FAIN) for financial assistance awards are not prescribed through a central regulation source such as the Federal Acquisition Regulation (FAR) for contracts. Although federal agencies are required to assign a FAIN to every grant and ensure its use on all federal award documents, each agency assigns its own identification number based upon internal policies and procedures for creating coding schemes for their funding programs. At DOT, each Operating Administration assigns this number at their discretion. However, the FAR was recently amended to standardize

procurement transactions across the federal government by requiring the implementation of a uniform Procurement Instrument Identification (PIID) numbering system for contracts. DOT must modify the software which integrates our PRISM procurement and grant award transactions with our financial accounting system (Delphi) and reconfigure it to address these uniform numbering requirements. These changes are essential for compliant reporting of financial data from financial management systems for all award transactions.

Using an end-to-end unique identification number for both financial assistance and procurement awards will serve as the key element to associate data between DOT's award management systems and Delphi. The prescribed use of these identification numbers throughout the lifecycle of the award make it a core piece of data to be used internally and externally for management purposes and offers opportunity for further transparency of DOT's transactions across all of its key financial, grants and procurement systems. In addition, the use of these award identification numbers is intended to enhance data quality on USAspending.gov by allowing the public to easily track specific government award spending and affording recipients to create credible reporting for awards and subawards.

The primary goal of this effort is to capture and make financial management data readily available and enable data consumers to follow the complete life cycle of Federal spending – from appropriations to the disbursements of grants, contracts, and administrative spending. A traceable, consistent award identification number is the key to reaching this goal and paves the way for a system that will allow the American public to easily track federal spending data. Our first step towards a future of reliable and open federal spending information is establishing a unique end-to-end identification number linking associated actions with any given federal assistance award making it easier to identify and differentiate between awards.

What benefits will be provided to the American Public through this request?

Citizens have experienced challenges in understanding how their tax dollars are being spent. Clear and consistent data standardization will transform today's fragmented spending information into open, publicly accessible data and allow for better overall transparency in a standardized way. Reporting with more specificity and at a deeper level than is currently reported will assist the public in understanding the full picture of Federal spending.

Providing timely, useful data in a standardized, searchable data set will not only create better accountability for our internal agencies, it will improve management of Federal spending. By understanding financial data in a more meaningful way, DOT will be able to improve trend analysis and assess effectiveness of our programs designed to assist the American Public.

By adopting and implementing Government-wide data standards, published data will have a consistent meaning across the Federal government which will allow for better understanding of Federal spending data for the consumers of our data.

Approving this request allows DOT to take the necessary actions with the appropriate resources to create a common language for Federal spending making communicating with other agencies, grant recipients, and the American Public easier.

OFFICE OF THE SECRETARY OF TRANSPORTATION

DATA ACT COMPLIANCE

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$0	0
FY 2016 Enacted	\$0	0
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$0	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	\$0	
January 2017 Pay Raise	\$0	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$0	
FY 2017 Baseline Estimate	\$0	0
<u>FY 2017 Program Changes (+/-):</u>		
Program increase to implement Government-wide data standards for financial data to provide consistent, reliable, and searchable spending data.	\$4,000	0
Total, FY 2017 Request	\$4,000	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATA ACT COMPLIANCE

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-0668-0-1-407			
Obligations by program activity:			
0.01 DATA Act Compliance	0	0	4,000
0.91 Direct program activities, subtotal	0	0	4,000
8.01 Reimbursable program	0	0	0
9.00 Total new obligations	0	0	4,000
Budgetary Resources:			
10.00 Unobligated balance brought forward, Oct 1	0	0	0
10.50 Unobligated balance (total)	0	0	0
Budget Authority: appropriations, discretionary			
11.00 Appropriation	0	0	4,000
11.30 Appropriations permanently reduced (disc)	0	0	0
11.60 Appropriations, discretionary (Total)	0	0	4,000
Spending authority from offsetting collections, discretionary:			
17.50 Total Spending authority	0	0	0
19.00 Budget Authority (Total)	0	0	4,000
19.30 Total Budgetary Resources Available	0	0	4,000
Memorandum (non-add) entries:			
19.40 Unobligated Balance Expiring	0	0	0
19.41 Unexpired unobligated balance, end of year	0	0	0
Change in obligated balance:			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	0	0	0
30.10 Obligations incurred, unexpired accounts	0	0	4,000
30.11 Obligations incurred, expired accounts	0	0	0
30.20 Outlays (gross)	0	0	-2,400
30.50 Unpaid obligations, end of year	0	0	1,600
Uncollected payments:			
30.90 Uncollected pymts, Fed sources, end of year	0	0	0
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	0	0	0
32.00 Obligated balance, end of year	0	0	1,600
Budget Authority and outlays, net:			
40.00 Budget authority, gross	0	0	4,000
Outlays, gross:			
40.10 Outlays from new discretionary authority	0	0	2,400
40.11 Outlays from discretionary balances	0	0	0
40.20 Outlays, gross (Total)	0	0	2,400
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.40 Total offsetting collection (cash)	0	0	0
Additional offsets against gross budget authority only:			
40.60 Additional offsets against budget authority only (total)	0	0	0
41.80 Budget authority, net (disc. and mand.)	0	0	4,000
41.90 Outlays, net (disc. and mand.)	0	0	2,400

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

DATA ACT COMPLIANCE

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-0668-0-1-407	ACTUAL	ENACTED	REQUEST
Direct obligations:			
25.1 Other services	0	0	4,000
99.9 Total obligations	\$0	\$0	\$4,000

PERSONNEL SUMMARY

Identification Code	FY 2015	FY 2016	FY 2017
69-1772	ACTUAL	ENACTED	REQUEST
1001 Total compensable workyears: Full-time equivalent employment	0	0	0

OFFICE OF THE SECRETARY OF TRANSPORTATION

U.S. DIGITAL SERVICES

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$0	\$0	\$873	\$873
Travel	\$0	\$0	\$2	\$2
Other Costs	\$0	\$0	\$125	\$125
TOTAL	\$0	\$0	\$1,000	\$1,000

STAFFING

Direct Positions	0	0	5	5
Direct FTEs	0.0	0.0	5.0	5.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

U. S. Digital Services is requesting \$1 million and an estimated 5 FTE in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for Digital Services

What Is This Program And Why Is It Necessary?

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT) advisor to the Secretary. The Digital Services Team is a new and integral team within the Office of the DOT CIO (OCIO).

The United States Digital Services team has demonstrated an improved success rate of government digital services when agencies, including DOT, have digital service experts on staff with modern design, software engineering, and product management skills. To ensure DOT can effectively build and deliver important digital services, the FY16 Budget includes funding for staffing costs to build a Digital Service team. This team will focus on transforming digital services at DOT with the greatest impact to citizens and businesses so they are easier to use and more cost-effective to build and maintain.

The team will be made-up of digital service experts who will apply private sector best practices in the disciplines of design, software engineering, and product management to DOT's most important services. The positions will be term-limited, to encourage a continuous influx of up-to-date design and technology skills into the agency. The digital service experts will be recruited from among America's leading technology enterprises and startups, and will work with the technical and policy leaders to deliver meaningful and lasting improvements to DOT services. This digital service team will build on the success of the United States Digital Service team inside of OMB, created in 2014. The OMB team has worked in collaboration with Federal agencies to implement cutting edge digital and technology practices on the nation's highest impact programs, including the successful re-launch of HealthCare.gov in its second year, which led to millions of Americans receiving health coverage; the Veterans Benefits Management System; online visa applications, green card replacements and renewals; among others. The U.S. Digital Services team expertise has been leveraged specifically within DOT as well, notably in working through issues with the VIN Lookup tool with NHTSA as well as working through specifics associated with the launch of the Unmanned Aircraft Systems (UAS) registration tool. In addition to their work on these high priority projects, this small team of technical experts has worked to establish best practices (as published in the U.S. Digital Services Playbook at playbook.cio.gov) and to recruit more highly skilled digital service experts and engineers into government.

Why Do We Want/Need To Fund The Program/Activity At The Requested Level?

The DOT OCIO is requesting \$1 million for digital services in FY17 to fund salaries and expenses, and other operational costs necessary to establish and implement a Digital Services team. This team will improve and ensure the continued efficiency and effectiveness of the Department's digital services for high-impact program areas.

The Department's Digital Services team will report to the Chief Technology Officer (CTO) within the DOT CIO's office and will work closely with organizations, program offices and contractor teams from across the Department. Digital services experts will bring the latest technical experience and best practices to ensure DOT programs are delivered efficiently and effectively to provide the best citizen services. Expertise in design, agile development methodologies, software engineering, and product management will be applied to product and system development.

Areas of focus for the Digital Services team include:

- Accelerating and/or modernizing current programs/projects
- Enhancing partnerships and information sharing with other agencies
- Building or improving external and internal facing services
- Improving data management capabilities

For each of the focus areas, DOT will employ a systematic approach to determine the scope, priority, impact, and timeline of each project.

Building institutional capacity at DOT will result in lasting cultural change and improved efficiency. The Digital Services team will allow DOT to hire personnel and build core skills that are often missing from government teams, such as user experience design, user research, product management, reliability and scalability, and quality assurance and testing.

What Benefits Will Be Provided To The American Public Through This Request?

In a time of limited resources, it is paramount to develop efficiencies within DOT mission systems, internal and external processes and to more effectively communicate with stakeholders. The Digital Services Program will be created with a specific focus on providing better services to the American Public through improved system development. The team will enable the Department to more effectively update and deploy systems by leveraging the latest technologies and best practices from both the private and public sector. These improvements will better enable the DOT mission and serve the American public.

OFFICE OF THE SECRETARY OF TRANSPORTATION

U.S. DIGITAL SERVICES

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$0	0
FY 2016 Enacted	\$0	0
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$0	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	\$0	
January 2017 Pay Raise	\$0	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$0	
FY 2017 Baseline Estimate	\$0	0
<u>FY 2017 Program Changes (+/-):</u>		
Five new positions are requested for FY 2017	\$1,000	5
Total, FY 2017 Request	\$1,000	5

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

U.S. DIGITAL SERVICES

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
69-0665-0-1-407			
Obligations by program activity:			
0.01 General Administration	0	0	1,000
0.91 Direct program activities, subtotal	0	0	1,000
9.00 Total new obligations	0	0	1,000
Budgetary Resources:			
10.00 Unobligated balance brought forward, Oct 1	0	0	0
10.50 Unobligated balance (total)	0	0	0
Budget Authority: appropriations, discretionary			
11.00 Appropriation	0	0	1,000
11.30 Appropriations permanently reduced (disc)	0	0	0
11.60 Appropriations, discretionary (Total)	0	0	1,000
19.00 Budget Authority (Total)	0	0	1,000
19.30 Total Budgetary Resources Available	0	0	1,000
Memorandum (non-add) entries:			
19.40 Unobligated Balance Expiring	0	0	0
19.41 Unexpired unobligated balance, end of year	0	0	0
Change in obligated balance:			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	0	0	0
30.10 Obligations incurred, unexpired accounts	0	0	1,000
30.20 Obligated balance, Outlays (gross)	0	0	-900
30.50 Unpaid obligations, end of year	0	0	100
Uncollected payments:			
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	0	0	0
32.00 Obligated balance, end of year	0	0	100
Budget Authority and outlays, net:			
40.00 Budget authority, gross	0	0	1,000
Outlays, gross:			
40.10 Outlays from new discretionary authority	0	0	900
40.11 Outlays from discretionary balances	0	0	0
40.20 Outlays, gross (Total)	0	0	900
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.40 Total offsetting collection (cash)	0	0	0
Additional offsets against gross budget authority only:			
40.60 Additional offsets against budget authority only (total)	0	0	0
41.80 Budget authority, net (disc. and mand.)	0	0	1,000
41.90 Outlays, net (disc. and mand.)	0	0	900

Section 3 - FY 2017 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

U.S. DIGITAL SERVICES

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-0665-0-1-407	Actual	Enacted	Request
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	\$0	\$0	\$676
11.5 Other personnel compensation	0	0	7
11.8 Special personal services payments	0	0	0
11.9 Total personnel compensation	0	0	\$683
12.1 Civilian personnel benefits			190
21.0 Travel and transportation of persons			2
25.1 Advisory and assistance services	0	0	123
26.0 Supplies	0	0	2
32.0	0	0	0
99.9 Total obligations	\$0	\$0	\$1,000

PERSONNEL SUMMARY

Identification Code	FY 2015	FY 2016	FY 2017
69-0665-0-1-407	Actual	Enacted	Request
1001 Total compensable workyears: Full-time equivalent employment	0	0	5

OFFICE OF THE SECRETARY OF TRANSPORTATION

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$4,803	\$6,095	\$6,646	\$551
Travel	\$155	\$181	\$183	\$2
Other Costs	\$1,042	\$2,223	\$10,213	\$7,990
TOTAL	<u>\$6,000</u>	<u>\$8,500</u>	<u>\$17,043</u>	<u>\$8,543</u>

STAFFING

Direct Positions	33	40	40	0
Direct FTEs	24.0	36.0	39.0	3.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

The Transportation, Research, Planning and Development Program (including IIPIC) is requesting \$17.043 million and an estimated 39 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for Transportation Planning, Research and Development

What Is This Program And Why Is It Necessary?

The Transportation Planning, Research and Development (TPR&D) appropriation finances research, development, analysis, technical assistance, and program oversight, activities needed to support the Secretary's responsibilities in implementing the Department's multimodal programs, formulating national and international transportation policies, and supporting Administration initiatives in which transportation plays a critical role.

In FY 2017, TPR&D will support the **Economic Competiveness, Quality of Life in Communities, Environmental Sustainability, and Safety** Strategic Goals. The activities will support the development of transportation policy; coordination of national and international transportation planning; analysis of methods of increasing the economic efficiency of transportation; development and coordination of intermodal and multi-modal issues that are not the responsibility of any one modal agency; analysis of the value of transportation safety improvements; analysis of more efficient ways of maintaining a state of good repair for infrastructure; regulatory modernization; energy conservation; freight movement; and environmental impacts of transportation; aviation economic policy; sustainable transportation; and international transportation issues. TPR&D research, analysis and project development serves a variety of functions. One function is to provide the data and assessment tools necessary to determine how key programs, and transportation communities, are performing. The second function is to develop recommendations about how transportation policy should change to shape, or adjust to a changing world. A third is to support Administration and Departmental priorities that advance the economic competitiveness of U.S. companies.

For FY 2017, the Department requests \$5.000 million for Clean Energy research. This research will support the **Environmental Sustainability and Safety** strategic goals. This research will identify specific emissions-reducing maritime-related projects with benefits that exceed costs that are suitable for funding diverse private, State, Local or Federal sources. As part of this program, DOT will provide grants to fund a few site-specific feasibility studies or small matching grants to co-finance pilot hardware deployments to demonstrate emerging technologies, or catalyze projects stymied by institutional barriers.

For FY 2017, the Department requests \$4 million to continue operations of an interagency infrastructure permitting improvement center and online Permitting Dashboard. This will support the **Safety, State of Good Repair and Environmental Sustainability** Strategic Goals. The result will be to develop and implement reforms for the permitting and review of major infrastructure projects and develop and deploy information technology tools to track project schedules and metrics and further improve the transparency and accountability of the permitting process.

The TPR&D funded program addresses major transportation policy issues and Administration priorities, identifies national and international research needs, and funds research and analysis that results in information tools to support Federal and State agencies in the planning, operation,

management and maintenance of US transportation systems as well as enhancing the economic competitiveness through efficient transportation. Policy development for surface transportation reauthorizations are primarily supported by TPR&D funded analytical research and the Office of the Under Secretary staff.

FY 2016 Anticipated Program Accomplishments:

- The Secretary's objectives to promote economic competitiveness in aviation transportation policies and investments that bring lasting and equitable economic benefits to the Nation will be implemented. This includes monitoring the competitive implications of airline industry consolidation, Gulf carrier growth, processing of applications for antitrust immunity and continuing and expanding cooperation with foreign regulatory authorities on a variety of competition issues including mergers and alliances between U.S. and foreign airlines with Mexico, Chile, Japan, Australia, and the European Commission. A groundbreaking internal study of the competitive impact of airline alliances and joint ventures on competition in transatlantic markets will be completed as well as a commissioned independent econometric study from independent economists using data collected from the airlines by the Department.
- The first phase of an ongoing research project initiated in FY 2013 on developing a Freight Demand Model will be completed. This will improve our ability to estimate benefits and costs of freight-related transportation investments. The results of this research will be incorporated into the Department's guidance for the conduct of infrastructure-related benefit-cost analysis to be completed in FY 2016.
- The Department's and Administration's goals will be advanced by developing and implementing initiatives with foreign governments at the highest diplomatic / transportation levels. Participation of the Secretary, Deputy Secretary, Under Secretary, or Assistant Secretary in these initiatives will require an estimated 75 annual international trips, meetings, and related events. We will also establish at least 16 capacity-building programs to train International transportation counterparts to orient them to U.S. standards and technology, thus heightening the competitiveness of U.S. transportation companies in international trade. We anticipate implementing special programs featuring technical exchange with China, Brazil, India, South Africa and other National Export Initiative (NEI) countries, including special technical exchange missions with U.S. companies. We will support the President's goal of enhancing transportation connectivity with Mexico and Canada in support of North American joint competitiveness. We will advance critical transportation support for the President's U.S. Strategy toward Sub-Saharan Africa. We expect to implement a special program supporting women in transportation in the Asia-Pacific Region. We also expect to continue our technical cooperation under the International Transport Forum and our involvement in Asia-Pacific Economic Cooperation (APEC) and the African Growth and Opportunity Forum.
- Efforts to open up opportunities in international markets for commercial airline services through the negotiation of Open-Skies air service agreements will continue. In addition, we will work to continue the successful business aviation initiative in APEC that aims to foster a friendlier environment for international business aviation operations in the APEC region. We

will also work to expand the initiative either bilaterally or regionally, to other regions including Africa and Latin America.

- The Federal Infrastructure Projects Permitting Dashboard, which is housed at the Department of Transportation, will continue to support coordination and synchronization of projects among federal agencies, and help create a more predictable process for project applicants. Within existing resources, the Dashboard will be expanded to include new capabilities, and guidance will be prepared for the use of the Dashboard. In FY 2015, guidance to all Departments and agencies to institutionalize use of the Dashboard for major projects across the Federal government was finalized. In FY 2016, the Dashboard website will be upgraded to include new capabilities to track project schedules and metrics, increasing overall accountability and transparency, and expanded in accordance with the Fixing America's Surface Transportation (FAST) Act. Ongoing improvements will support a new interface, as the dashboard is expanded to include a significant number of additional projects. Further, in FY16, DOT staff will provide targeted technical assistance and oversee implementation of the applicable FAST Act Project Delivery provisions and associated Guidance. Activities undertaken by the Dashboard team will also include training subject matter experts regarding effective use of the Dashboard tool on a widespread basis.
- DOT will continue to support interagency efforts to improve project delivery and modernize the National Environmental Policy Act process.
- With Department of Transportation support, the Federal Highway Administration will have completed significant stakeholder engagement activities, on six research products associated with the Bicycle and Pedestrian Strategic Agenda, all intended to enhance the ability of grantees to create safer streets for non-motorized travelers.
- In cooperation with the USDOT Safety Council, a pilot project to use innovative data analysis to identify emerging safety risks will have completed analysis of data sets involving 2-3 multi-modal safety issues.
- DOT regional and FHWA Division offices in all states will have convened and led walking/bicycling assessments with stakeholders and Federal, state and local partners to focus attention on, and build relationships to address pedestrian and bicycle safety deficiencies.
- DOT will have held a summit and public webinars for mayors and other local representatives who have joined the Mayor' Challenge for Safer People and Safer Streets, amplifying DOT resources on improving safety and safety for all road users and supporting the local jurisdictions in undertaking specific actions to improve pedestrian and bicycle safety.
- Working with DOT administrations, the Department will continue to aid state and local planners and government officials with planning tools to help them create sustainable, resilient, and equitable communities. Working with the Environmental Protection Agency, the Council on Environmental Quality and within the Department of Transportation, the Department will assess vulnerability to climate and extreme weather risks and costs of resiliency planning, and will

implement technical assistance to help incorporate climate resilience into state, local and tribal community plans.

- The Office of Policy Development, Strategic Planning and Performance will continue to lead the modal administrations in a multi-year partnership with the Centers for Disease Control and Prevention, in a project to enhance consideration of public health goals in transportation decision-making. In FY 2016, the project team will conduct outreach and technical assistance on the on-line toolkit released in FY 2015. The online tool includes state- and regional-level data for 14 indicators of the health effects of transportation investments. Indicators include road fatalities and injuries by mode, vehicle miles traveled per capita, commute mode shares, seat belt use, emissions exposure, and more. The project is creating an evidence base that can help develop recommendations for policy and investment decisions.
- The Office of Aviation Analysis will complete a rulemaking to modernize the collection of aviation data to vastly improve the quality and usefulness of the data for a wide range of stakeholders and the general public, while also reducing reporting burdens. This effort will be completed in response to a proposal submitted by Airlines for America and some of its members.
- In FY2016, the Office of Aviation Analysis will complete a study of the impact of airline joint ventures on competition in transatlantic markets, serving as a benchmark for the Department's policy on international airline alliances and identifying competitive trends and issues in global aviation markets.
- In FY 2016, the Office of Aviation and International Affairs will have completed an examination of the allegations by the three largest U.S. airlines of state subsidies to the Gulf airlines resulting in unfair competition in certain international aviation markets.
- Working with the Environmental Protection Agency, the Council on Environmental Quality and within other departments of the Department of Transportation, the Department will develop resiliency planning technical assistance to incorporate climate resilience into state, local and tribal community plans.

Economic Competitiveness:

- Establish or participate in 12 technology transfers and capacity building programs to improve training opportunities for international transport ministries to U.S. transportation standards and technologies.
- Reach three (3) or more new bilateral and multilateral aviation agreements to remove market distorting barriers to trade transportation (OST/Aviation and International Affairs).
- Advance DOT goals with foreign governments through the conduct of at least 75 annual international meetings, conferences, and other events at the Secretary, Deputy Secretary, Under Secretary Level, or Assistant Secretary level (OST/Aviation and International).

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) 1.6 percent pay raise for 2017; (4) adjustments in Working Capital Fund charges; (5) an increase for an estimated 1 percent inflation; (6) a program increase, as well as an estimated 39 FTEs and associated costs; (7) a program increase of \$5 million for Green Ports Study and Pilots, to identify specific emissions-reducing maritime-related projects with benefits that exceed costs that are suitable for funding from diverse private, State, Local or Federal sources, and (8) an additional program increase of \$4 million to begin operations of an interagency infrastructure permitting improvement center and online Permitting Dashboard.

The requested amount for administration of the research and development projects in fiscal year 2017 will provide support for proper budget execution and planning, procurement activities and oversight, as well as coordination of domestic and international departmental objectives. Due to the nature of TPR&D projects, funds requested for administration of TPR&D projects also provide for significant in-house research and analysis, knowledge sharing, and international diplomacy. In addition, the Office of the Secretary is charged with providing support to the Under Secretary of Transportation and support for Department priorities and initiatives. The Office of the Under Secretary for Policy is responsible for executing the Secretary's policy initiatives such as the formulation of the strategic plan, initiatives in freight and safety policy, and general and international aviation, and trade policy.

Economic Competitiveness Strategic Goal:

Aviation Data Modernization: \$120,000

The Department's aviation data provides the information required to administer statutorily mandated aviation programs. The current system dates largely from the 1970s and needs to be updated to better address contemporary needs. The Aviation Data Modernization Program will enhance the quality, utility and accessibility of the nation's most important source of aviation data, and it will do so while reducing the reporting burden on the airline industry. It will also streamline the aviation data products that the Department disseminates, which will make it easier to use, and, therefore more valuable to the industry and to the public interests that use this data. The Department relies upon these data for its mandated responsibilities, including the review of antitrust immunity applications, airline mergers, Essential Air Services carrier selection orders, airline congestion claims, Small Community Air Service Development Program grant awards, and slot transfers. The industry relies on this data for its usefulness in short term route planning and long term strategic planning.

The Department is working with airlines and their associations to refine and update the methodology for data collection by making the best use of their existing ticket sales and flight data records. By FY 2017, in the second year of the project, the Department will have issued a detailed proposal in a Notice of Proposed Rulemaking and will be preparing to issue a final rule. We request \$120,000 in FY 2017 for implementation of the final rule defining the new data collection methodology. It is expected that an agreed upon approach can result in a proposed

rulemaking in FY 2017. Implementation will require significant redevelopment of the IT infrastructure required to house and disseminate Aviation Data. Planning and implementation of the new procedures that result from this rulemaking will take place by FY 2017.

Aviation Competition / Forecasting System: \$88,000

This is the continuation of a five-year contract for the Sabre Airline Manager Software and Global Airline Demand Database which combines airline schedule data, airline pricing data, and a passenger choice model for analyzing competition in airline services. The Office of Aviation Analysis relies extensively on the Sabre software's airline network analysis model to evaluate airline competition issues and to analyze airline codeshare and alliance agreements. The model has a broad range of applications for providing critical assessments of the evolving competitiveness of domestic and international aviation markets, rational economic bases for carrier selection decisions, and forecasts on the effects on competition of proposed mergers and alliances. Use of this model is critical to the creation of analysis required to support the Department's strategic policy to enhance competition and growth in domestic and international aviation. It is used for support in all divisions of the Office of Aviation Analysis (Essential Air Service and Small Community Air Service Development Programs, Competition and Policy Analysis, and the Air Carrier Fitness Division).

International Regulatory Cooperation and Research/ Airline Alliance Research: \$54,000

As U.S. airlines seek to engage in commercial and alliance agreements around the world to realize the economic benefits of open skies agreements with our foreign aviation partners, they encounter various "doing business issues." Many of these issues involve the application of incongruent competition policies by the countries involved. This ongoing project supports the cooperation between DOT and foreign competition authorities to foster compatible regulatory approaches in the way various national authorities review, approve, and monitor alliance agreements between U.S. and foreign airlines. These efforts often involve discussions on the appropriate competition standards that should be applied to the review of airline alliance agreements, joint research projects on the impact of these agreements on competition, and joint monitoring of approved transactions. These efforts secure the ability of U.S. airlines to generate hundreds of millions of dollars in revenue as a result of approved alliance agreements. The Department's request for FY 2017 would support the continuation of ongoing cooperative programs and the inauguration of several new programs. The Department plans to launch a joint study with the European Commission's Directorate General for Competition on the economic impact of alliances in transatlantic markets using the most recent data available. In addition to continuing our work with the Canadian, Chilean, Mexican, Australian, and Japanese competition authorities, we seek to improve our understanding of the important U.S.-China market as Chinese carriers rapidly expand their market share.

As U.S. airlines seek to expand their services to international markets, the number of such "doing business" issues is only increasing and the need for compatible approaches to the economic oversight of the industry is becoming more important. The Department intends to continue this program for the foreseeable future.

The alliance research aspect of this project will provide an update on a broad econometric analysis of the competitive impact of airline alliances conducted by the Department in FY 2015

in conjunction with its counterpart in Europe, DG Competition. The mutual study and dialogue between DOT and DG Competition is supported by Annex II to the US-EU Open Skies Agreement. This agreement allows EU and U.S. airlines to serve any route between Europe and the United States, calls for developing a common understanding of trends in the airline industry in order to promote compatible regulatory approaches in competition policy. FY 2017 funds would be used to support an updated econometric analysis using more recent data conducted by academic experts under contract.

Global Carrier Research: \$12,000

Major global and next-generation long-haul low-fare carriers in Asia, the Middle East and Europe are expanding in the United States, with future plans to add a significant amount of service. The emergence of the Gulf carriers, for example, has been a major development in airline competition, and it has positive and negative effects on the U.S. aviation industry. Other new and innovative competitors such as Norwegian, Hainan Airlines, and Air Asia X all have their sights on the U.S. market for the long term. The Department's goal has been to support a fair, competitive aviation industry that provides benefits to consumers and stakeholders in the U.S. aviation industry. Questions remain as to how these foreign carriers have grown so quickly and how they operate. Some of the questions regarding these carriers' operating strategies cannot be answered from current or publicly-available data sources. Discussion with aviation industry financial analysts, would give added insight into the state of competition. Ultimately, the strategic plans are best gleaned through direct, on-the-ground research. Greater understanding of these issues will allow the U.S. to make sound policy decisions that preserve fair and open competition needed to enhance the mobility and competitiveness of U.S. businesses and consumers.

Given the likely expansion of these airlines into U.S. markets, opening a constructive dialogue with certain key carriers and other affected entities would provide critical insights into the future of airline competition and would prepare the Department for any adjudicatory or informal matters that are raised by U.S. industry. It would also enable the Department to monitor industry developments and take more proactive measures to ensure fair competition for U.S. airlines and passengers.

Research funds would be dedicated to travel, data analysis, and other gathering of data and information, all in FY 2017, and all funding would be incurred by in house staff. Reports and conclusions will be generated for the benefit of U.S. government staff.

Economic Impact Study of Unmanned Aerial Systems: \$201,000

The aviation community, and the public at-large, are keenly interested in the development of the unmanned aerial systems (UAS) sector and the integration of UASs into the national airspace system. The Department of Transportation has the lead role within the federal government in overseeing the development and integration of the sector. The FAA has taken the first steps to write new regulations governing the integration of small UASs. The rules focus exclusively on 'affirmative oversight by regulation,' as opposed to 'ad hoc oversight by statutory exemption,' which is the current practice. The small UAS rule is part of a stepwise approach that the administrator will use to apply existing certification and safety authorities to the UAS sector, starting with small UASs with limited payloads and then extending to larger UASs that may

involve commercial carriage of cargo (e.g., Amazon Prime Air) and thus require additional certification and oversight. Many proponents of the emerging UAS industry are critical of the administration’s perceived slow and rigid approach to regulating UASs. The “prime” argument is that UASs are an exciting emerging technology that the United States should do everything possible to encourage, in the interest of deploying advantageous technologies for national security and commercial applications, as well as for economic development. The refrain is that, if it doesn’t happen here, it will just happen in another country. Forward-thinking companies such as Amazon, Google, and geospatial firms are actively developing UAS business models to apply in the future, and these models are sure to have a substantial impact on the economy and the current structure of traditional all-cargo carriers. There is sure to be a large impact on the economy, and on the current structure of transportation cargo carriers. In brief, the Department, through the Office of the Secretary, needs to double efforts to understand the economic impact, consider policy options, and to complement the FAA’s efforts to integrate UASs safely. Using these TPR&D funds, the Department will engage a contractor to better understand the economic effects of the UAS sector and to better evaluate policy options and tools to support the industry, protect consumers using existing authorities, and to complement the approach taken by the FAA.

Women in Transportation: \$41,000

The project will build on ongoing efforts to advance Women in Transportation within APEC in other regions of the world. We will: (1) continue to collect data to measure progress related to gender policy; (2) build and update a compendium of best practices so each Economy can learn and improve from each other (3) continue a regular dialogue in APEC on Women in Transportation in the Transportation Working Group of APEC and other international forums; (4) hold a workshop to advance best practices in the development of women in the transportation workforce. While APEC will serve as the initial region of focus, if successful, it is anticipated this project will be replicated over various regions at a minimal incremental cost to the Department. This initiative is a Department wide effort to increase participation of women in the transportation field not only in the APEC region but within the United States as well. This initiative is a five year effort and we are currently executing the third year activities.

National Export Initiative (NEI/NEXT): \$340,000

The Secretary of Transportation is a member of the Export Promotion Cabinet, which ensures the performance of the President’s National Export Initiative (NEI), whose next phase is referred to as NEI/NEXT. Several key country markets have been identified for priority interagency focus under the NEI/NEXT. China, Brazil and India are identified as top-tier country markets which can yield increased U.S. exports, especially in the infrastructure and transportation sector. Mexico and Canada have also been singled out at Administration priorities. Nine other priority markets are also highlighted for their U.S. export potential. We will continue to engage in high-level forums with China, Brazil, India, South Africa and other African partner countries, and priority countries including Mexico, which are facing similar transportation-related challenges and have significant expertise in developing and maintaining large and complex transportation systems. These provide formal mechanisms for sharing the best practices and working toward compatible regulatory frameworks, to our mutual economic benefit.

The \$340,000 is being used to continue funding research studies and workshops on transportation sector characteristics and markets in key NEI/NEXT countries. We are also

exploring the feasibility of other priority markets as identified under NEI/NEXT. These studies focus on special transportation topics in support of multimodal bi-national working group objectives. For example, Intelligent Transportation Systems (ITS) presents a large market opportunity for U.S. exporters in these markets, given the large transportation infrastructure projects those countries are preparing to invest in. In some NEI/NEXT countries, definitional studies are being conducted to consolidate information about the state and understanding of transportation standards in these countries.

This initiative is an ongoing multi-year effort. The U.S. needs to improve access to existing markets and gain access to new ones for U.S. transportation goods and services. Through these forums, we will advance export opportunities for our companies, promote advanced technologies and best practices and create a framework for a safer, more efficient and environmentally friendly global transportation system.

Translation for Foreign Engagement: \$65,000

The Office of International Transportation and Trade will spend \$32,000 for translation and interpretation services in support of high level meetings, communications and technical agreements for multi-year use.

Freight Planning, Data, and Analysis Requirements of MAP-21: \$164,000

MAP-21 requires the Department to issue the Freight Transportation Conditions and Performance Report on a biennial basis, produce a National Freight Strategic Plan (NFSP) on a five-year basis, and develop improved freight transportation investment data and planning tools. The Department has established a Freight Policy Council, staffed by OST/Policy, to coordinate multimodal freight planning and the implementation of the freight provisions of MAP-21. The Department also solicits information on freight transportation needs from the freight community and public through various activities. OST/Policy will support the Freight Policy Council and the freight transportation planning and reporting requirements of MAP-21 with TPR&D funds.

The release of the first Freight Conditions and Performance Report will occur in early 2016. The draft NFSP was released in October of 2015 for public comment and the final NFSP will be developed throughout 2016. The Department will draw upon resources of the operating administrations in these tasks, but much of the work is being done in the Office of Transportation Policy. This work requires access to proprietary data resources, contractor support to support enhanced data collection, and interpretation, research on new data sources and planning tools, and report preparation and public outreach. Based on experience with these activities to date, the requested budget amount is considered conservative.

International Transportation Forum: \$45,000

The International Transportation Forum (ITF) is the only international organization representing transportation interests across the world, and continues to expand to developed and developing member nations. The ITF was established by a European Conference of Ministers of Transport (ECMT) ministerial declaration in May 2006 within the legal framework of the ECMT Protocol signed in Brussels, Belgium in October 1953 to reflect the international nature of the transportation sector. Member and Associate Member countries of the ECMT are considered

members of the ITF and participate in programmatic decisions such as work priorities and conference agenda. Members that provide financial contributions participate in financial decisions. The ITF is supported by work of the Organization of Economic Cooperation and Development (OECD)/ECMT Joint Transport Research Center (JTTC), an organization that the United States supports both programmatically and financially. DOT's Operating Administrations have benefited from participation in JTTC research projects ranging from improving highway pavement to congestion mitigation and motorcycle safety. The ITF has provided us the opportunity to cooperate in infrastructure financing, high speed rail, and the environment. ITF will contribute to a pool of funds managed by the ITF Secretariat which is used to develop a common transportation research agenda, to conduct the identified research program (through research contracts), and to present and assess the results of this research at the annual ITF meetings in Leipzig, Germany. Funds are used to support ITF Secretariat costs, including staff, contractors, and logistics and meeting costs. DOT has supported the ITF through annual voluntary membership contributions since 2007.

“Best-Practices” Initiative for Implementing Open-Skies Aviation Agreements: \$30,000

Concurrent with the continuation of the Department's highly successful Open-Skies initiative to liberalize the international aviation operating environment, the Department is seeking to facilitate the ability of U.S. airlines to use their available rights with the minimum necessary regulatory oversight and with access to necessary infrastructure available on a fair and transparent basis. Broad-based international adherence to practices that streamline the process of exercising bilateral rights, such as operating rights, marketing strategies and pricing initiatives, will yield significant benefits to airlines, U.S. communities, consumers and the U.S. economy.

DOT would initiate a three-stage process. Requested funding would be used first to identify, and rank the relative seriousness of, constraints on the exercise of operating rights through outreach to U.S. industry stakeholders, with in-house staff expertise being supplemented by contracted analytical support. Follow-up with U.S. embassies and foreign regulatory authorities could then be used to validate or modify the initial findings. Secondly, the “best practices” template would be developed and vetted with both U.S. Government and U.S. industry stakeholders. Third, the Department would seek international acceptance of the identified best practices through individual bilateral contacts and presentations in regional aviation, including staff travel.

Business Aviation Initiative: \$24,000

Building on the Department's success in further developing the APEC Business Aviation Initiative during the FY 2015 and FY 2016 cycles, we plan to pursue further work within APEC, as well as expand the initiative to include a focus on Africa.

The general aviation industry is a growing and increasingly important segment of the international aviation community. New operating paradigms, such as “fractional” aircraft ownership programs, not only have made non-commercial aviation more accessible and affordable but also have raised issues about whether these operations continue to be “private” carriage.

As general aviation becomes increasingly visible, particularly as an adjunct to the globalization of business in general, it is essential that international aviation regulators are sensitized to the

economic importance of these services and their unique operational needs. Growth of this sector has the potential to yield benefits not only for users but also importantly for aircraft manufacturers. For this reason, the business aviation initiative represents a key Department priority in support of the Administration's National Export Initiative (NEI).

We anticipate that analytical support to create an inventory of current regulatory regimes and airport access criteria will provide an important underpinning for the continued work within APEC. Further staff engagement with civil aviation authorities and regional bodies in Africa will assist in developing a proposed policy approach to extend this Initiative to other regions, notably Africa, in conjunction with the ongoing work through APEC. The requested funds would support both the contractor participation and staff travel associated with this initiative.

Environmental Sustainability Strategic Goal:

Climate, Sustainability and Adaptation Policy: \$41,000

Funding would continue to advance research to support policy decisions and transportation response to emerging sustainability policies. The work will support a focus on resilience planning for the transportation sector, as well as alternative fuels and strategies to reduce transportation related pollution and impacts on the natural environment. This funding will support transportation aspects of major White House initiatives, including update of the Global Change Research Program's National Climate Assessment mandated by the Global Change Research Act and representing DOT on the National Climate Assessment's advisory committee.

The funding would also support work of the DOT Center for Climate Change and Environmental Forecasting to quantify transportation climate impacts for the transportation system and assets, to integrate adaptation and resilience planning in DOT programs, and to assist state and local transportation agencies in considering how to reduce transportation emissions.

Clean Energy Research – Green Ports Study and Pilots: \$5,000,000

Section 6018 of the FAST Act (49 USC 6314) creates a port performance measures program. Section 1105 expands the ability of DOT to fund important port projects. While the freight port performance measures program will eventually provide a better basis for identifying bottlenecks in existing freight flows, they are inherently backward looking, and will be of limited near-term value in identifying opportunities for significantly reducing freight emissions through transformative investments in port/rail connections, cold ironing, zero emissions or alternative fuel port equipment and support vessels, LNG refueling facilities, and identification of facilities to support economically attractive marine highway routes. The Office of the Secretary, in cooperation with modal administrations, will examine and evaluate prospects for emissions reduction activities at major ports across the United States, covering port operations, landside interfaces, and potential for new marine freight routes. This research effort will identify specific emissions-reducing maritime-related projects with benefits that exceed costs that are suitable for funding from diverse private, State/Local, or Federal sources. As part of this program, DOT will provide grants to fund a few site-specific feasibility studies or small matching grants to co-finance pilot hardware deployments to demonstrate emerging technologies, or catalyze projects stymied by institutional barriers. This work to reduce port

emissions will complement the Administration initiative to invest in Clean 21st Century Surface Transportation Options.

Quality of Life in Communities Strategic Goal:

Health in Transportation: \$50,000

In a companion project to the Ladders of Opportunity research, OST-P will work with FHWA on putting together a toolkit for communities, planners, and government officials looking for guidance and tools on creating resilient, sustainable, equitable communities. The research will continue to support and disseminate tools to help transportation agencies consider health and transportation linkages. This research will assist DOT in attaining performance goals specified in the DOT Strategic and Performance Plans, especially the goal of fostering quality of life in communities through place-based policies and investments that increase transportation choices and access to Transportation services.

Safety Strategic Goal:

Safety Research Coordination: \$100,000

This project would collaborate closely with the Safety Council, OST-R and the modes to identify safety research needs and promote dissemination of important safety research and data products. The Safety Council provides a forum to identify, prioritize and coordinate cross-modal safety challenges and emerging safety policy initiatives. Research will be associated with emerging and critical cross-modal safety issues, including developing more robust data analysis to identify and address such issues, as well as specific issues including driver distraction, pedestrian and bicycle safety, crude oil transportation issues, and other issues that emerge through Departmental and Safety Council discussions. Research products will focus on cross-modal policy, data, investment and administrative solutions that will address identified barriers and continue to build a systematic approach to addressing transportation safety problems. This research will assist DOT in attaining performance goals specified in the DOT Strategic and Performance Plans, especially the goal of improving public health and safety by reducing transportation-related fatalities and injuries.

Pedestrian and Bicycle Safety Initiative: \$100,000

This project will support continuation of a multi-year collaborative multi-modal project to identify solutions to persistent barriers to improved safety for all road users. Research issues are being identified during FY 2016 through the Pedestrian and Bicycle Safety Action Team and its outreach to stakeholders, university partners, and state and local practitioners. Research projects will include a focus on providing safe access to public transportation routes, removal of policy barriers that prevent installation of safer bicycle and pedestrian infrastructure, and other topics. Solutions-oriented research products will be developed in the form of toolkits, webinars, classroom instruction and other methods to ensure that research findings can be applied by practitioners in State and local transportation agencies. The projects will help the Department reach its safety performance goals, and help State and local transportation agencies bring down the rate of pedestrian and bicycle fatalities and injuries, regardless of age or ability.

Interagency infrastructure permitting improvement center and online Permitting**Dashboard:** \$4,000,000

Funding for the interagency infrastructure permitting improvement center and online database Permitting Dashboard, administratively located within the Office of the Under Secretary of Transportation for Policy, will work to cut transportation infrastructure permitting and review timelines by producing a faster, more efficient process, while also producing measurably better outcomes. This will include management, improvement, and expansion of a Federal Infrastructure Permitting Dashboard (Dashboard), as well as interagency coordination on the implementation of other government-wide permitting reforms. The Dashboard will facilitate early collaboration of infrastructure project reviews, synchronize, align and reduce time associated with permitting and environmental review timelines, when appropriate and practicable, and, increase accountability by making more project information available to the public. Other agency contributions will be provided to supplement funding of the interagency elements of the Dashboard.

Significant activities will include:

- Facilitating data collection and reporting in conjunction with development, management, maintenance, operation, and oversight of the Dashboard. Projects will be posted on the Dashboard in accordance with the requirements of the FAST Act, and Guidance issued by OMB and CEQ that establish metrics for permitting and environmental review of all major infrastructure projects. Funds will implement significant upgrades to the Dashboard to fully expand its technical capabilities to support project management and tracking, as well as public transparency for projects across the Federal government. Funds will address costs that include migrating and hosting, initial and future website enhancements and updates (visualizations and improvement), and website operations and maintenance. Further, funds will address additional staffing that includes, but is not limited to, a Dashboard Project Manager, support staff, and a Help Desk. The Dashboard Project Manager will oversee implementation of the FAST Act and Guidance, technical requirements and support staff, make recommendations for policy and future guidance, and act as a central point of contact for agencies posting projects to the Dashboard. The Help Desk includes dedicated support personnel. Of initial support personnel, one is a communications specialist to provide training to users, host training webinars, and work with agency specific permitting leads and the other is a customer service agent to field incoming calls and requests. These staff will ensure continuity of services and operations, and be available to provide basic training on Dashboard operations. Activities undertaken by the Dashboard team will also include training subject matter experts across agencies regarding effective use of the tool on a widespread basis.
- Targeted technical assistance, training, outreach related to reform implementation across federal agencies and bureaus, as well as state, local and tribal governments.
- Conducting research and piloting new policies, such as approaches for conducting environmental analysis, including analysis of mitigation options.
- Developing new policy improvements and process reform recommendations to accelerate project delivery through synchronized/coordinated environmental review and permitting among agencies, and promoting shared NEPA documents to satisfy all environmental reviews and permits. This includes identifying best practices associated with early

stakeholder engagement, reducing information collection requirements, and other aspects of environmental review and permitting as well as to facilitating advanced planning for mitigation of project impacts and use of landscape or watershed-level approaches to mitigation to achieve improved environmental and community outcomes.

In addition, funding will be used to develop and deploy information technology tools that enhance the interagency coordination on major infrastructure projects, provide greater transparency on the process, facilitate better project planning and track and report on performance metrics related to the effort. This will include updating and expanding the Dashboard to track more projects and provide greater transparency and accountability to project proponents and the public for major infrastructure projects. Funds will also be used to continue to explore other opportunities to develop digital tools to help modernize project review and approval processes across agencies.

What Benefits Will Be Provided To The American People Through This Request?

TPR&D supports multiple programs that advance White House and Secretary of Transportation objectives. Below are some of the beneficial impacts to the American public:

- Ensuring fair and efficient air service to the American public by providing oversight over proposed airline mergers and acquisitions.
- Modernizing the data collection methods, usefulness and consistency of aviation data, which is used by the Department of Transportation, the aviation industry and the American Public to enhance aviation route planning as well as long term strategic planning and the Department's review of Essential Air Service carrier selection orders and Small Community Air Service Development Program grant awards.
- Review of domestic and international airline schedules to help enhance competition and growth in aviation.
- Maintaining constant dialog with foreign countries regarding cooperative airline programs and assuring the fairness of competition between domestic and international air carriers.
- Providing climate resiliency planning technical assistance to state, local and tribal communities.
- Identifying aspects of the U.S. transportation system that might be enhanced to increase international exports and provide economic benefits.
- Providing enhanced benefit – cost analysis to better measure the impact of proposed infrastructure investments.
- Emphasizing the importance of general aviation in support of the National Export Initiative.
- Assisting in making the transportation sector more sustainable through research to support policy decisions on strategies to reduce transportation contribution to climate change, pollution and impacts on the natural environment. Supporting communities' efforts to build Ladders of Opportunity through transportation investments.
- Through the enhancements to the Dashboard, the FAST implementation and Guidance will establish guidelines for agencies to use the Dashboard to report a common set of timeframe metrics for major infrastructure projects. In addition to supporting better project management, the information collected will help establish a baseline of the typical review

timeframes for infrastructure projects across nine sectors. The Dashboard can achieve a number of important benefits including cutting timelines by encouraging synchronized review and early coordination, making it easier to identify and troubleshoot roadblocks, and improving agencies' accountability and transparency to the public. These benefits can help cut project timelines while also improve the quality and consistency of agencies' environmental analysis. The primary benefits to the American public are the reduced timelines related to the permitting of infrastructure projects and the measurably better outcomes of the projects. Additionally, the activities directly and indirectly facilitate job creation in the area of infrastructure projects.

Additionally, the various research and development projects funded through this appropriation directly and indirectly facilitate job creation in the areas of general aviation, commercial airlines, freight hauling, transportation infrastructure and the export of U.S produced goods and services internationally.

OFFICE OF THE SECRETARY OF TRANSPORTATION
TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$6,000	24
FY 2016 Enacted	\$8,500	36
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$21	
Annualization of New Positions Requested in FY 2016	\$493	3
Two Less Compensable Days	-\$44	
January 2017 Pay Raise	\$76	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	-\$3	
Inflation	\$18	
FY 2017 Baseline Estimate	\$9,061	39
<u>FY 2017 Program Changes (+/-):</u>	7,982	0
A program increase of \$5 million for Green Ports Study and Pilots, to identify specific emissions-reducing maritime-related projects with benefits that exceed costs that are suitable for funding from diverse private, State, Local or Federal sources, and an additional program increase of \$.978 million to begin operations of an interagency infrastructure permitting improvement center and online Permitting Dashboard. As well as other programmatic increases based on needs.		
Total, FY 2017 Request	\$17,043	39

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-0142-0-1-407	ACTUAL	ENACTED	REQUEST
Obligations by program activity:			
0001	8,101	13,000	8,043
0002	2,259	0	0
0003	34	0	0
0005	0	3,000	4,000
0006	0	0	5,000
0091	10,394	16,000	17,043
0100	10,394	16,000	17,043
0801	1,867	670	0
0900	12,260	16,670	17,043
Budgetary Resources:			
Unobligated balance:			
1000	7,989	6,661	0
1011	1,000		
1012	992	0	0
1021	1,250	0	0
10.29	-85	0	0
1050	11,147	6,661	0
Budget Authority:			
Appropriations, discretionary:			
1100	6,000	8,500	17,043
1130	0	0	0
1131	0	0	0
1160	6,000	8,500	17,043
Spending authority from offsetting collections, discretionary:			
1700	80	670	0
1701	1,695	-670	0
1750	1,775	0	0
1900	7,775	8,500	17,043
1930	18,921	15,161	17,043
Memorandum (non-add) entries:			
1940	-124	0	0
1941	6,452	-1,509	0
Change in obligated balance:			
Obligated balance, start of year (net):			
3000	6,511	7,829	7,661
3010	12,260	16,670	17,043
3020	-8,502	-15,329	-12,560
3040	-1,250	0	0
3041	-1,190	0	0
3050	7,829	7,661	12,145
3060	1,793	-3,488	-3,488
3070	-1,695	0	0
Obligated balance, end of year (net):			
3090	-3,488	-3,488	-3,488
3100	4,718	4,342	4,174
3200	4,342	4,174	8,657
Budget authority and outlays, net:			
Discretionary:			
4000	7,775	8,500	17,043
Outlays, gross:			
4010	0	3,400	3,409
4011	8,502	11,929	9,151
4020	8,502	15,329	12,560
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030	-10	-670	0
40.33	-149	0	0
	-159	-670	
Additional offsets against gross budget authority only:			
4050	-1,695	670	0
4060	-1,695	670	0
4180	5,861	8,500	17,043
4190	8,422	14,659	12,560

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-0142-0-1-407	ACTUAL	ENACTED	REQUEST
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	\$3,365	\$4,642	\$5,047
11.3 Other than full-time permanent	\$0	\$155	\$157
11.5 Other personnel compensation	\$0	\$7	\$7
11.9 Total personnel compensation	\$3,365	\$4,803	\$5,211
12.1 Civilian personnel benefits	\$933	\$1,292	\$1,435
21.0 Travel and transportation of persons	\$201	\$182	\$184
23.0 Rent and Comm, Util	\$0	\$0	\$0
24.0 Printing	\$0	\$20	\$20
25.1 Other services	\$4,709	\$7,956	\$9,452
25.2 Other services	\$0	\$1,051	\$51
25.3 Other services	\$1,136	\$659	\$652
26.0 Supplies and materials	\$15	\$21	\$21
31.0 Equipment	\$34	\$16	\$16
99.0 Subtotal, direct obligations	\$10,394	\$16,000	\$17,043
Reimbursable obligations:			
21.0 Travel and transportation of persons	\$38		
25.3 Other services	\$1,829	\$670	\$0
99.0 Subtotal, Reimbursable obligations	\$1,867	\$670	\$0
99.9 Total obligations	\$12,260	\$16,670	\$17,043

PERSONNEL SUMMARY

Identification Code	FY 2015	FY 2016	FY 2017
69-0142-0-1-407	ACTUAL	ENACTED	REQUEST
1001 Total compensable workyears:			
Full-time equivalent employment	27	36	39

OFFICE OF THE SECRETARY OF TRANSPORTATION

TIGER GRANTS PROGRAM

**NATIONAL INFRASTRUCTURE INVESTMENTS (NII)
(Mandatory)**

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

<u>ITEM</u>	<u>FY 2015 Actual</u>	<u>FY 2016 Enacted</u>	<u>FY 2017 Request</u>	<u>Difference from FY 2016 Enacted</u>
<u>FUNDING LEVELS</u>				
Infrastructure Investments	\$480,000	\$480,000	\$1,195,000	\$715,000
Planning Grants	\$0	\$0	\$35,000	\$35,000
Administrative Expenses	\$20,000	\$20,000	\$20,000	\$0
TOTAL	\$500,000	\$500,000	\$1,250,000	\$750,000
<i>Obligation Limitation (Trust Fund)</i>	[500,000]	[500,000]	[1,250,000]	[\$750,000]
<i>Liquidating Cash (Trust Fund)</i>	[500,000]	[500,000]	[1,250,000]	[\$750,000]
<u>STAFFING</u>				
Direct Positions	12	12	12	0
Direct FTEs	7.0	10.0	10.0	0.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

The National Infrastructure Investments Program (TIGER Grants Program) is requesting \$1.25 billion of contract authority and an estimated 10 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the National Infrastructure Investments (TIGER Grants Program)

What Is This Program/Activity And Why Is It Necessary?

The National Infrastructure Investments program (TIGER Grants Program) provides a unique opportunity for the U.S. Department of Transportation (DOT) to invest in the Nation's surface transportation infrastructure, including roads and highways, public transportation facilities, freight and passenger rail, and port infrastructure. TIGER provides funds to governmental entities for capital investments on a competitive basis to support merit-based projects that make a significant impact on the Nation, a region or metropolitan area. Through this Program, DOT uses a rigorous process to select projects with exceptional benefits, explores ways to deliver projects faster and save on construction costs, and invests in our Nation's infrastructure to make our communities safer, more sustainable, and economically secure.

In order to expand on this existing Program, new dedicated funding for a Local Competition Pilot will be set aside. Local officials would develop project applications and the new funds would be competitively awarded by a state designated selection panel to local projects according to USDOT-developed criteria. This pilot program would allow targeted funding local projects in towns and cities that are either: 1) at a competitive disadvantage against larger metropolitan TIGER applicants; or 2) have smaller project scopes that do not fit within the \$10 million minimum urban award under the current TIGER program.

This program would allow local jurisdictions (i.e., non-State DOTs) to compete for a share of federal funds. Local jurisdictions, metropolitan planning organizations, transit providers, and others would be in charge of developing projects for consideration. Instead of federal officials making the award decisions, a panel of local stakeholders organized by states would decide which projects to approve based on how the project could improve the transportation system, promote innovation, and spur economic development.

The TIGER Grants Program is necessary because States, local and tribal governments, transit agencies, or collaboration among such entities, are seeking more cost-effective, innovative solutions to complex transportation and economic development challenges. This requires greater flexibility than is possible through the current formula programs, which focus on individual modes, specific project types, and a limited group of grantees. TIGER, however, assists local sponsors in obtaining support for innovative projects designed to move people and goods, regardless of the modes of transportation or jurisdictions involved.

TIGER enables DOT to examine a broad array of projects on their merits to help ensure taxpayers receive the highest value for every dollar invested. By challenging potential grantees to present their strongest plans, DOT receives requests with lower project costs and higher non-Federal contributions. DOT attaches a deadline to funding once it awards grants; thereby, incentivizing grantees' timely and cost-effective project delivery. TIGER grantees must leverage performance measurements and outcome tracking to demonstrate to the taxpayer the attainment of proposed benefits. DOT uses this data to inform best practices for future projects.

Subsequently, the TIGER Grants Program inherently fosters successful projects that have helped fund the “last mile” of many larger projects that had no other means of completing proposed goals.

After seven rounds of TIGER, DOT received more than 6,734 applications from all 50 States, Puerto Rico, Guam, American Samoa, and the District of Columbia. They requested more than \$134 billion from a Program with approximately \$4.6 billion available. In the most recent round of TIGER (FY 2015), DOT received 627 applications requesting more than \$10.1 billion in funding, (i.e., more than 20 times the \$500 million available for TIGER in FY 2015). While DOT was able to fund only four percent of the proposed \$10.1 billion in applications, the overwhelming participation demonstrates the public’s demand for programs like TIGER; programs that provide an alternative to the traditional framework for infrastructure investment. Through TIGER, DOT helped fund projects in rail, transit, roads, and ports throughout the entire Nation - improving safety, state of good repair, economic competitiveness, and quality of life and the environment.

DOT’s competitive selection process rewards applicants that demonstrate a level of commitment, planning, and partnership that stands apart from others as a flexible Program that allows DOT to navigate the distinct needs of different communities across the country, and at the same time, provide for recognition of common problem sets, from deteriorating roads to poor economic center access. With TIGER, the focus is not on particular levels of government or modes, but on impactful outcomes and substantial return to the tax-payer.

The TIGER Grants Program has the unique ability to increase the economic competitiveness of the Nation in the full range of transportation infrastructure options – highway, transit, rail, and port facilities – to support solutions that no other program at the Department can offer. State and local governments have shown a tremendous interest in the Program.

In 2015, DOT awarded 39 grants under this Program. The following grant awards are a small, but striking sample of the compelling results from over seven rounds of the TIGER Grants Program:

- In Louisville, Kentucky, for example, the Department awarded a \$16.9 million grant for the Transforming Dixie Highway Project (i.e., a \$28.9 million project) that will fund the installation of a Bus Rapid Transit system along approximately 15 miles of the Dixie Highway corridor.
- For the State of Maine, the Department awarded a \$20 million grant for the Maine Regional Railways Project (i.e., a \$37.3 million project) that will fund the rehabilitation of approximately 380 miles of track throughout the State of Maine, removing long-standing bottlenecks and creating faster and more reliable freight service.
- In Hopkinton, Rhode Island, the Department awarded a \$9 million grant for the Hopkinton Travel Plaza and Transit Hub Project (i.e., a \$12 million project) that will help construct a multimodal travel plaza on I-95 near the Connecticut border.

- In Milwaukee, Wisconsin, the Department awarded a \$14.2 million grant (i.e., a \$28.4million project) to help build a 0.77-mile spur extension to a planned streetcar project in downtown Milwaukee.

The TIGER Grants Program leveraged more than three private, State, and local dollars for every Federal dollar invested; compared with 25 cents on the dollar in most of DOT's formula programs. TIGER funded projects focused on multimodal investments of National and regional significance often difficult to fund in the current mode-specific transportation programs. It has rewarded innovation and encouraged cross-jurisdictional and public-private partnership. As a result, this Program is helping to build a robust, more efficient, competitive, cost-effective and environmentally sustainable transportation system for the taxpayer.

Why Do We Need To Fund The Program At The Requested Level?

The Administration is proposing \$1.25 billion in FY 2017 for the TIGER Grants Program. This request would also fund an estimated 10 FTEs to administer the TIGER Grants Program.

The \$1.25 billion will continue to support the types of infrastructure projects that DOT has funded over the past seven years through the TIGER Grants Program iterations. Programs like TIGER Grants are key to addressing the deteriorating state of the Nation's transportation system and helping spur investment beyond the Federal government. Moreover, the competitive aspect of the TIGER program encourages additional investment into transportation infrastructure while using available grant and loan funding to enhance the Nation's transportation network. The types of projects funded tend to be innovative, multi-modal projects that are difficult to fund through the underlying formula programs. The TIGER Grants Program targets projects which support **Safety, Economic Competitiveness, State of Repair, Quality of Life and Environmental Sustainability** strategic goals.

As part of that \$1.25 billion, DOT proposes to include up to \$35 million to support planning grants similar to those awarded in the FY 2010 and FY 2014 rounds of TIGER to continue to support the development of a robust pipeline of capital-ready infrastructure projects.

What Benefits Will Be Provided To The American Public Through This Request?

Since its creation in 2009 as part of the American Recovery and Reinvestment Act (ARRA), TIGER has provided critical investments to communities across the nation, States, local and tribal governments, transit agencies, or a collaboration among such entities and sought more cost-effective, innovative solutions to complex transportation and economic development challenges. This has required greater flexibility than is possible through the current formula programs, which focus on individual modes, specific project types, and a limited group of grantees.

TIGER, however, has assisted local sponsors in obtaining support for innovative projects designed to move people and goods, regardless of the modes of transportation or jurisdictions involved. TIGER enables DOT to examine a broad array of projects on their merits to help ensure taxpayers receive the highest value for every dollar invested. By challenging potential

grantees to present their strongest plans, DOT receives requests with lower project costs and higher non-Federal contributions. DOT attaches a deadline to funding once it awards grants; thereby, incentivizing grantees' timely and cost-effective project delivery. The TIGER grantees must leverage performance measurements and outcome tracking to demonstrate to the taxpayer the attainment of proposed benefits. Subsequently, the TIGER Grants Program inherently fosters successful projects that have helped fund the "last mile" of many larger projects that had no other means of completing proposed goals.

OFFICE OF THE SECRETARY OF TRANSPORTATION
TIGER GRANTS PROGRAM
NATIONAL INFRASTRUCTURE INVESTMENTS (NII)
(Mandatory)

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$500,000	7
FY 2016 Enacted	\$500,000	10
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$21	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$51	
January 2017 Pay Raise	\$76	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$132	
FY 2017 Baseline Estimate	\$500,179	10
<u>FY 2017 Program Changes (+/-):</u>	\$749,821	0
The 21st Century Clean Transportation Plan Investments proposes \$1.25 billion of contract authority for the TIGER Program. The FY 2017 budget proposes a \$1.25 billion obligation limitation and \$1.25 billion of liquidating cash.		
Total, FY 2017 Request	\$1,250,000	10

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TIGER GRANTS PROGRAM

NATIONAL INFRASTRUCTURE INVESTMENTS
(Discretionary)

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code		FY 2015	FY 2016	FY 2017
69-0143-0-1-401		ACTUAL	ENACTED	REQUEST
Obligations by program activity:				
0001	Discretionary Grants	362,213	1,186,350	0
0002	Admin	9,676	12,834	10,909
0003	TIFIA Admin & Subsidy	0	0	0
0900	Total Obligations	371,889	1,199,184	10,909
Budgetary Resources available for obligation:				
Unobligated balance:				
1000	Available, start of year	599,945	728,056	28,872
1010	Transferred to other accounts (-)	-590,967	0	0
1011	Transferred from other accounts	590,967	0	0
1021	Resources available from recoveries of prior year obligations	0	0	0
1050	Unobligated balance (total)	599,945	728,056	28,872
New Budget Authority (Gross), Detail:				
Appropriations, Discretionary:				
1100	Appropriation	500,000	500,000	0
1120	Transfers to other accounts (-)	0	0	0
1121	Transfers from other accounts	0	0	0
1130	Appropriation permanently reduced	0	0	0
1160	Appropriation, discretionary (total)	500,000	500,000	0
Appropriations, Discretionary:				
1700	Offsetting collections (cash) (unexpired only)	0	0	0
1750	Spending authority fm offsetting collections (total)	0	0	0
1900	Total new budget authority (gross)	500,000	500,000	0
1930	Total budgetary resources available for obligation	1,099,945	1,228,056	28,872
Memorandum:				
1940	Unobligated balance expiring	0	0	0
1941	Unobligated balance available, end of year	728,056	28,872	17,963
Change in obligated balance:				
3000	Ob Bal: SOY: Unpaid obs brought forwd, Oct 1	1,214,553	1,109,687	1,780,972
3010	Ob Bal: Obligations incurred: Unexpired accounts	371,889	1,199,184	10,909
3011	Ob Bal: Obligations incurred: Expired accounts	66	0	0
3020	Ob Bal: Outlays (gross)	-474,814	-527,899	-525,278
3040	Ob Bal: Recov, prior year unpaid obs, unexp accts	0	0	0
3041	Ob Bal: Recov, prior year unpaid obs, exp accts	-2,007	0	0
3050	Ob Bal: EOY: Unpaid obligations	1,109,687	1,780,972	1,266,603
Memorandum:				
3100	Obligated balance, start of year	1,214,553	1,109,687	1,780,972
3200	Obligated balance, end of year	1,109,687	1,780,972	1,266,603
Budget authority and outlays, net:				
Discretionary				
4000	Budget authority, gross	500,000	500,000	0
Outlays, gross				
4010	Outlays from new discretionary authority	0	0	0
4011	Outlays from discretionary balances	474,814	527,899	525,278
4020	Outlays, gross (total)	474,814	527,899	525,278
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources	7	0	0
4180	Budget authority, net	499,993	500,000	0
4190	Outlays, net	474,807	527,899	525,278

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TIGER GRANTS PROGRAM

NATIONAL INFRASTRUCTURE INVESTMENTS
(Discretionary)

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-0143-0-1-401			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	719	879	747
11.3 Other than full-time permanent	-	-	-
11.5 Other personnel compensation	34	16	13
11.9 Total personnel compensation	753	894	760
12.1 Civilian personnel benefits	228	220	187
21.0 Travel and transportation of persons	14	50	43
22.0 Transportation of things	-	1	0
23.0 Communication and utilities	-	-	-
24.0 Printing and Reproduction	-	-	-
25.1 Advisory and assistance service	1,752	1,834	1,559
25.2 Other services from non-federal sources	-	-	-
25.3 Other goods and services from Federal sources	212	200	170
26.0 Supplies and materials	2	10	9
31.0 Equipment	-	-	-
41.0 Grants, subsidies, and contributions	-	-	-
94.0 Financial Transfers	-	-	-
99.0 Direct obligations	2,961	3,208	2,727
Allocation Account - direct:			
11.1 Personnel compensation: Full-time permanent	924	1,580	1,343
11.3 Other than full-time permanent	16	-	-
11.5 Other personnel compensation	4	-	-
11.6 Bonus/Awards	4	-	-
11.8 Special personal services payments	-	-	-
12.1 Civilian personnel benefits	283	530	451
21.0 Travel and transportation of persons	264	841	715
22.0 Transportation of Things	-	-	-
24.0 Printing and Reproduction	-	-	-
25.2 Other services from non-federal sources	2,821	5,389	4,581
25.3 Other goods and services from Federal sources	2,399	1,286	1,093
26.0 Supplies and materials	-	-	-
41.0 Grants, subsidies, and contributions	362,213	1,186,350	-
99.0 Allocation account - direct	368,927	1,195,976	8,182
99.9 Direct obligations	371,889	1,199,184	10,909

PERSONNEL SUMMARY

Identification Code	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-0143-0-1-401			
1001 Total compensable workyears:			
Full-time equivalent employment	7	10	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TIGER GRANTS PROGRAM

NATIONAL INFRASTRUCTURE INVESTMENTS
(TRANSPORTATION TRUST FUND)

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code 69-8372-4-7-400	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
Obligations by program activity:			
0001 Mandatory Grants	-	-	1,230,000
0002 Admin	-	-	-
0900 Total Obligations	-	-	1,230,000
Budgetary Resources available for obligation:			
New Budget Authority (Gross), Detail:			
Appropriations, Discretionary:			
1101 Appropriation (special or trust fund)	-	-	1,250,000
1137 Appropriation applied to liquate contract authority	-	-	(1,250,000)
1160 Appropriation, discretionary (total)	-	-	-
Appropriations, Mandatory:			
Contract authority, Mandatory:			
1600 Contract authority			1,250,000
1640 Contract authority, mandatory (total)			1,250,000
1900 Total new budget authority (gross)	-	-	1,250,000
1930 Total budgetary resources available for obligation	-	-	1,250,000
1941 Unobligated balance available, end of year	-	-	20,000
Change in obligated balance:			
Unpaid obligations:			
3010 Obligations incurred: Unexpired accounts	-	-	1,230,000
3050 Unpaid obligations, end of year	-	-	1,230,000
Memorandum (non-add) entries:			
3200 Obligated balance, end of year	-	-	1,230,000
Budget authority and outlays, net:			
Mandatory			
4090 Budget authority, gross			1,250,000
4180 Budget authority, net (mandatory)	-	-	1,250,000

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TIGER GRANTS PROGRAM

NATIONAL INFRASTRUCTURE INVESTMENTS
(TRANSPORTATION TRUST FUND)

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-8372-4-7-400			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	-	-	132
11.3 Other than full-time permanent	-	-	-
11.5 Other personnel compensation	-	-	2
11.9 Total personnel compensation	-	-	134
12.1 Civilian personnel benefits	-	-	33
21.0 Travel and transportation of persons	-	-	-
22.0 Transportation of things	-	-	-
23.0 Communication and utilities	-	-	-
24.0 Printing and Reproduction	-	-	-
25.1 Advisory and assistance service	-	-	-
25.2 Other services from non-federal sources	-	-	-
25.3 Other goods and services from Federal sources	-	-	-
26.0 Supplies and materials	-	-	-
31.0 Equipment	-	-	-
41.0 Grants, subsidies, and contributions	-	-	-
94.0 Financial Transfers	-	-	-
99.0 Direct obligations	-	-	167
Allocation Account - direct:			
11.1 Personnel compensation: Full-time permanent	-	-	237
11.3 Other than full-time permanent	-	-	-
11.5 Other personnel compensation	-	-	-
11.8 Special personal services payments	-	-	-
12.1 Civilian personnel benefits	-	-	80
21.0 Travel and transportation of persons	-	-	-
22.0 Transportation of Things	-	-	-
24.0 Printing and Reproduction	-	-	-
25.2 Other services from non-federal sources	-	-	-
26.0 Supplies and materials	-	-	-
41.0 Grants, subsidies, and contributions	-	-	1,230,000
99.0 Allocation account - direct	-	-	1,230,316
99.9 Direct obligations	-	-	1,230,484

PERSONNEL SUMMARY

Identification Code	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-8372-4-7-400			
1001 Total compensable workyears:			
Full-time equivalent employment	0	0	10

Section 3 - FY 2017 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NEW HEADQUARTERS BUILDING

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code		FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-0147-0-1-407				
	Obligations by program activity:			
00.01	Direct program activity	164	319	0
09.00	Total new obligations	164	319	0
	Budgetary resources available for obligations:			
10.00	Unobligated balance, brought forward Oct 1	134	319	0
10.21	Recoveries of prior year obligations	349	0	0
10.50	Unobligated balance (total)	483	319	0
	New budget authority (gross), detail:			
	Discretionary:			
	Discretionary: Spending authority from offsetting collections:			
19.30	Total budgetary resources available	483	319	0
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	319	0	0
	Change in obligated balance:			
30.00	Unpaid obligations, brought forward, October 1	1,372	249	0
30.10	Obligations incurred, unexpired accounts	164	319	0
30.20	Outlays (gross)	-939	-568	0
30.40	Recoveries of prior year obligations, unexpired accounts	-349	0	0
30.50	Unpaid obligations, end of year (gross)	249	0	0
31.00	Obligated balance, start of year (net)	1,372	249	0
32.00	Obligated balance, end of year (net)	249	0	0
	Outlays (gross), detail:			
40.10	Outlays from new discretionary authority	0	0	0
40.11	Outlays from discretionary balances	939	568	0
40.20	Outlays, gross (total)	939	568	0
	Net budget authority and outlays:			
41.80	Budget authority (net)	0	0	0
41.90	Outlays (net)	939	568	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NEW HEADQUARTERS BUILDING

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code		FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-0147-0-1-407				
	Direct obligations:			
25.2	Other services Non Federal Sources	89	319	0
25.3	Other services Federal Sources	69	0	0
31.7	Equipment	6	0	0
99.9	Total new obligations	164	319	0

OFFICE OF THE SECRETARY OF TRANSPORTATION
MINORITY BUSINESS RESOURCE CENTER PROGRAM

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)				
ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Guaranteed Loan Subsidy	\$333	\$336	\$339	\$3
Grants and Fixed Charges	\$0	\$0	\$0	\$0
<u>Administrative Expenses:</u>				
<i>Personnel Compensation and Benefits</i>	\$178	\$181	\$182	\$1
<i>Travel</i>	\$5	\$4	\$4	\$0
<i>Loan Fees</i>	\$204	\$206	\$208	\$2
<i>Other Costs</i>	\$205	\$206	\$207	\$1
Subtotal, Discretionary	\$925	\$933	\$941	\$8
<u>Guaranteed Loan Subsidy Reestimate - Mandatory</u>	\$156	\$0	\$0	\$0
GRAND TOTAL	\$1,081	\$933	\$941	\$8
Guaranteed Loan Financing	[18,367]	[18,367]	[0,000] ^{1/}	[0]
<u>STAFFING</u>				
Direct Positions	1	1	1	0
Direct FTEs	1.0	1.0	1.0	0.0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.0	0.0	0.0	0.0

^{1/} No limitation is proposed. The amount of loans guaranteed will be determined by the amount of subsidy funding enacted.

The Minority Business Resource Center is requesting \$.941 million and 1 FTE in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Minority Business Resource Center Program

What Is This Program and Why Is It Necessary?

In an effort to make the program more available to small and disadvantaged businesses in need of credit to expand their businesses across the country, OSDBU launched an aggressive campaign in 2010 to solicit more Participating Lenders with the goal of having a Participating Lender in each state. As a result, OSDBU began reaching out to Community Development Financial Institutions (CDFIs) whose mission matches the mission of OSDBU.

Anticipated FY 2016 Accomplishments:

- Loan volume at 10 loans.
- Maintain the Participating Lender coverage at 100% coverage of the continental United States, plus coverage for Alaska, Hawaii, and Puerto Rico.

Broaden participation in the program, while maintaining historically low default rate. The Short Term Lending Program (STLP), which is administered by the Office of Small and Disadvantaged Business Utilization (OSDBU), supports the DOT **Economic Competitiveness** Strategic Goal by providing certified small businesses, including disadvantaged business enterprises (DBEs) and women-owned businesses, the opportunity to obtain short-term working capital at a reasonable interest rate for DOT and DOT-funded transportation-related contracts. The program guarantees revolving lines of credit to finance accounts receivable arising from DOT-funded transportation-related contracts. The primary collateral is the proceeds of the contracts. The revolving lines of credit are closely monitored to reduce the risk to the government. Access to the lines of credit allows the small business to meet short-term operating costs that it would otherwise be unable to finance, with the goal of increased participation in DOT-funded transportation-related projects. Lines of credit are \$750,000 or less, and DOT guarantees up to 75 percent of the loan. This program is a vital tool to empower certified small business to participate in DOT procurement opportunities and contribute to DOT's achievement of its small business procurement goals. In return for the guarantee, Participating Lenders receive an administrative fee of 1% to 1.5% of the face value of the loan and the chance to establish a banking relationship with the small and disadvantaged business.

- Assist eligible small businesses with matching their financial needs with the right financial lender if they do not qualify or are not the right fit for the STLP. This will increase the number of qualified small businesses with the financial capacity to perform on transportation-related projects.

Performance Measures:

Economic Competitiveness:

- Increase percent share of total dollar value of DOT-procurement dollars (direct contracts) that are awarded to small disadvantaged businesses.

- Increase percent share of total dollar value of DOT-procurement dollars (direct contracts) that are awarded to women-owned businesses.
- Increase in total financial capacity obtained by eligible small businesses to perform on transportation-related projects.

Why Is This Particular Program Necessary?

The Short Term Lending Program (STLP) is necessary to facilitate an efficient domestic and global transportation system that enables economic growth and development by providing the opportunity to obtain short-term working capital. Access to working capital at affordable rates and terms means expanded opportunities for small disadvantaged businesses which serves the economic interests of the United States, both nationally and globally. In general, a Small Disadvantaged Business, as defined in current government regulations, is at least 51% owned and controlled by one or more socially and economically disadvantaged individuals, and has been certified as a Small Disadvantaged Business in accordance with 13 CFR Part 124 Subpart B. Socially disadvantaged individuals include African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, and other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act.

Small businesses routinely develop, manufacture and distribute quality products to the private sector, but continue to face limited access to working capital as lending institutions have tightened credit conditions since the 2008 financial market crisis. The STLP provides vital access to financing in order for small businesses to participate in procurement opportunities with the Department of Transportation and our transportation grant recipients that they would not otherwise have. This program has increased lending to small businesses because the DOT guarantee makes lending to these small and disadvantaged companies good business for participating lenders.

The working capital provided by the guaranteed loans enables borrowers to retain and hire more employees to support the transportation-related contracts and allows small businesses to continue to bid on and win more transportation-related contracts. This in turn contributes to the economic growth of our country.

The Minority Business Resource Center and Short Term Lending Program (STLP) have helped small disadvantaged businesses obtain access to working capital as illustrated in the following examples:

Caribe Utilities of Florida, Inc.

Caribe Utilities of Florida, Inc. a certified DBE in the state of Florida, based out of Miami, specializes in construction of roadways, drainage systems, water & sewer systems, earthwork and asphalt paving. Caribe Utilities of Florida, Inc. was founded in 2005.

Caribe has been in the Short Term Lending Program since 2011. They have remained stable and experienced growth while participating in the program. Caribe's recent renewal line of credit in the amount of \$650,000 helped retain 32 jobs and created 8.

Victor Corporation

Victor Corporation is a certified Women Owned DBE, SBA 8(a), and HubZone certified company. Victor is a heavy civil excavation and general building company located in Albuquerque, NM, that specializes in demolition, large-scale earthwork, dams, levees, airports, and design/build. Victor Corporation has been in the Short Term Lending Program since May of 2012. It was approved for a \$700,000 renewal line of credit. A total of 25 jobs were retained by the approval of this loan renewal.

West Point Contractors, Inc.

West Point Contractors, Inc. is a Service-Disabled Veteran Owned construction company based out of Tucson, Arizona, that specializes in Design-Build, Bid, and Construction Manager at Risk, Horizontal Construction, Vertical Construction, and Green Building & Design. The company was founded in 1994.

West Point Contractors has worked to develop a reputation throughout Arizona and the Western United States. The company has grown from a one-man company to employing over 50 employees. The line of credit was approved for \$750,000 retained 45 jobs.

Lynch and Associates – Engineering Consultants, LLC

Lynch specializes in Transportation, Municipal, Site Design, Construction Management, and Structural Engineering. Lynch is based out of Waukesha, Wisconsin, and is a certified DBE woman-owned business. Lynch has participated in DOT STLP since October 2011.

The Zoo Interchange is Lynch's transportation-related project for the STLP. The Zoo Interchange is one of Wisconsin's oldest interstate interchanges and is currently the busiest interchange in the state. It plays a key role in moving commuters, retail customers, health care patients, freight and other movements to major commercial and institutional sites. The STLP funds will help retain 10 jobs and create 2 additional jobs. The STLP Participating Lender approving the loan is Town Bank.

Other Successes:

Participation Lender Seaway Bank Provides National STLP Coverage

In January, 2015 OSDBU announced Seaway Bank and Trust Company will provide National Coverage for the STLP. Seaway Bank first joined OSDBU's STLP as a participating lender in 1999 and has since risen to be one of the STLP's strongest lenders. Based out of Chicago, and holding the Disadvantaged Business Enterprise (DBE) certification in the state of Illinois, they completed approximately \$4.4 million in loans since 2003.

3 Loans Applications from a BEP Series Tied to DOT Financed P3 Project

In October through November 2014, the Southeast SBTRC hosted a Bonding Education Program (BEP) series tied to the I4 Ultimate Orlando Project, a DOT financed Public Private Partnership project. Every BEP shares information on OSDBU's STLP and OSDBU's ability to help small businesses with achieving financial capacity. The Southeast SBTRC assisted 3 small businesses in preparing documentation and an application for financial assistance. These 3 firms hope to build their financial capacity to successfully place a bid on some of the I4 Ultimate Orlando Project contract opportunities.

Why Do We Want/Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for 2016; (2) two less compensable days; (3) an estimated 1.6 percent pay raise for 2017; (4) adjustments in Working Capital Fund; (5) an increase for an estimated 1 percent inflation, as well as an estimated 1 FTE and associated costs.

What benefits will be provided to the American Public through this request?

The Short Term Lending Program (STLP) provides financial capacity for eligible small businesses and creates job growth and assisting in creating economic and employment growth.

OFFICE OF THE SECRETARY OF TRANSPORTATION
MINORITY BUSINESS RESOURCE CENTER PROGRAM

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$1,081	1
FY 2016 Enacted	\$933	1
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$1	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$1	
January 2017 Pay Raise	\$2	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$7	
FY 2017 Baseline Estimate	\$941	1
<u>FY 2017 Program Changes (+/-):</u>	\$0	0
Total, FY 2017 Request	\$941	1

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MBRC PROGRAM ACCOUNT

PROGRAM AND FINANCING
(In thousands of dollars)

Identification code	FY 2015	FY 2016	FY 2017
69-0155-0-1-407	ACTUAL	ENACTED	REQUEST
Obligations by Program Activity:			
0002	27	336	339
0707	153	0	0
0708	3	0	0
0709	397	597	602
0900	580	933	941
Budget resources available for obligation:			
2200	1,081	933	941
2395	-580	-933	-941
2398	501	0	0
Budgetary Resources:			
Budget Authority:			
<i>Appropriations, discretionary</i>			
1100	925	933	941
1130	0	0	0
1160	925	933	941
<i>Appropriations, Mandatory:</i>			
1200	156	0	0
1930	1,081	933	941
Change in obligated balance:			
Obligated balance, start of year (net):			
3000	218	362	0
3010	580	933	941
3011	2	0	0
3020	-395	-1,295	-941
3041	-43	0	0
3050	362	0	0
Budget authority and outlays, net			
Discretionary:			
Outlays, gross:			
4000	925	933	941
4010	192	933	941
4011	47	362	0
4100	156	0	0
4020	395	1,295	941
4180	1,081	933	941
4190	395	1,295	941

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER
PROGRAM ACCOUNT

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

Identification code	FY 2015	FY 2016	FY 2017
69-0155-0-1-407	ACTUAL	ENACTED	REQUEST
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	1,200	13,440	14,364
2159 Total loan guarantee levels	1,200	13,440	14,364
2320 Subsidy rate	2.27	2.50	2.36
2329 Weighed average subsidy rate	2.27	2.50	2.36
2330 Subsidy BA	27	336	339
2339 Total subsidy BA	27	336	339
2340 Subsidy outlays	36	348	339
2349 Total subsidy outlays	36	348	339
2350 Upward reestimate	156	0	0
2370 Downward reestimate	0	259	0
3510 Administrative expense BA	397	597	602
3580 Administrative expense outlays from balances	182	117	0
3590 Administrative expense outlays from new authority	177	597	602

PERSONNEL SUMMARY

Identification code	FY 2015	FY 2016	FY 2017
69-0155-0-1-407	ACTUAL	ENACTED	REQUEST
Direct:			
Total compensable workyears: Civilian full-time			
1001 equivalent employments	1	1	1

Section 3 - FY 2017 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER
GUARANTEED LOAN FINANCING ACCOUNT

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-4082-0-3-407			
Program by activities:			
00.01 Default claims	372	77	28
00.02 Payment of interest to Treasury	0	0	0
08.02 Downward subsidy reestimate	0	255	0
08.04 Interest on downward subsidy reestimate	<u>0</u>	<u>5</u>	<u>0</u>
10.00 Total obligations	372	337	28
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	591	387	398
22.00 New financing authority (gross)	168	348	339
23.90 Total budgetary resources available for obligation	759	735	737
23.95 Total new obligations	<u>-372</u>	<u>-337</u>	<u>-28</u>
24.40 Unobligated balance carried forward, end of year	387	398	709
New financing authority (gross), detail:			
Spending authority from offsetting collections			
Mandatory			
67.10 Borrowing authority	0	0	0
69.00 Offsetting collections (cash)	177	368	359
69.10 Change in uncollected customer payments from Federal sources	-9	-12	0
69.47 Portion applied to repay debt	<u>0</u>	<u>0</u>	<u>0</u>
69.90 Spending authority from offsetting collections (total)	168	356	359
Change in obligated balances:			
72.40 Obligated balance, start of year	-21	-12	0
73.10 Total new obligations	372	337	28
73.20 Total financing disbursements (gross)	-372	-337	-28
74.00 Change in uncollected customer payments from Federal sources	<u>9</u>	<u>12</u>	<u>0</u>
74.40 Obligated balance, end of year	-12	0	0
Outlays (gross), detail			
87.00 Total financing disbursements (gross)	372	337	28
Offsets			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from : Federal sources (subsidy)	18	348	339
88.00 Offsetting collections (cash) from : Federal sources (upward reestimate)	156	0	0
88.25 Interest on uninvested funds	3	20	20
88.90 Total offsetting collections (cash)	177	368	359
88.95 Change in uncollected customer payments from Federal sources	-9	-12	0
Net financing authority and financing disbursements			
89.00 Financing authority	0		
90.00 Financing disbursements	<u>-372</u>	<u>-337</u>	<u>-28</u>

Section 3 - FY 2017 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER
GUARANTEED LOAN FINANCING ACCOUNT

STATUS OF GUARANTEED LOANS
(In thousands of dollars)

Identification Code	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-4082-0-3-407			
Position with respect to appropriations act limitation on commitments			
2111	18,367	18,367	14,364
2142	17,167	4,927	0
2150	1,200	13,440	14,364
2199	900	10,080	10,773
Cumulative balance of guaranteed loans outstanding:			
2210	3,834	1,096	13,913
2231	1,750	13,990	14,364
2251	-4,116	-1,096	-13,885
2263	-372	-77	-28
2264			
2290	1,096	13,913	14,364
Memorandum:			
2299	822	10,435	10,773
6300	-372	-337	-28

MINORITY BUSINESS RESOURCE CENTER
 GUARANTEED LOAN FINANCING ACCOUNT

BALANCE SHEET
 (In thousands of dollars)

Identification Code	FY 2015
69-4082-0-3-407	ACTUAL
ASSETS:	
Federal assets:	
1101 Fund balances with Treasury	387
1106 Receivables, Net	0
1999 Total assets	387
LIABILITIES:	
2101 Accounts Payable	0
2103 Debt	0
2104 Resources payable to Treasury	0
2204 Non-Federal liabilities: Liabilities for loan guarantees	387
2999 Total liabilities	387
NET POSITION:	
3999 Total net position	
4999 Total liabilities and net position	387

OFFICE OF THE SECRETARY OF TRANSPORTATION

CYBER SECURITY INITIATIVES

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Other Costs	\$5,000	\$8,000	\$15,000	\$7,000
TOTAL	\$5,000	\$8,000	\$15,000	\$7,000

STAFFING

Direct Positions	0	0	0	0
Direct FTEs	0	0	0	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0	0	0	0

The Office of the Chief Information Officer is requesting \$15 million in FY 2017 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Cyber Security Initiatives

What Is This Program And Why Is It Necessary?

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT), cybersecurity, cybersecurity risk management, and information assurance advisor to the Secretary. The Office of the CIO (OCIO) supports the **Organizational Excellence** Strategic Goal.

A significant focus of the FY 2017 Cyber Security Initiatives request will be for hardware, software and support for enhancement and operation of the DOT Information Security and Continuous Monitoring (ISCM) program and capabilities, and implementation of the requirements of OMB Memorandum M-14-03 “Enhancing the Security of Federal Information and Information Systems”, as a progression towards the next phase of program maturity after the accomplishments achieved in FYs 2012 - 2016. The funding will position DOT to properly and rapidly identify, quantify, act upon, and remediate cybersecurity risks, and evolving threats through advanced data collection, integration, and reporting, and correlation with continuous monitoring information produced through the improvements to the agency’s cybersecurity program. The appropriation will provide funding to the Cyber Security Cross-Agency Priority (CAP) goals implementation, maintenance and support, ongoing analytics, incremental enhancements, and a portion of the funds will be applied to continued maintenance and operation of software, hardware, and network services acquired in FYs 2013 - 2016 until those expenses can be transitioned to the Working Capital Fund (WCF).

An additional area of focus will be the subscription Managed Trusted Internet Protocol Services (MTIPS) to assess encrypted traffic for the presence of malicious activity. MTIPS will also allow DOT to detect the theft and removal of sensitive Federal and agency information from the Department’s networks and systems.

The investment activity supports the Departmental Information Resource Management (IRM) plan, and cybersecurity objectives, which include holistic activities to invest in people, process, and technologies at strategic, operational, and tactical levels for improved maturity and effectiveness of the Department’s integrated Cybersecurity, Information Assurance, and Risk Management program.

Anticipated FY 2016 Accomplishments:

The \$8 million enacted in FY 2016 will allow DOT to make progress in complying with Cyber Security Cross-Agency Priority (CAP) goals in addition to developing and deploying consolidated improvements in enterprise IT infrastructure and services. Improvements will address cybersecurity vulnerabilities, technical control weaknesses, and capability gaps, provide better situational awareness and visibility into operational security posture, and allow a more proactive approach in identifying and remediating vulnerabilities.

Focus will continue on remediation of vulnerabilities associated with the CAP goals. DOT has made progress on improving Departmental scores in Continuous Monitoring, Personal Identification Verification (PIV) implementation for logical and physical access, and boundary protection via Trusted Internet Connection (TIC) but more work is needed to meet the Administration goals. DOT will continue to utilize the Cyber appropriation to deploy tools to increase DOT's compliance in these areas. Funding will continue for the Continuous Monitoring program, and Secure Remote Access will be enhanced to address specific vulnerabilities associated with secure remote access and to enable the use of PIV smart cards for remote access to DOT networks by mobile workers.

DOT will also work to replace additional segments of obsolete infrastructure in support of the wide area network (WAN) modernization, for priority attention based upon age of equipment, assessed security vulnerabilities, and lack of other resources to address the candidate infrastructure. The funding will also provide maintenance and support of newly replaced network hardware to maintain security requirements in the DOT WAN. In all areas, work will address DHS compliance elements and OIG recommendations.

The DOT operates and oversees significant elements of the critical transportation and information technology (IT) infrastructure of the United States. Much of the DOT framework relies upon, and is integrated with, computer networks, computer mediated communications, online databases, and a wide variety of other computer and computer network capabilities. With the increasing interconnectivity between DOT, other Federal, State, and local government agencies, and the private sector entities it regulates, and an ongoing modernization to include commodity Internet-based technologies, new dependencies, relationships, and vulnerabilities are created that did not previously exist, resulting in new risks to the DOT IT infrastructure.

The funding request will allow DOT to continue to replace infrastructure to support both OMB-mandated DOT network security requirements and network field integration. DOT will work to find opportunities to integrate these infrastructure improvements into the WCF through the IT Workforce Initiative.

Purchases will continue to be in support of modernization and enhancement of the DOT ISCM program, the remediation of critical, high-priority cyber vulnerabilities and targeted, high-impact elements of the DOT Wide Area Network.

Although DOT has made progress towards compliance activities associated with the Cross-Agency Priority (CAP) goals and FISMA-related findings through the Cyber appropriation, numerous vulnerabilities remain. In many cases, vulnerabilities are identified on an ad hoc basis, often based on activities external to DOT. In other cases, new remediation tools or updated standards are released within a budget year. The Cyber appropriation allows the Department to respond to these changes in a more agile, effective way to reduce identified vulnerabilities as soon as possible.

DOT recognizes that many purchases completed in the Cyber appropriation initially can be transferred to other existing funding sources once products and services are operational. The transfer of these purchases will be considered and executed on an investment-level basis.

Why Do We Want/Need To Fund The Program/Activity At The Requested Level?

The DOT OCIO is requesting \$15 million of cyber security funding for FY 2017. This is an increase of \$7 million to provide necessary resources for DOT to continue to improve the DOT's cyber security posture. In particular, DOT is requesting the following funding:

- (\$3 million) Maintain and support existing licenses of current IBM security tools deployed as part of the DOT implementation of the Federal Continuous Diagnostics and Mitigation (CDM) program, which will not be funded by a DHS program;
- (\$5 million) Maintain and support existing capabilities for secure remote access, secure communications, identity management services, and TIC;
- (\$3 million) Maintain and support additional licenses, and contractual resources (5 contractor personnel) for an expansion of capacity for the DOT ISCM program, realignment of existing capabilities and capacities against the target architecture for DOT's implementation of the CDM program, and tailoring and integration of DOT ISCM dashboards, beyond funding made available through the DHS CDM program. The resulting expansion will improve visibility into the vulnerabilities associated with these devices, and provide improved capabilities to remediate those vulnerabilities;
- (\$4 million) Complete a full transition of Internet access for the DOT COE to the secure Managed Trusted Internet Protocol Services (MTIPS) in order to achieve full compliance with Federal TIC requirements, and re-align partner connections with the states, contractors, and cloud service providers to better segregate, manage, and secure network traffic for DOT; DOT will also continue to address the recommendations from the Inspector General in addition to the Cyber CAP goals, with specific focus on enhancement of the DOT ISCM program and improving the composite scores of the TIC location in Washington DC.

In FY 2017, DOT will continue to support infrastructure elements procured in FYs 2013 - 2016. Specifically, funding will maintain the Secure Remote Access user base preserving the Department's capabilities for remote and mobile employees.

Additionally, we will focus on the Continuous Monitoring solution that was implemented in FY 2012. We will continue to fund the maintenance and deployment of existing licenses of the tool in FY 2017, not funded by the DHS CDM program office. The monitoring activities improve visibility into patterns of malicious and anomalous activity. In FY 2017, the Department will implement Phase 3 of the program.

The funding will also continue to refresh and modernize targeted, priority infrastructure in the field. Specifically this funding will enhance the WAN to achieve the end goal of implementing an adequate WAN to shift the Department from a reactive posture to a proactive approach that

avoids system compromise and information loss to the maximum extent practicable. The Department will acquire additional capacity for its Managed Trusted Internet Protocol Services (MTIPS), or “Secure Internet-as-a-Service”, communications circuits in order to both accommodate increased bandwidth requirements arising as the result of internal DOT network consolidation and traffic optimization, and to provide capacity for incorporating network traffic expected from current and future cloud service providers (CSPs) that are required to meet DOT and Federal requirements for secure Internet traffic management and monitoring.

What Benefits Will Be Provided To The American Public Through This Request?

In a time of new cyber threats and evolving vulnerabilities, it is imperative that the Department have the resources needed to plan for and address these risks. The Cybersecurity Appropriation is necessary to improve the core DOT Cybersecurity program and update the DOT IT infrastructure to mitigate immediate threats to critical business operations. The appropriation provides the funding needed to allow the Department to develop and implement solutions that are necessary for protecting the integrity and availability of the Department’s assets. This Appropriation is vital to maintaining and expanding the Department’s Continuous Diagnostic and Mitigation Program that allows DOT to identify and address vulnerabilities. This investment will ensure that the Department makes rapid and timely progress on implementation of the requisite capabilities, realizes an immediate value in the reduction of risk and improvement of cybersecurity practices and capabilities, and is supportive of Secretarial and Administration priorities to improve the cybersecurity posture of the Department. The resulting improvements will ensure improved reliability of services, greater integrity of information and services delivered by DOT, and protection of the information that stakeholders and the public provide to DOT as part of its normal operations, all with a reduced focus on reactive efforts and an increased focus on proactive, mission-sustaining activities.

OFFICE OF THE SECRETARY OF TRANSPORTATION

CYBER SECURITY INITIATIVES

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$5,000	0
FY 2016 Enacted	\$8,000	0
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$0	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	\$0	
January 2017 Pay Raise	\$0	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$80	
FY 2017 Baseline Estimate	\$8,080	0
<u>FY 2017 Program Changes (+/-):</u>		
To provide necessary resources for DOT to continue to improve the DOT's cyber security posture.	\$6,920	0
Total, FY 2017 Request	\$15,000	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

CYBER SECURITY INITIATIVES

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2015	FY 2016	FY 2017
69-0159-0-1-407	Actual	Enacted	Request
Obligations by program activity:			
0.01 General Administration	5,275	12,038	15,000
0.91 Direct program activities, subtotal	5,275	12,038	15,000
9.00 Total new obligations	5,275	12,038	15,000
Budgetary Resources:			
10.00 Unobligated balance brought forward, Oct 1	4,319	4,038	-44
10.50 Unobligated balance (total)	4,319	4,038	-44
Budget Authority: appropriations, discretionary			
11.00 Appropriation	5,000	8,000	15,000
11.30 Appropriations permanently reduced (disc)	0	0	0
11.60 Appropriations, discretionary (Total)	5,000	8,000	15,000
19.00 Budget Authority (Total)	5,000	8,000	15,000
19.30 Total Budgetary Resources Available	9,319	12,038	14,956
Memorandum (non-add) entries:			
19.40 Unobligated Balance Expiring	-6	-44	0
19.41 Unexpired unobligated balance, end of year	4,038	-44	-44
Change in obligated balance:			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	3,486	1,077	4,277
30.10 Obligations incurred, unexpired accounts	5,275	12,038	15,000
30.20 Obligated balance, Outlays (gross)	-7,640	-8,838	-12,200
30.41 Recoveries of prior year unpaid obligations, expired	-44	0	0
30.50 Unpaid obligations, end of year	1,077	4,277	7,077
Uncollected payments:			
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	3,486	1,077	4,277
32.00 Obligated balance, end of year	1,077	4,277	7,077
Budget Authority and outlays, net:			
40.00 Budget authority, gross	5,000	8,000	15,000
Outlays, gross:			
40.10 Outlays from new discretionary authority	446	4,800	9,000
40.11 Outlays from discretionary balances	7,194	4,038	3,200
40.20 Outlays, gross (Total)	7,640	8,838	12,200
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.40 Total offsetting collection (cash)	0	0	0
Additional offsets against gross budget authority only:			
40.60 Additional offsets against budget authority only (total)	0	0	0
41.80 Budget authority, net (disc. and mand.)	5,000	8,000	15,000
41.90 Outlays, net (disc. and mand.)	7,640	8,838	12,200

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

CYBER SECURITY INITIATIVES

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-0159-0-1-407	Actual	Enacted	Request
Direct obligations:			
23.3 Communications, utilities, and miscellaneous charges	1,424	4,411	3,687
25.1 Advisory and assistance services	1,093	1,106	1,350
25.2 Other services	0	267	0
25.3 Other purchases of goods and services from Government accts.	144	0	0
25.7 Operation and maintenance of equipmer	962	776	2,873
31.0 Equipment	1,651	5,479	7,089
99.9 Total obligations	\$5,275	\$12,038	\$15,000

OFFICE OF THE SECRETARY OF TRANSPORTATION
RESEARCH AND TECHNOLOGY

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$3,559	\$3,587	\$3,617	\$29
Travel	\$90	\$90	\$90	\$0
Civil Signal Monitoring Air Force - GPS	\$0	\$0	\$10,000	\$10,000
Alternative Energy (previously Alternative Fuels)	\$499	\$499	\$499	\$0
RD&T Coordination	\$509	\$509	\$509	\$0
NDGPS	\$5,600	\$5,600	\$0	-\$5,600
PNT	\$1,610	\$1,610	\$1,610	\$0
Other Costs	\$1,133	\$1,105	\$1,683	\$578
TOTAL	<u>\$13,000</u>	<u>\$13,000</u>	<u>\$18,007</u>	<u>\$5,007</u>

STAFFING

Direct Positions	31	30	30	0
Direct FTEs	22	21	21	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0	0	0	0

The Office of the Assistant Secretary for Research and Technology is requesting \$18 million and an estimated 21 FTEs in FY 2017 to accomplish the mission outlined on the pages that follow.

What Is This Program And Why Is It Necessary?

The Office of the Assistant Secretary for Research and Technology (OST-R) is “transforming the future of transportation for the public good.” OST-R coordinates research and technology transfer across the Department to maximize and leverage the taxpayer’s approximately \$900 million annual Department-wide investment in transportation research, development, and technology (R&T) activities; leads and administers multimodal research and technology, and data and statistics programs for the Department; and oversees the work of related fee-for-service organizations. All OST-R elements support the Department’s Strategic Goals of **Safety, State of Good Repair, Economic Competitiveness, Quality of Life in Communities, and Environmental Sustainability.**

The mission of OST-R is to transform transportation by expanding the base of knowledge to make America’s transportation system safer, more competitive and sustainable. To do this, we:

- Advance innovation, technology development, and breakthrough knowledge,
- Conduct research and facilitate multimodal research collaboration,
- Foster technology transfer through partnerships within the Department and with external partners,
- Provide useful information and statistics to decision-makers as they debate policies, and
- Develop a highly skilled interdisciplinary transportation workforce for the nation.

OST-R is a dynamic, world-class transportation resource with broad technical and institutional expertise not replicated elsewhere.

OST-R works across the Department and collaborates with partners from other Federal agencies, State and local governments, universities, stakeholder organizations, transportation professionals, industry, system operators and international partners. OST-R supports the Department’s strategic goals and priorities by providing advice to policy makers about the research needed to achieve the goals and priorities, identifying gaps in research by topic and type, and executing multimodal research and technology transfer. Additional coordination between research and policy includes leadership on issues related to:

- *Beyond Traffic 2045: Trends and Choices,*
- Research, Development, and Technology (RD&T) activities within the Office of the Secretary of Transportation (OST),
- Positioning, Navigation, and Timing (PNT) and Spectrum Management,
- Provision of data from the Bureau of Transportation Statistics (BTS) , a designated Federal statistical agency, for analyses by policy and program offices in the Office of the Secretary and the operating administrations, and
- Multimodal research on connected automation, including support for the President’s “Smart Cities” Initiative.

As part of OST, OST-R takes direction from the Secretary and ensures that the Secretary’s research and technology priorities and policies are being implemented across the Department. While OST-R does not have the resources to influence all research taking place across the Department, OST-R focuses on the highest priority research and technology goals for the Department and guides the

development of work plans to meet those goals. OST-R facilitates effective research coordination and collaboration within the Department by tracking research from needs identified through project development and implementation.

Research and Technology Coordination (General Fund) program manages and conducts the strategic planning, coordination, facilitation, and review of the Department’s research programs. This program is responsible for implementation of the new “Research Planning” chapter (49 USC Chapter 65) added by the Fixing America's Surface Transportation (FAST) Act (P.L. 114-94; Dec. 4, 2015; 129 Stat. 1312). Key components such as the Research Development & Technology (RD&T) Planning Council and Planning Team provide critical coordination and leadership among operating administrations and external stakeholders. In addition, OST-R’s Alternative Energy R&D program provides collaborative and coordinated work to examine multimodal and cross-modal transportation efforts to reduce American reliance on fossil fuels, reduce greenhouse gas emissions and promote fuel efficiency.

OST-R also manages and provides programmatic direction to these critical transportation research and statistical programs that are not funded by a direct appropriation to OST-R:

Bureau of Transportation Statistics (BTS) (Highway Trust Fund) is a designated Federal statistical agency established to serve the transportation community, including all levels of government and the private sector, with independent information that supports safety, infrastructure, planning investments, and other decision-making. BTS collects data and maintains a rigorous statistical analysis program in support of data-driven decision-making. The BTS program is funded through an allocation from the Federal Highway Administration (FHWA). BTS also maintains an Airline Transportation Statistics program that is reimbursed from the Federal Aviation Administration’s (FAA) operations budget, and a reimbursable Confidential Close Calls Reporting System program. The FAST Act (Sec. 6018) assigned to BTS creation of a Port Performance Freight Statistics Program, within existing resources.

University Transportation Centers (UTC) Program (Highway Trust Fund) advances U.S. technology and expertise in many transportation-related disciplines. The UTC program advances Departmental priorities through baseline funding for multimodal university-based transportation education, research, and technology transfer. The program awards competitive grants to university consortia across the United States to advance the state-of-the-art in transportation research and to develop the next generation of transportation professionals. The FAST Act (sec. 6016) set forth the funding and requirements for an open competition for the next round of UTC grants, to be awarded within one year of FAST Act enactment. The UTC program is funded through an allocation from the FHWA.

Fee-For-Service Organizations

John A. Volpe National Transportation Systems Center (Volpe Center; Cambridge, MA) advances cross-modal technical, operational, institutional and managerial innovations to improve the nation’s transportation system. The Volpe Center has multidisciplinary expertise in all modes of transportation and serves its sponsor agencies within the Department, at other federal agencies and internationally with advanced technologies, research, and programs to ensure a fast, safe,

efficient, accessible, and convenient transportation system. The Volpe Center operates on a cost-recovery (“fee-for-service”) basis.

Transportation Safety Institute (TSI; Oklahoma City, OK) provides transportation safety and security training to Federal, State and local government, private sector, and foreign transportation professionals on a cost-recovery (“fee-for-service”) basis.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request includes baseline changes from FY 2016 for the following items: (1) annualization of the 1.3 percent pay raise for FY 2016; (2) two less compensable days; (3) 1.6 percent pay raise for FY 2017; and (4) adjustments to Working Capital Fund; (5) an increase of 1 percent for inflation. In addition:

- The base funding includes a \$607 thousand increase for the R&T appropriation. The increase includes \$43 thousand for pay and inflation, \$329 thousand for working capital fund, \$200 thousand increase for contractual services and a \$35 thousand increase for equipment. This increase allows this account to bear a more equitable distribution of these charges between the Highway Trust Fund and General Fund accounts. This funding will allow BTS to redirect funding from overhead to programmatic staff and contracts.

Salaries and Administrative Expenses: \$5,389,409

This funding will pay for OST-R’s program staff and associated overhead staff to support OST-R’s administrative infrastructure. Operating expenses include salaries and benefits (\$3.616 million), travel (\$90 thousand), GSA rent (\$379 thousand), printing (\$1 thousand), working capital fund (\$721 thousand), contract services (\$452 thousand), supplies (\$15 thousand), and equipment (\$136 thousand).

Research and Technology (R&T) Coordination: \$509,000

The requested funding will allow the R&T Coordination program to continue its primary mission of research coordination – both internal and external to the Department — and technology transfer to the implementers of research outcomes across all operating administrations. Coordination is accomplished through interaction with transportation system stakeholders via workshops, conferences, and symposia both domestically and internationally; creation of synergistic research opportunities; and identification and elimination of potentially duplicative research efforts. This program encourages collaborative efforts between operating administrations, other Federal agencies, and external parties; creating efficiencies between research programs, reducing potentially redundant research, and ultimately saving taxpayer dollars. This effort requires extensive resources for outreach to stakeholders in the research community. Such outreach is essential in the strategic planning of research and the transfer of research outcomes to the users for implementation. The R&T Program supports the Department’s Strategic Goals of **Safety, Economic Competitiveness, Quality of Life in Communities, and Environmental Sustainability.**

A critical part of fulfilling this charge is maintaining the USDOT Research Hub, a database of active and recently-completed research projects funded by the Department. The USDOT Research Hub (<http://ntlsearch.bts.gov/researchhub/index.do>) provides public, project-level access to the Department's research portfolio and is essential to making available the information that enables development of collaborative research and avoids potentially duplicative work. This program provides the funds for the maintenance and improvement of the Research Hub. Maintaining this database is essential for providing information to decision-makers, researchers and potential implementers. The funding will allow the program to add new information on "real world" research implementation, and upgrade the web interface to enhance ease of use and search capabilities.

FY 2017 funding is required to execute an annual review of modal research plans as required by the FAST Act. The Fast Act also requires the development of a new five-year USDOT RD&T Strategic Plan and also provide a Funding Report with the annual budget request. The Funding Report will be provided in future budget requests.

The dissemination of scientific research information and results to facilitate commercialization through technology transfer activities is an emphasis area, which has increased significantly over the past five years. A technology transfer specialist works with all operating administrations to help them to understand the potential for commercialization of research outcomes. The R&T Coordination program also manages intellectual property development with operating administrations in support of commercialization of new technologies.

Alternative Energy R&D Program: \$499,000

The funding request is required to facilitate cooperation and leverage research investment in alternative energy research across the Department, to address the impacts of alternative energy on the transportation systems, and to advance the safe and efficient deployment of alternative energy sources in the transportation system. Funding allows OST-R to bring together intra-agency partners as well as external stakeholders, including other Federal agencies, to pursue activities with broad appeal and need. The program's competitive review process allows it to support initiatives that best sustain the collective transportation energy missions and objectives.

Key Actions and Anticipated Milestones:

- Participate in the Small Business Innovation Research (SBIR) program to identify and fund alternative energy projects that improve the transportation system's ability to support this emerging industry.
- Collaborate with other Federal agencies and external partners to heighten awareness and leverage resources in conducting alternative energy research.
- Adapt transportation applications of long-term research performed by other Federal agencies and State and local governments.
- Allocate funds competitively to intermodal and multimodal alternative energy projects under the auspices of the multimodal RD&T Planning Council and Planning Team.
- Expand the Advanced Vehicle Cost and Energy Use Model to support efforts from the Clean Transportation Sector Initiative (CTSI) report, an interagency agreement with the

Department of Energy, to estimate the social costs and benefits of a zero emissions energy system.

- Collaborate and coordinate efforts to leverage and support a transportation climate change mitigation plan.

The Alternative Energy R&D program helps the Department’s operating administrations and their stakeholders identify the synergies and challenges to prioritizing the needed research to advance the use of alternative energies within the transportation sector. The resulting research and education products continue to be well-received and widely disseminated. In addition to information sharing and development of best practices, the results of this research will be measured in:

- Technological advances evidenced through patents and technology demonstrations,
- Increased scientific knowledge measured by numbers of publications and citations, and
- Promulgation of training materials, rules, regulations and standards based on research results.

Research is used to advance the application of a safe and efficient distribution of alternative energy in a multimodal system, and to optimize the economic and environmental advantages of clean transportation fuels and their associated vehicles and infrastructure. This includes the need to transport newly-developing feedstocks and fuels from source to user, as well as determining optimal delivery and usage of other energy sources, such as electricity and hydrogen, throughout the transportation system. Current systems are structured for the chemical composition of petrochemical fuels, which present different corrosive, safety, and flammability properties from alternative energies and the feedstocks used to create them. Standards, regulations, handling requirements, deployment road-mapping and training information are desired research outcomes. Additionally, research leads to a better understanding of the best technical, economic, and societal changes needed to support a clean transportation sector.

Positioning, Navigation and Timing (PNT): \$1,610,000

The FY 2017 funding request is for \$1.6 million. This funding will enable the Department to pursue its mandate as the lead civil agency for PNT under the National Security Presidential Directive for Space-Based PNT (NSPD-39). Plans and goals for FY 2017 involve conducting the GPS Adjacent Band Compatibility Assessment to research the maximum aggregate power level that can operate in the radiofrequency bands adjacent to GPS without causing harmful interference.

The requested funding also supports ongoing evaluation of spectrum sharing technologies to determine whether use of Dedicated Short Range Communications (DSRC) for safety-critical connected vehicle (V2V and V2I) technology applications can co-exist with operation of wireless services. The requested funding also will allow for oversight of civil funding and participation in GPS systems acquisition, development, operations, and modernization.

FY 2017 Program Activities:

PNT and Spectrum Policy Coordination (\$250,000)

Continue to support Departmental leadership in their roles on the Space-Based PNT Executive Committee and Executive Steering Groups. Develop and represent the Department’s positions in

spectrum proceedings involving other agencies such as the National Telecommunications and Information Administration (NTIA) and the Federal Communications Commission (FCC).

GPS Development, Acquisition Oversight, Management, and Operations (\$200,000)

As the lead civil agency, the Department needs to ensure that Federal civil departments and agencies are adequately represented in the joint management of GPS with DoD to support current operations and future modernization of the system and development of new capabilities. The Department will participate in meetings of the GPS Configuration Control Board, Interface Control Working Group, and Interagency Forum for Operational Requirements to provide technical oversight of civil GPS funding and ensure civil requirements are incorporated into the GPS program.

Spectrum Protection (\$1,000,000)

Continue analysis and testing of GPS receivers as outlined in the DOT GPS Adjacent Band Compatibility Assessment Plan, with a focus on future GPS receivers utilizing modernized GPS and interoperable Global Navigation Satellite System (GNSS) signals. This assessment is in response to proposed wireless broadband services in the radiofrequency band adjacent to GPS, which demonstrated widespread interference to GPS. Continue evaluation of spectrum sharing technologies to determine whether use of DSRC for safety-critical connected vehicle (V2V and V2I) technology applications can co-exist with operation of wireless services.

PNT Research Hub (\$100,000)

Coordinate PNT research and development efforts across civil departments and agencies and incorporate them into a searchable PNT research hub. Activities will be mapped to the National PNT Architecture recommendations to overcome capability gaps predominantly resulting from the limitations of GPS. This activity supports efforts to implement a Complementary PNT capability.

Civil GPS Service Interface Committee (CGSIC) (\$10,000)

Continue the work of the CGSIC, which is the recognized worldwide forum for effective interaction between all civil GPS users and U.S. GPS authorities. The CGSIC ensures that the public is provided with the most recent GPS system status, and that users have an opportunity to raise any issues or concerns.

International Coordination (\$50,000)

Continue to support international activities in FY 2017 such as the Asia Pacific Economic Cooperation (APEC) Global Navigation Satellite System (GNSS) Implementation Team, which promotes use of GPS for seamless intermodal transportation; and the United Nations International Committee on GNSS (ICG) to encourage international compatibility and interoperability of GNSS.

Civil Signal Monitoring – Air Force - GPS: \$10,000,000

In accordance with the U.S. Space-Based PNT Policy, the U.S. Department of Transportation provides resources to the Air Force for assessment, development, acquisition, implementation, operation, and sustainment of additional designated GPS civil capabilities beyond the second

and third civil signals (L2C and L5) already contained in the current GPS program.

Consistent with this policy, DOT will provide funding for implementation of unique civil signal performance monitoring requirements in the GPS Next Generation Operational Control System (OCX). These requirements are a subset of the overall civil signal performance monitoring requirements, as defined in the Civil Monitoring Performance Specification (CMPS).

Implementation of the GPS civil signal performance monitoring requirements involves systems engineering, hardware development, software coding, integration, test, verification, worldwide deployment of hardware/software, transition to operations and sustainment, and acceptance of CMPS requirements.

Advanced Research Project Agency – Transportation (ARPA-T):

Emerging technologies and new forms of transportation-systems intelligence and planning hold the potential to generate transformative efficiencies in the transportation system in a manner that is both economically and environmentally sustainable. Significant savings may be possible over the coming decades if DOT takes the lead in ensuring that the advanced research needed to optimize the development and deployment of these attributes is in place. Establishing the capacity for advanced research and engaging stakeholders in prioritizing forward-looking priorities could yield high returns and merits serious and immediate consideration.

The U.S. Department of Defense’s Defense Advanced Research Program (DARPA), and a similar and more recent effort at the U.S. Department of Energy, (Advanced Research Projects Agency – Energy, or “ARPA-E”), could yield promising serve as important models for conducting such a review. DARPA has helped DOD develop and deploy seminal technologies with external agency impacts including the internet and vehicle automation. ARPA-E, a relatively new program at DOE, has demonstrated advances in the field of energy that are helping the United States continue to lead the world in the fast-evolving fields of renewable energy and storage.

Likewise, an advanced research program DOT could bring a sea-change to the transportation sector by helping develop, deploy, and integrate many critical emerging areas including vehicle connectivity, charging infrastructure, the shared economy, innovative finance, resilience of infrastructure materials, optimization of multi-modal networks, cyber-security, and transformative safety for vehicle and pedestrian interactions. This program structure could help address these and other areas in a way not possible within the structure of existing DOT research programs, and not within the “wheelhouse” of programs at other Federal agencies like the Department of Energy.

While a specific proposal for such a program is not included within the FY 2017 Budget request, USDOT will, over the course of FY 2016 and using existing resources, undertake an expedited evaluation of the feasibility of this concept, how it would integrate with USDOT’s organizational structure, and how it could further support the Department’s research priorities. This review will include exploration of potential implementation challenges, such as where it would sit structurally within DOT, and what personnel and hiring authorities might necessary for the program to operate effectively.

OFFICE OF THE SECRETARY OF TRANSPORTATION

RESEARCH AND TECHNOLOGY

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Enacted	\$13,000	22
FY 2016 Enacted	\$13,000	21
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$12	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$23	
January 2017 Pay Raise	\$42	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$6	
Inflation	\$8	
FY 2017 Baseline Estimate	\$13,044	21
<u>FY 2017 Program Changes (+/-):</u>	\$4,963	0
These changes remove the funding from Nationwide Differential Global Positioning System (NDGPS) program and adds funding to Civil Signal Monitoring transfer to Air Force.		
Total, FY 2017 Request	\$18,007	21

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY

PROGRAM AND FINANCING
(In thousands of dollars)

Identification code	FY 2015	FY 2016	FY 2017
69-1730-0-1-407	Actual	Enacted	Request
Obligations by program activity:			
0001 Salaries and administrative expenses	4,700	4,782	5,389
0002 Alternative fuels research & development	545	831	499
0003 Research development & technology coordination	334	1,456	509
0004 Nationwide differential global positioning system	9,088	5,600	0
0005 Positioning navigation & timing	0	3,226	1,610
0006 GPS to Air Force	0	0	10,000
0100 Direct program activities, subtotal	14,668	15,895	18,007
0802 Transportation Safety Institute	12,738	24,101	20,000
0803 Other Programs	459	1,059	1,000
0900 Total new obligations	27,865	41,055	39,007
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	9,548	7,055	0
1021 Resources available from recoveries of prior year obligations	7,959	0	0
1050 Unobligated balance (total)	17,507	7,055	0
Budget Authority: appropriations, discretionary			
1100 Appropriation	13,000	13,000	18,007
1130 Appropriations permanently reduced (disc)	0	0	0
1160 Appropriations, discretionary (Total)	13,000	13,000	18,007
Spending authority from offsetting collections, discretionary:			
1700 Collected	10,326	21,000	21,000
1701 Change in uncollected payments, Federal sources	-5,830	0	0
1723 New\Unob. Balances Temp Reduced	0	0	0
1750 Total Spending authority	4,497	21,000	21,000
1900 Budget Authority (Total)	17,497	34,000	39,007

Section 3 – FY 2017 Budget Request by Appropriation

Identification code	FY 2015	FY 2016	FY 2017
69-1730-0-1-407	Actual	Enacted	Request
Memorandum (non-add) entries:			
1940 Unobligated Balance Expiring	82	0	0
1941 Unexpired unobligated balance, end of year	7,220	0	0
Change in obligated balance:			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	24,680	19,563	3,618
3010 Obligations incurred, unexpired accounts	27,865	41,055	39,007
3011 Obligations incurred, expired accounts	2,553	0	0
3020 Obligated balance, Outlays (gross)	-25,842	-57,000	-42,006
30.3 Obligations incurred, unexpired accounts	0	0	0
30.31 Obligations incurred, expired accounts	0	0	0
3040 Recoveries of prior year unpaid obligations, unexpired	-7,959	0	0
3041 Recoveries of prior year unpaid obligations, expired	-1,735	0	0
3050 Unpaid obligations, end of year	19,563	3,618	619
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward Oct 1	-6,913	-1,062	-1,062
3070 Change in uncollected pymts, Fed sources, unexpired	5,830	0	0
3071 Change in uncollected pymts, Fed sources, expired	21	0	0
3090 Uncollected pymts, Fed sources, end of year	-1,062	-1,062	-1,062
Memorandum (non-add) entries:			
3100 Obligated balance, start of year	17,766	18,501	2,557
3200 Obligated balance, end of year	18,501	2,557	-443
Budget Authority and outlays, net:			
4000 Budget authority, gross	17,497	34,000	39,007
Outlays, gross:			
4010 Outlays from new discretionary authority	10,640	32,700	37,206
4011 Outlays from discretionary balances	15,202	24,300	4,800
4020 Outlays, gross (Total)	25,842	57,000	42,006
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources	-8,106	-21,000	-21,000
4033 Non-Federal sources	-2,221	0	0
4040 Total offsetting collection (cash)	-10,328	-21,000	-21,000

Section 3 – FY 2017 Budget Request by Appropriation

Identification code	FY 2015	FY 2016	FY 2017
69-1730-0-1-407	Actual	Enacted	Request
Additional offsets against gross budget authority only:			
4050 Chg in Uncollected pymts, Fed Sources (unexpired)	5,830	0	0
4051 Chg in Uncollected pymts, Fed Sources (expired)	21	0	0
4052 Offsetting collections credited to expired accounts	0	0	0
4060 Additional offsets against budget authority only (total)	5,851	0	0
4070 Budget authority, net (discretionary)	13,000	13,000	18,007
4080 Outlays, net (discretionary)	15,514	36,000	21,006
4180 Budget authority, net (total)	13,000	13,000	18,007
4190 Outlays, net (total)	15,514	36,000	21,006

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY

OBJECT CLASSIFICATION

(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-1730-0-1-407	ACTUAL	ENACTED	REQUEST
Direct obligations:			
Personnel compensation:			
11.1	2,494	2,464	2,482
11.3	162	172	174
11.5	<u>35</u>	<u>61</u>	<u>62</u>
11.9	2,691	2,697	2,717
12.1	917	889	899
13.1	25	0	0
21.0	72	90	90
23.1	302	375	379
23.3	0	0	0
24.0	0	1	1
25.1	245	0	0
25.2	6	0	0
25.3	10,427	8,832	13,770
25.7	109	0	0
26.0	5	15	15
31.0	0	100	136
99.0	14,799	13,000	18,007
99.0	<u>15,619</u>	<u>21,000</u>	<u>21,000</u>
99.9	30,418	34,000	39,007

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-1730-0-1-407	ACTUAL	ENACTED	REQUEST
1001 Total compensable workyears:			
Full-time equivalent employment	22.00	21.00	21.00
2001 Reimbursable workyears:			
Full-time equivalent employment	36.00	36.00	36.00
3001 Allocation	65.00	65.00	65.00

Note: Max Schedule O will not match this schedule because in MAX collections were treated as a direct obligation.
In the other MAX schedules collections were treated as reimbursable obligations.

Transportation Safety Institute (TSI): [\$20,000,000]

This program supports the Department's **Safety Strategic Goal** by reducing transportation-related deaths and injuries through quality instruction to those entrusted with safety enforcement and ensuring safety compliance. Since 1971, TSI has been training transportation professionals on a reimbursable basis. Many clients represent repeat business, and TSI training is in demand domestically and internationally. In addition, data show that transportation-related deaths and injuries are significantly lower than they were four decades ago. Education and training are key factors in improved transportation safety. Course evaluations remain extremely positive and customers consider the training offered by TSI to be critical to their missions.

TSI's training operations program is organized into four training divisions with expertise in specific transportation safety and security topics:

1. **Aviation Safety** specializes in safety management systems (SMS) and aircraft accident investigation.
2. **Transit Safety and Security** specializes in the development and delivery of safety and security training in the areas of SMS, system safety, collision investigation, crime prevention, and emergency management.
3. **Multimodal Safety** provides a variety of transportation safety-related courses specializing in hazardous materials and motor carrier safety compliance for Federal, State, and private industry audiences. This division develops and delivers safety courses in the areas of explosives, infectious substances, packaging, cylinders, radioactive materials, pipeline transport of both liquids and gases, and commercial motor vehicle inspections.
4. **Traffic Safety** is responsible for the training of Federal, State, and local highway safety professionals and law enforcement in the development, administration, and evaluation of highway traffic safety programs. Specifically, the courses are an integral component of NHTSA's core competencies for employee development in highway safety program development, data analysis and evaluation, managing NHTSA grant funds, occupant protection, impaired driving, and speed management.

**OFFICE OF THE SECRETARY OF TRANSPORTATION
RESEARCH AND TECHNOLOGY**

What Is The Request and What Funds are Currently spent on the Program?

**FY 2017 - Competitive University Transportation Centers Program
(\$000)**

	FY 2015	FY 2016	FY 2017	Difference
	Actual	Enacted	Request	from FY 2016 Request
Personnel Compensation and Benefits	[845]	[913]	[920]	[7]
Travel	[100]	[100]	[100]	[0]
Other Costs	[1,183]	[1,194]	[1,199]	[5]
Competitive UTC Consortia	[70,372]	[70,293]	[72,781]	[2,488]
TOTAL	[72,500]	[72,500]	[75,000]	[2,500]

STAFFING

Allocation Positions	[5]	[5]	[5]	[0]
Allocation FTE	[5]	[5]	[5]	[0]

What Is This Program and Why Is It Necessary?

The University Transportation Centers (UTC) program's mission is to advance transportation expertise and technology in the many disciplines that comprise transportation through education, research, and technology transfer at university-based consortia. The UTC program provides a critical transportation knowledge base outside of the Department and addresses critical workforce needs for the next generation of transportation professionals across all modes. UTCs are selected based on a rigorous competition which includes research, education and technology transfer activities to address research priorities named in the FAST Act and topic areas established by the Secretary that address these priorities.

This program provides unique benefits to the Department, State departments of transportation, transit agencies, and other transportation providers: a ready source of independent transportation researchers at leading universities and a steady stream of highly educated professionals in key transportation disciplines such as civil, environmental, mechanical and electrical engineering, urban planning, construction management, computer science, business, psychology, logistics, and others. Through the competitively-selected UTCs, OST-R supports and strengthens our nation's transportation intellectual and academic capital that is of vital importance to innovation and to the Nation's transportation systems.

Current research within the UTC program ranges from applied to advanced, and is becoming

increasingly multimodal. In order to develop the multimodal transportation system of future generations, advanced research must be carried out in the present. Universities are one of the greatest research assets this country holds, and this type of multimodal advanced research belongs at universities—particularly universities well-experienced in and capable of performing advanced transportation research. The universities in the UTC program are such universities.

Key Actions and Anticipated Milestones:

- Conduct, in FY16, a competition for a new set of UTCs as directed by the FAST Act.
- Award and administer grants to competitively-selected University Transportation Centers.
- Facilitate collaboration and interaction among universities, the Department, State departments of transportation, transit agencies, and other interested partners.

Key Outputs Expected:

- Publication of technical reports on research topical areas.
- Publication of technical presentations at National and regional technical conferences.
- Conduct of technical seminars and workshops.
- Development of new/improved guidelines on planning, operations, design or maintenance issues.
- Training of highly-qualified university graduates specializing in the transportation sector.
- Development of new technologies for application to transportation systems.

Key Outcomes Expected:

- Reduced transportation congestion.
- More efficient transportation systems.
- Safer transportation systems.
- More productive transportation systems.
- A better-trained transportation workforce.

The UTC program is defined in statute. The FAST Act outlines the requirements of the program and states that the UTC program shall “provide for a critical transportation knowledge base” by addressing major National issues and “address critical work force needs” by developing the next generation of transportation professionals. To conduct the broad range of activities required of the UTCs by statute, at the number of Centers dictated by statute, the funding request is at a minimal level. To effectively carry out their mandates, each Center must have a critical mass of funding. This prevents the splintering of funds into different activities at each Center that become ineffective due to insufficient funding.

As directed by FAST Act, a competition will be held in FY 2016 (with award by December 2016) to select a new cadre of UTCs. These Centers will receive funding through FY 2020 based on availability.

Although every UTC has the same broad objectives, the Department continues to encourage diversity in the program participants and in the approaches individual centers take to achieve the program objectives. The Department encourages unique approaches to research, education, workforce development, and technology transfer, building on or reflecting institutional expertise, facilities, and partnerships. In order to achieve the Department’s vision of a truly multimodal

integrated system, the Department encourages UTCs to cut across disciplines and span all modes of transportation, enabling improvements to the Nation's entire surface transportation system, inclusive of rail, maritime, highway, pipelines, and transit.

Performance metrics ensure that transportation research and workforce needs are met, programmatic targets are realized, and funds are effectively invested. Grant reporting requirements include explicit details of research results.

The UTC consortia advance transportation education and workforce development through degree-granting programs, seminars and training for practicing professionals, and outreach activities to attract new entrants to careers in transportation.

UTCs are required to use the Transportation Research Board's Research in Progress (RIP) and Transportation Research International Documentation (TRID) databases and the USDOT Research Hub to avoid duplication of efforts and to ensure wide awareness of efforts and dissemination of research results.

OST-R receives UTC program funding through an allocation from the FHWA. The costs of coordinating, overseeing and managing the UTC program are funded from an administrative set-aside of 1.5% by the FAST Act.

What benefits will be provided to the American Public through this request?

Funding the UTC program will result in a safer, more technologically advanced surface transportation system. The research conducted by these Centers will ultimately save lives and reduce injuries. The monetary savings to the public comes through the increased safety of the system, but it also comes through reduced congestion, more resilient infrastructure, and cleaner communities with increased access to multiple modes of transportation.

This program prepares the next generation of transportation leaders and experts to deal with not only the problems of today, but also with the advanced technologies of tomorrow, replacing an aging workforce that is not as well-versed in the newer technologies that can be applied to transportation.

**OFFICE OF THE SECRETARY OF TRANSPORTATION
RESEARCH AND TECHNOLOGY
Competitive University Transportation Centers Program**

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$72,500	5
FY 2016 Enacted	\$72,500	5
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$3	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$6	
January 2017 Pay Raise	\$10	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$4	
Inflation	\$10	
FY 2017 Baseline Estimate	\$72,521	5
<u>FY 2017 Program Changes (+/-):</u>		
Increase to reelect FAST ACT authorization	\$2,479	0
Total, FY 2017 Request	\$75,000	5

OFFICE OF THE SECRETARY OF TRANSPORTATION**What Is The Request and What Funds are Currently Spent on the Program?****VOLPE CENTER**
(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	[70,000]	[70,000]	[75,000]	[5,000]
Travel	[4,000]	[4,000]	[4,100]	[100]
Other Costs	[186,000]	[186,000]	[250,900]	[64,900]
TOTAL	[260,000]	[260,000]	[330,000]	[70,000]

STAFFING

Reimbursable Positions	[550]	[550]	[556]	[6]
Reimbursable FTEs	[532]	[532]	[555]	[23]

What Is This Program and Why is it Necessary?

Volpe, the National Transportation Systems Center, provides a unique capability in the synergy of transportation expertise with its institutional knowledge of the global transportation system and its stakeholder perspective; the Federal perspective with its awareness of Federal responsibilities, objectives, and activities in the public interest; and experience with the full spectrum of technologies and disciplines relevant to transportation system improvements. Over five hundred Federal employees, all dedicated transportation professionals and half of whom have advanced degrees, are the Center's most important asset. These employees represent an expansive variety of disciplines from engineering to the physical and social sciences.

Volpe provides leadership to advise, facilitate and manage a wide range of high profile, complex, and often rapid-response Departmental, agency, and priority initiatives of the Secretary. Through extensive outreach and coordination, the Volpe Center supports the Department's efforts to expand its understanding of current and emerging issues through strategic planning initiatives and timely communication.

Volpe's activities support the missions and strategic goals of Department agencies and many other Federal agencies on a full cost-reimbursable basis. The Department and other agencies provide funding to the Volpe Center to take advantage of its extensive expertise and experience, its proven ability to deliver high quality products and services, and its customer focus, all which continue to be validated by periodic customer satisfaction assessments. All Volpe Center sponsors are voluntary customers – no one is mandated to fund activities at Volpe and the fact that sponsors continuously return to Volpe for support of new initiatives is a testament to the quality and value of the Volpe Center to the Department, and to the Nation.

Why Do We Need To Fund The Program At The Requested Level?

Volpe programs are funded through its Working Capital Fund (WCF) on a full cost- reimbursable basis. The Volpe Center WCF receives no direct appropriations and its costs are paid by its customers via interagency and/or reimbursable agreements. The increase in funding levels, positions, and full time equivalents will make the budget commensurate to the actual needs of Volpe and ensure that customers receive the highest levels of service.

Volpe's purpose is to advance transportation innovation for the public good; hits core values are public service, innovative solutions, professional excellence, and collaboration and partnering. To facilitate its purpose and mission, the Volpe Center is organized into technical centers. Collectively, these technical centers provide progressive, multidisciplinary expertise in support of key national transportation issues and work to solve complex transportation problems.

The Volpe Center WCF is authorized under 49 U.S.C. 328 to provide research, development, testing, evaluation, analysis, and related activities for the Department, other Federal agencies, State and local governments, other public authorities, private organizations, and foreign countries.

Volpe partners with public and private organizations to assess the needs of the transportation community, evaluate research and development endeavors, assist in the deployment of state-of-the-art transportation technologies, and inform decision- and policy-making through the Center's comprehensive analyses.

Volpe serves its sponsor agencies with advanced technologies, research, expertise and programs to ensure a fast, safe, efficient, accessible and convenient transportation system that meets vital national and international interests and enhances the quality of life for the traveling public.

Volpe's programs are driven by the needs of the operating administrations across the Department. Volpe supports its sponsors in important efforts such as NextGen (FAA), assessing costs and benefits of new pilot training rules (FAA), providing project management and systems engineering expertise for air traffic facilities replacement (FAA), providing High Speed Rail project oversight (FRA), supporting the Strategic Highway Research Program (SHRP 2) (FHWA), developing CAFÉ Standards (NHTSA), building scientific foundations for risk assessment and failure analysis of electronic control systems (NHTSA), supporting track and equipment safety research (FRA), developing policy options for the Connected Vehicle program (NHTSA/ITS JPO), improving navigation systems (SLSDC), and directing the Department's Small Business Innovation Research program (OST/OSDBU).

What benefits will be provided to the American Public through this request?

Volpe is home to renowned multidisciplinary experts in all modes of transportation. Volpe serves its sponsor agencies with advanced technologies, research, and programs to ensure a safe, efficient, accessible, and convenient transportation system that meets vital National and international interests and enhances the quality of life for the traveling public, today and into the future.

The Volpe Center's research, technical, and program professionals help sponsors thrive by applying best practices culled from more than 40 years of solving problems for and across multiple modes. Volpe also undertakes new research to address emerging issues and advance innovation in transportation. Its multimodal experience enables Volpe to consider unique approaches and to champion ideas that make our sponsors' processes more efficient, their work more effective, and their solutions more fully realized.

As a vital partner and objective advisor to transportation agencies, Volpe serves as an integral collaborator that can function as an extension of staff, internalizing sponsor goals and objectives. Volpe is fully fluent in operations, practices and protocols, and serves agency and public interest with a highly educated and creative staff. Guided by a deep understanding of Federal practices, Volpe delivers innovative solutions in infrastructure, advanced transportation systems, and technologies to support the global transportation mission.

**OFFICE OF THE SECRETARY OF TRANSPORTATION
RESEARCH AND TECHNOLOGY
VOLPE Center**

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$260,000	548
FY 2016 Enacted	\$260,000	532
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$227	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$534	
January 2017 Pay Raise	\$808	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	-\$544	
Inflation	\$1,885	
FY 2017 Baseline Estimate	\$261,843	532
<u>FY 2017 Program Changes (+/-):</u>	\$68,157	23
This change brings the budgeted amount commensurate to the actuals costs being incurred.		
Total, FY 2017 Request	\$330,000	555

What Is The Request And What Funds Are Currently Spent on the Program?**FY 2017 - Bureau of Transportation Statistics (Highway Trust Fund) Account**

(\$000)

	FY 2015	FY 2016	FY 2017	Difference
	Actual	Enacted	Request	from FY 2016
				Enacted
Personnel Compensation and Benefits	[11,888]	[12,115]	[12,202]	[87]
Travel	[130]	[130]	[130]	[0]
Other Costs	[8,304]	[8,340]	[8,253]	[-87]
Programs	[5,642]	[5,415]	[5,415]	[0]
TOTAL¹	[26,000]	[26,000]	[26,000]	[0]

Allocation/Reimbursable/Other Programs:**Reimbursable Programs:**

Airline Transportation Statistics	[5,000]	[4,500]	[4,000]	[500]
Close Call Program	[2,500]	[2,500]	[2,500]	[0]
	[7,500]	[7,000]	[6,500]	[0]

STAFFING

Allocation Positions	[117]	[117]	[117]	[0]
Reimbursable Positions	[19]	[19]	[19]	[0]
Allocation FTE	[60]	[60]	[60]	[0]
Reimbursable FTE	[14]	[14]	[14]	[0]

¹Resources are shown as non-adds because the Bureau of Transportation Statistics is an allocation account under the Federal-aid Highways program.

Bureau of Transportation Statistics (BTS) (Highway Trust Fund) account request is \$26 million. The total FY 2017 funding request will enhance the data collection and rigorous statistical analysis programs in support of data-driven planning and decision-making that will affect major Departmental strategic objectives moving forward, such as advancing transportation **Safety**, driving **Economic Competitiveness** and ensuring **Environmental Sustainability**. This funding supports the Department's objective of making transportation investments and policy decisions based on sound analytical data. BTS also maintains an Airline Transportation Statistics program that is reimbursed from the Federal Aviation Administration's (FAA) operations budget, and a reimbursable Confidential Close Calls Data program. The BTS program is funded by an allocation from the Federal Highway Administration (FHWA). BTS supports all of the Department's Strategic Goals - **Safety, State of Good Repair, Economic Competitiveness, Quality of Life in Communities**, and **Environmental Sustainability**.

What Is This Program and Why is it Necessary?

The Bureau of Transportation Statistics (BTS) is a designated Federal statistical agency established to serve the transportation community, including all levels of government and the private sector, with information that supports investments and other decision-making. BTS collects data that transcend the Department's operating administrations and incorporates data from many sources into a series of on-line databases and statistical tables, geographic information systems, and reports. BTS is also home to the National Transportation Library, which is the repository of Department-funded research, a portal to transportation information throughout and beyond the Department, and a keystone in a transportation knowledge management network that shares statistical and other information throughout the transportation community.

BTS collects, compiles, analyzes, and disseminates statistics on the extent, use, performance, and consequences of the nation's transportation systems. BTS also maintains an Airline Transportation Statistics program that is reimbursed from the FAA's operations budget, and a reimbursable Confidential Close Calls Data program. This proposal continues the core program that has grown in scope through five surface transportation authorizations. Funding of the core program did not grow with changes in scope. The most recent increase in scope is a new Port Performance Freight Statistics Program required by the Fixing America's Surface Transportation (FAST) Act. The Port Performance Freight Statistics Program is anticipated to require \$2.7 million in FY 2018 and beyond.

The Bureau's core program as defined in the Moving Ahead for Progress in the 21st Century Act (MAP-21) and amended by the FAST Act (incorporated at 49 USC Chapter 63) includes the following elements:

1. Collection, compilation, and integration of data into the Intermodal Transportation Database, covering the movement of people and goods throughout the nation, intermodal connections serving that movement, and the economic activity related to that movement.
2. Collection, compilation and integration of data into the National Transportation Atlas Database, including a geospatial representation of the extent and use of transportation networks, factors affecting the use of those networks, and the consequences of those networks.
3. Compilation and analysis of statistics on the performance and consequences of the transportation system and publication in the *Transportation Statistics Annual Report*.
4. Coordination of statistical policies and programs of the Department and coordination of the Department's programs with other Federal statistical agencies.
5. The National Transportation Library, which disseminates statistical and other information products to decision-makers and the public; serves as a repository of transportation statistics and databases for the transportation community and a repository of research by the Department; and develops knowledge networks among libraries and other depositories of transportation information.
6. The Port Performance Freight Statistics Program, which measures the capacity and throughput of the nation's largest ports.

FY 2016 Anticipated Accomplishments:

- Convene stakeholders to identify elements of the Port Performance Freight Statistics Program, and develop and implement a data collection procedure.
- Incorporate results of the Commodity Flow Survey into the Freight Analysis Framework as part of the National Commodity Origin-Destination Account.
- Support intra-agency requests, such as review of statistical methods in rulemaking processes, to ensure that rulemakings are based on sound data.
- Conduct statistical data quality reviews of data compilations and products.
- Provide statistical support for the Department's *Performance and Accountability Report*.
- Produce and publish the annual *Transportation Statistics Annual Report*.
- Update all major BTS products disseminated through the web by the National Transportation Library.
- Produce bi-monthly web-only updates of the Multimodal Transportation Indicators.
- Produce relevant and timely focused analytical and technical reports on transportation and statistics-related issues and data.

This program provides essential information to planners and decision-makers to understand transportation issues, forecast future conditions, decide among public actions to improve performance of the transportation system, and reduce problems related to safety, energy, and the environment. Congress determined in 1991 that an independent source of information within the Department, not tied to existing programs, was necessary to assure objectivity and accuracy of the statistics, and the Congress has reaffirmed that determination in all subsequent surface transportation authorizations.

Open Data Initiative and Improved Data Visualization: The Bureau's National Transportation Library is a cornerstone of the departmental Open Data initiative, working with the Office of the Chief Information Officer to inventory and document data from throughout the Department and to organize public access through WWW.DOT.GOV/DATA. BTS also supports access to Department-funded research through NTL.BTS.GOV and SCIENCE.GOV. To reinforce BTS research on improved methods of visualizing data, BTS is restructuring the geographic information systems group into an Office of Spatial Analysis and Visualization.

Administrative Records Research and Implementation: In February 2014, the Office of Management and Budget issued Memorandum M-14-06, "Guidance for Providing and Using Administrative Data for Statistical Purposes." During the initial phases of implementation, BTS staff will continue to serve in a coordinating role with other Departmental administrations and agencies to identify and assess the feasibility of using administrative datasets to meet statistical needs. In addition, BTS will continue efforts to address the special challenges related to the use of administrative records, such as data incompatibility, data quality, confidentiality protections, privacy concerns, and business proprietary data. Funding to support this initiative will be used on a wide range of efforts to design and support the use of administrative records for statistical purposes, including the development of:

- appropriate data sharing agreements with data "owners",

- data models to standardize jurisdiction-specific data files (e.g., files from individual States or local agencies),
- transportation data stewardship guidelines,
- a framework to ensure quality and compatibility of administrative data, and
- the statistical infrastructure to support continuous data collection, quality assurance, data integration, and statistical analysis.

BTS has identified two high priority research projects to initiate during this phase: (1) a feasibility study for obtaining vehicle registration data from State motor vehicle agencies and vehicle operational characteristics from on-board technologies, and (2) development of sample frames from administrative sources. Other Departmental agencies have also identified a consolidated State vehicle registration database as a high priority data asset and cited many potential statistical uses: to track the life cycle of a commercial motor vehicle; to analyze how widespread safety technology is used among the nation's fleets; to calculate the fatality and crash rates for the annual highway safety assessment; to support safety research projects; to estimate the crash involvement risk for comparing the subject vehicles that are under defect investigation; to use as sampling frame for motor vehicle studies; and to publish vehicle age distribution by vehicle types to more precisely estimate fuel economy statistics.

For the second research project, BTS will explore obtaining administrative records consisting of addresses and businesses to construct sample frames for use in its survey programs. High priority sources identified as part of this effort are included in the United States Postal Service (USPS) Delivery Sequence File (DSF), and in selected data from Internal Revenue Service (IRS) Federal tax information for businesses.

What benefits will be provided to the American Public through this request?

BTS programs provide an information base to support informed transportation planning and decision-making at all levels of government in the United States. Increased data is made available to the public for its use in commerce, research and individual decision-making.

Success in the Confidential Close Calls Data program is indicated by improved workplace safety through the implementation of safety management systems and protocols, measured through the reduction of serious close call events and by the number of insights on potential safety problems that can be generalized from the program's participants to the broader transportation community; as well as through continued program sponsorship. The program enables the identification and analysis of systemic safety problems and provides participating agencies with information to guide proactive countermeasures that reduce events that could result in serious injury and death and the damage or destruction of property. The program enables BTS to incorporate lessons from the participating agencies into a broader assessment of safety throughout the transportation system, published in the Bureau's *Transportation Statistics Annual Report*.

**OFFICE OF THE SECRETARY OF TRANSPORTATION
RESEARCH AND TECHNOLOGY
Bureau of Transportation Statistics**

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$26,000	60
FY 2016 Enacted	\$26,000	60
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$0	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$93	
January 2017 Pay Raise	\$140	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	-\$279	
Inflation	\$27	
FY 2017 Baseline Estimate	\$25,835	60
<u>FY 2017 Program Changes (+/-):</u>		
Increase to reflect FAST ACT Authorization	\$165	0
Total, FY 2017 Request	\$26,000	60

OFFICE OF THE SECRETARY OF TRANSPORTATION
ESSENTIAL AIR SERVICE (EAS) PROGRAM
Essential Air Service/ Payments to Air Carriers

What Is The Request and What Funds are Currently Spent on the Program?

(\$000)

ITEM	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
<u>ESSENTIAL AIR SERVICE (Overflight Fees) - Mandatory Budget Authority</u>				
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$2,069	\$2,101	\$2,123	\$22
Travel	\$1	\$1	\$7	\$6
Other Costs	\$313	\$312	\$640	\$328
Essential Air Service Subsidy	\$107,781	\$101,054	\$101,469	\$415
TOTAL	\$110,164	\$103,469	\$104,239	\$770

STAFFING

Direct Positions	14	14	14	0
Direct FTEs	12	13	13	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0	0	0	0

PAYMENTS TO AIR CARRIERS (Trust Fund) - Discretionary Budget Authority

FUNDING LEVELS

Personnel Compensation and Benefits	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Other Costs	\$0	\$0	\$0	\$0
Essential Air Service	\$155,000	\$175,000	\$150,000	-\$25,000
TOTAL	\$155,000	\$175,000	\$150,000	-\$25,000

STAFFING

Direct Positions	0	0	0	0
Direct FTEs	0	0	0	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0	0	0	0

The Essential Air Service program is requesting \$254 million and 13 FTEs in FY 2017, a discretionary appropriation of \$150 million and a mandatory appropriation of \$104 million.

1/The FY 2017 funding level will be reduced by the mandatory sequester.

Detailed Justification for the Essential Air Service (EAS) Program

What Is This Program And Why Is It Necessary?

The EAS program supports the Department's **Quality of Life in Communities** Strategic Goal. The EAS program was established at the time the Airline Deregulation Act (ADA) was passed in 1978. Under the Act, small and more isolated communities were assured that, for ten years, they would continue to receive scheduled service to a hub airport -- by federally subsidized flights if necessary. (The program was later extended for ten years, and ultimately made permanent.)

In the FY 2012 DOT Appropriations Act, (PL 112-55), Congress first capped the program in the lower 48 states and Puerto Rico. Congress subsequently affirmed that provision in the FAA Modernization and Reform Act (P.L.112-95). In 2017, about 174 communities across the country, including 59 in Alaska will receive subsidized scheduled air service.

Below is a historical list of the annual EAS budget and the number of communities subsidized:

Year	# of Communities	Budget in Millions	Average Subsidy per Community in Millions
1996	97	22.6	.23
1997	95	25.9	.27
1998	101	50.0	.50
1999	100	50.0	.50
2000	106	50.0	.47
2001	115	50.0	.43
2002	123	113.0	.92
2003	126	101.8	.81
2004	140	101.7	.73
2005	146	101.6	.70
2006	152	109.4	.72
2007	147	109.4	.74
2008	146	109.4	.75
2009	153	138.4	.90
2010	159	200.0	1.26
2011	155	199.7	1.29
2012	163	215.5 ¹	1.32
2013	160	255.0 ²	1.59
2014	160	268.0	1.68
2015	169	263.0	1.56

¹ Includes \$22.5 million unobligated balance of Payments to Air Carriers funding carried forward into FY 2012.

² Includes unobligated balance of Payments to Air Carriers funding carried forward into FY 2013, prior year recoveries and transfers from other OST programs.

Why Do We Need To Fund The Program At The Requested Level?

The requested FY 2017 program level of \$254 million is required to maintain continuous, regularly scheduled air service to about 169 small communities across the nation, including about 59 in Alaska.

Recently enacted reforms are beginning to result in cost savings. In addition to capping the program in the lower 48 States and eliminating the 15-seat requirement, Congress has established a \$1,000 subsidy-per-passenger cap (regardless of how isolated a community may be). Under the \$1,000 subsidy cap, DOT has terminated EAS funding for Alamogordo, NM, Ely, NV, Kingman, AZ, and Lewistown and Miles City, MT, at a savings of about \$8 million a year.

Congress also terminated eligibility for communities that enplane fewer than 10 passengers per day if they are within 175 miles of a Large or Medium Hub airport. The \$254 million program level only includes cost savings from one community (Athens, GA) that did not submit a waiver request from the 10 enplanement reform.

The Department has also issued a proposed notice of enforcement policy that announces how the Department intends, going forward, to enforce compliance with the requirements of the Department of Transportation and Related Agencies Appropriations Act, 2000, which prohibits the Department from subsidizing EAS to communities located within the 48 contiguous States receiving per passenger subsidy amounts exceeding \$200, unless the communities are located more than 210 miles from the nearest large or medium hub airport. The \$254 million program level does not include any savings from the \$200 subsidy-per-passenger cap policy because the implementation process (data collection, show cause and waiver decisions) will not be completed until late in FY 2016.

In FY 2016, 13 new communities are slated to receive EAS totaling approximately \$7 million in annual subsidies. 12 of these communities, Twin Hills, Perryville, Ekwok, Igiugig, King Cove, Pilot Point, Ugashik, Chignik, Chignik Lake, Egegik, Levelock, and Manokotak are located in Alaska. The other community, Pierre, South Dakota, will likely require an annual subsidy of around \$2.5 million. There will likely be an additional 3 to 4 newly subsidized communities in Alaska, but no termination notices has been filed as of January 1, 2016.

What Benefits Will Be Provided To The American Public Through This Request?

Eligible communities will continue to receive subsidized scheduled air service. A table showing average enplanements, annual subsidy rates, passenger totals, and subsidy per passenger at each EAS community follows on the next page.

Section 3 – FY 2017 Budget Request by Appropriation

State	EAS Community	Eat. Miles to nearest hub (S, M, or L)	Annual Subsidy rates at 1/1/16	Passenger Totals at YE 9/30/15	Subsidy per passenger at YE 9/30/15	Average enplanements per day
AL	Muscle Shoals	60	\$1,739,308	1,208	\$1,440	2.7
AR	El Dorado/Camden	117	\$1,977,153	8,390	\$236	13.4
AR	Harrison	86	\$2,251,207	9,734	\$231	15.5
AR	Hot Springs	51	\$1,637,012	6,198	\$264	9.9
AR	Jonesboro	82	\$1,942,890	9,571	\$203	15.3
AZ	Page	282	\$2,275,111	5,727	\$397	9.1
AZ	Prescott	102	\$2,657,002	6,916	\$384	11.0
AZ	Show Low	173	\$1,243,255	3,508	\$354	5.6
CA	Crescent City	231	\$3,506,231	11,315	\$310	32.3
CA	El Centro	101	\$2,264,008	5,228	\$433	8.4
CA	Merced	60	\$2,991,546	6,705	\$446	12.8
CA	Visalia	47	\$1,990,563	8,539	\$233	13.6
CO	Alamosa	164	\$2,192,179	6,119	\$358	9.8
CO	Cortez	255	\$2,270,297	4,705	\$483	7.5
CO	Pueblo	36	\$1,687,626	3,069	\$550	7.2
GA	Macon	82	\$0	188	n/a	3.0
IA	Burlington	98	\$1,917,566	13,300	\$144	21.2
IA	Fort Dodge	91	\$3,715,953	6,599	\$563	17.5
IA	Mason City	131	\$3,715,953	11,078	\$335	20.3
IA	Sioux City	88	\$611,434	49,959	\$12	79.8
IA	Waterloo	63	\$945,546	48,101	\$20	76.8
IL	Decatur	126	\$2,667,922	14,859	\$180	23.7
IL	Marion/Herrin	123	\$2,626,625	19,148	\$137	30.6
IL	Quincy/Hannibal, MO	111	\$2,532,335	18,419	\$137	29.4
KS	Dodge City	150	\$2,339,131	4,339	\$539	6.9
KS	Garden City	202	\$1,445,172	51,774	\$28	82.7
KS	Great Bend	114	\$1,434,472	462	\$3,105	0.7
KS	Hays	166	\$2,253,132	17,496	\$129	27.9
KS	Liberal/Guymon, OK	228	\$2,236,180	5,280	\$424	8.4
KS	Salina	97	\$1,490,479	2,824	\$528	4.5
KY	Owensboro	115	\$1,948,217	7,481	\$260	12.0
KY	Paducah	146	\$2,034,160	42,621	\$48	68.1
MD	Hagerstown	78	\$1,785,638	2,374	\$752	3.8
ME	Augusta/Waterville	58	\$1,890,830	9,903	\$191	15.8
ME	Bar Harbor	157	\$1,631,223	8,785	\$186	14.0
ME	Presque Isle/Houlton	274	\$4,710,683	25,322	\$186	40.5
ME	Rockland	76	\$1,966,555	13,306	\$148	21.3
MI	Alpena	174	\$2,168,995	20,405	\$106	32.6
MI	Escanaba	227	\$3,507,011	32,485	\$108	51.9
MI	Hancock/Houghton	321	\$690,976	48,033	\$14	76.7
MI	Iron Mountain/Kingsford	223	\$2,970,122	21,659	\$137	34.6
MI	Ironwood/Ashland, WI	213	\$3,563,394	9,265	\$385	14.8
MI	Manistee/Ludington	121	\$2,328,104	9,983	\$233	15.9
MI	Muskegon	49	\$1,389,952	30,305	\$46	48.4
MI	Pellston	213	\$1,077,413	49,958	\$22	79.8
MI	Sault Ste. Marie	281	\$1,765,393	44,939	\$39	71.8

Section 3 – FY 2017 Budget Request by Appropriation

State	EAS Community	Est. Miles to nearest hub (S, M, or L)	Annual Subsidy rates at 1/1/16	Passenger Totals at YE 9/30/15	Subsidy per passenger at YE 9/30/15	Average enplanements per day
MN	Bemidji	128	\$1,118,050	46,754	\$24	74.7
MN	Brainerd	123	\$1,671,602	33,291	\$50	53.2
MN	Chisholm/Hibbing	199	\$2,535,502	23,227	\$109	37.1
MN	International Falls	298	\$2,197,037	26,195	\$84	41.8
MN	Thief River Falls	129	\$2,428,750	2,151	n/a	3.4
MO	Cape Girardeau/Sikeston	127	\$2,063,432	11,631	\$177	18.6
MO	Fort Leonard Wood	85	\$2,942,325	15,363	\$192	24.5
MO	Joplin	70	\$519,201	54,373	\$10	86.9
MO	Kirksville	137	\$1,649,248	10,626	\$155	17.0
MS	Greenville	124	\$2,097,960	441	n/a	1.3
MS	Laurel/Hattiesburg	85	\$3,910,654	19,539	\$200	31.2
MS	Meridian	84	\$3,910,654	42,178	\$93	67.4
MS	Tupelo	94	\$2,506,436	5,181	\$484	8.3
MT	Butte	75	\$901,763	53,466	\$17	85.4
MT	Glasgow	285	\$2,068,066	7,504	\$276	12.0
MT	Glendive	223	\$2,010,381	4,885	\$412	7.8
MT	Havre	230	\$2,085,175	4,795	\$435	7.7
MT	Sidney	272	\$3,887,766	19,170	\$203	30.6
MT	West Yellowstone	89	\$491,205	15,952	\$31	65.4
MT	Wolf Point	293	\$2,193,783	7,462	\$294	11.9
ND	Devils Lake	159	\$3,224,917	10,379	\$311	16.6
ND	Jamestown	92	\$3,126,564	15,164	\$206	24.2
NE	Alliance	233	\$2,072,150	2,124	\$976	3.4
NE	Chadron	290	\$2,120,315	2,036	n/a	3.3
NE	Grand Island	138	\$1,270,707	51,633	\$25	82.5
NE	Kearney	181	\$1,998,178	9,493	\$210	15.2
NE	McCook	256	\$2,254,017	791	n/a	1.3
NE	North Platte	255	\$1,995,396	7,501	\$266	12.0
NE	Scottsbluff	192	\$1,746,806	7,480	\$234	11.9
NH	Lebanon/White River Jct., VT	74	\$2,972,718	19,926	\$149	31.8
NM	Carlsbad	149	\$2,410,695	2,767	\$871	4.4
NM	Clovis	102	\$3,179,857	9,815	\$324	15.7
NM	Silver City/Hurley/Deming	134	\$3,377,495	5,954	\$567	9.5
NY	Jamestown	76	\$2,045,481	3,289	\$622	5.3
NY	Massena	138	\$2,608,773	8,634	\$302	13.8
NY	Ogdensburg	105	\$2,419,820	9,243	\$262	14.8
NY	Plattsburgh	82	\$2,714,074	16,253	\$167	26.0
NY	Saranac Lake/Lake Placid	138	\$1,832,064	9,826	\$186	15.7
NY	Watertown	54	\$3,356,349	38,521	\$87	61.5
OR	Pendleton	185	\$1,834,708	8,422	\$218	13.5
PA	Altoona	112	\$2,346,168	4,568	\$514	7.3
PA	Bradford	77	\$2,045,826	4,546	\$450	10.8
PA	DuBois	112	\$2,285,539	6,793	\$336	10.9
PA	Franklin/Oil City	85	\$1,442,788	1,815	\$795	4.4
PA	Johnstown	84	\$2,438,254	8,485	\$287	13.6
PA	Lancaster	28	\$2,504,174	2,620	\$956	4.2
PR	Mayaguez	105	\$1,198,824	11,383	\$105	18.2

Section 3 – FY 2017 Budget Request by Appropriation

		Eat. Miles to nearest hub (S, M, or L)	Annual Subsidy rates at 1/1/16	Passenger Totals at YE 9/30/15	Subsidy per passenger at YE 9/30/15	Average enplanements per day
State	EAS Community					
SD	Aberdeen	176	\$1,043,719	53,450	\$20	85.4
SD	Huron	121	\$2,552,000	1,920	\$1,329	3.1
SD	Watertown	102	\$2,847,284	2,688	n/a	4.3
TN	Jackson	86	\$2,072,293	2,427	\$854	3.9
TX	Victoria	119	\$2,288,152	5,977	\$383	9.5
UT	Cedar City	179	\$2,630,807	26,045	\$101	41.6
UT	Moab	256	\$2,303,347	7,851	\$293	21.6
UT	Vernal	150	\$1,415,696	5,279	\$268	14.5
VA	Staunton	113	\$1,980,922	10,751	\$184	17.2
VT	Rutland	69	\$1,360,481	10,562	\$129	16.9
WI	Eau Claire	92	\$1,546,536	33,512	\$46	53.5
WI	Rhineland	190	\$2,050,889	43,524	\$47	69.5
WV	Beckley	168	\$2,696,888	4,729	\$570	7.6
WV	Clarksburg/Fairmont	96	\$2,310,252	9,218	\$251	14.7
WV	Greenbrier/White Sulphur Springs	162	\$3,582,194	11,431	\$313	18.3
WV	Morgantown	75	\$2,342,074	15,015	\$156	24.0
WV	Parkersburg/Marietta	110	\$3,505,876	8,907	\$394	14.2
WY	Cody	106	\$1,380,779	65,574	\$21	104.8
WY	Laramie	145	\$2,078,554	25,328	\$82	40.5
WY	Worland	161	\$2,327,987	1,697	n/a	2.7

Section 3 – FY 2017 Budget Request by Appropriation

EAS communities with a service hiatus in FY2015							
	EAS community	Start of service hiatus in FY15	Service Resumed	Length of hiatus (Days)	Service Hiatus Days at 6/7ths	Standard Service days	Adjusted Enplanement per day calculations
1	Mason City, IA	10/1/2014	11/17/2014	47	40	313	273
1	Merced, CA	7/31/2015	9/30/2015	61	52	313	261
1	Muscle Shoals, AL	10/1/2014	1/12/2015	103	88	313	225
1	Pueblo, CO	6/5/2015	9/30/2015	117	100	313	213
1	Bradford, PA	11/1/2014	3/1/2015	120	103	313	210
1	Franklin/Oil City, PA	11/1/2014	3/4/2015	123	105	313	208
1	Fort Dodge, IA	10/1/2014	2/23/2015	145	124	313	189
1	Vernal, UT	4/30/2015	9/30/2015	153	131	313	182
1	Macon, GA	11/5/2014	9/30/2015	329	282	313	31
1	Crescent City, CA	4/7/2015	9/15/2015	161	138	313	175
1	Greenville, MS	10/1/2014	3/12/2015	162	139	313	174
1	Moab, UT	4/30/2015	9/30/2015	153	131	313	182
EAS communities that had less than basic EAS (12 round trips per week) for more than one							
1	Alliance, NE						
1	Chadron, NE						
1	Greenville, MS						
1	McCook, NE						
1	Muscle Shoals, AL						
1	Silver City, NM						
1	Worland, WY						

OFFICE OF THE SECRETARY OF TRANSPORTATION

ESSENTIAL AIR SERVICE

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$110,164	12
FY 2016 Enacted	\$103,469 ^{1/}	13
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$7	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	-\$16	
January 2017 Pay Raise	\$24	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	-\$3	
Inflation	\$1	
FY 2017 Baseline Estimate	\$103,481	13
<u>FY 2017 Program Changes (+/-):</u>	\$758	0
Adjusts the funding level to the estimated Overflight Fee collections		
Total, FY 2017 Request	\$104,239	13

^{1/}The FY 2017 funding level will be reduced by the mandatory sequester.

OFFICE OF THE SECRETARY OF TRANSPORTATION

PAYMENTS TO AIR CARRIERS

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2015 Actual	\$155,000	0
FY 2016 Enacted	\$175,000	0
<u>Adjustments to Base</u>		
Annualization of January 2016 Pay Raise	\$0	
Annualization of New Positions Requested in FY 2016	\$0	0
Two Less Compensable Days	\$0	
January 2017 Pay Raise	\$0	
GSA Rent	\$0	
Working Capital Fund and FECA Changes	\$0	
Inflation	\$0	
FY 2017 Baseline Estimate	\$175,000	0
<u>FY 2017 Program Changes (+/-):</u>	<u>-\$25,000</u>	<u>0</u>
Adjusts funding to the level required to maintain continuous, regularly scheduled air service to about 169 small communities.		
Total, FY 2017 Request	\$150,000	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-5423-0-2-402	ACTUAL	ENACTED	REQUEST
Obligations by program activity:			
0001 Essential Air Service and Rural Airport	100,592	104,000	119,000
0900 Total new obligations	100,592	104,000	119,000
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	40,005	58,006	57,475
1010 Unobligated balance transferred to other accounts [69-5422]	-226	0	0
1021 Recoveries of prior year unpaid obligations	8,655	0	0
1050 Unobligated balance (total)	48,434	58,006	57,475
Budget Authority:			
Appropriations, mandatory:			
1221 Transferred from other accounts [69-5422]	102,840	111,018	104,239
1232 Appropriations temporarily reduced	-7,507	-7,549	0
1260 Appropriations, mandatory (total)	95,332	103,469	104,239
Mandatory spending authority from offsetting collections:			
1800 Offsetting collections	16,000	0	0
1823 New/Unobligated balance - appropriation temporarily reduced	-1,168	0	0
1900 Budget authority (total)	110,164	103,469	104,239
1930 Total budgetary resources available	158,598	161,475	161,714
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	58,006	57,475	42,714
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	27,414	29,598	24,381
3010 Obligations incurred, unexpired accounts	100,592	104,000	119,000
3020 Outlays (gross)	-89,753	-109,217	-103,401
3040 Recoveries of prior year unpaid obligations, unexpired	-8,655	0	0
3050 Unpaid obligations, end of year (gross)	29,598	24,381	39,981
3100 Obligated balance, start of year (net)	27,414	29,598	24,381
3200 Obligated balance, end of year (net)	29,598	24,381	39,981
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	110,164	103,469	104,239
Outlays, gross:			
4100 Outlays from new mandatory authority	36,352	62,081	62,400
4101 Outlays from mandatory balances	53,401	47,136	41,000
4110 Outlays, net (total)	89,753	109,217	103,401
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources	-16,000	0	0
4090 Budget authority, gross (mandatory)	110,164	103,469	104,239
4170 Outlays, gross (total)	89,753	109,217	103,401
4180 Budget authority, net (total)	94,164	103,469	104,239
4190 Outlays, net (total)	73,753	109,217	103,401

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code 69-5423-0-2-402	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	1,350	1,600	1,612
11.5 Other personnel compensation	19	21	21
11.9 Total personnel compensation	1,369	1,621	1,633
12.1 Civilian personnel benefits	415	480	490
21.0 Travel and transportation of persons	5	1	7
23.0 Communication and utilities	0	0	0
25.0 Other services	648	247	487
26.0 Supplies and materials	14	3	3
31.0 Equipment	115	62	150
41.0 Grants, subsidies, and contributions	98,025	101,585	116,230
0.0 Transfers	0	0	0
99.0 Subtotal, direct obligations	100,592	104,000	119,000
99.0 Reimbursable obligations	0	0	0
99.9 Total new obligations	100,592	104,000	119,000

PERSONNEL SUMMARY

Identification Code 69-5423-0-2-402	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
1001 Total compensable workyears: Full-time equivalent employment	12	13	13

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

PAYMENT TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2015 ACTUAL	FY 2016 ENACTED	FY 2017 REQUEST
69-8304-0-7-402			
Obligations by program activity:			
0001 Payments to Air Carriers	165,914	171,000	170,903
0900 Total new obligations (Object class 41.0)	165,914	171,000	170,903
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	11,581	16,904	20,904
1021 Recoveries of prior year unpaid obligations	16,237	0	0
1050 Unobligated balance (total)	27,818	16,904	20,904
Budget Authority:			
Appropriations, discretionary:			
1101 Appropriation (trust fund)	155,000	175,000	150,000
1132 Appropriation permanently reduced (trust fund)	0	0	0
1160 Appropriations, discretionary (total)	155,000	175,000	150,000
Discretionary spending authority from offsetting collections:			
1700 Offsetting collections (cash) (unexpired only)	0	0	0
1900 Budget Authority Total (disc. And mand.)	155,000	175,000	150,000
1930 Total budgetary resources available	182,819	191,904	170,903
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	16,904	20,904	0
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	33,842	38,255	49,096
3010 Obligations incurred, unexpired accounts	165,914	171,000	170,903
3020 Outlays (gross)	-145,264	-160,159	-160,001
3040 Recoveries of prior year unpaid obligations, unexpired	-16,237	0	0
3050 Obligated balance end of year	38,255	49,096	59,998
3100 Obligated balance, start of year (net)	33,842	38,255	49,096
3200 Obligated balance, end of year (net)	38,255	49,096	59,998
Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross	155,000	175,000	150,000
Outlays, gross:			
4010 Outlays from new discretionary authority	92,600	105,000	90,000
4011 Outlays from discretionary balances	52,664	55,159	70,000
4020 Outlays, gross (total)	145,264	160,159	160,001
Offsetting collections (cash) from:			
4030 Federal Sources	0	0	0
4180 Budget authority, net (total)	155,000	175,000	150,000
4190 Outlays, net (total)	145,264	160,159	160,001

Section 3 - FY 2017 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

PAYMENT TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
69-8304-0-7-402	ACTUAL	ENACTED	REQUEST
Direct obligations:			
41.0 Grants, subsidies and contributions	<u>165,914</u>	<u>171,000</u>	<u>170,903</u>
99.9 Total new obligations	165,914	171,000	170,903

Detailed Justification for the Working Capital Fund

What Is The Request And What Funds are Currently Spent on the Program?

TOTAL WORKING CAPITAL FUND

FY 2017 BUDGET ESTIMATE

(In thousands of dollars)

<u>Program</u>	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
WCF DOT Activities	181,500	190,039	190,389	350
WCF Non-DOT Activities	341,102	362,788	363,295	507
Total	522,602	552,827	553,684	857

Staffing

Reimbursable Positions	314	385	392	7
Reimbursable FTE	282	350	389	39

The Offices of the Assistant Secretary for Administration and Chief Information Officer administer funds for the Working Capital Fund and receive appropriations for Salaries and Expenses. The Office of the Assistant Secretary for Administration also administers reimbursable funds. The Chief Information Officer also receives appropriations for Cyber Security Initiatives.

The Working Capital Fund (WCF) is a fee-for-service operation that normally receives no direct appropriation; its costs are paid by its customers. In FY 2017, the WCF estimates \$553.7 million in obligations, 392 positions, and 389 FTEs in this request.

What Is This Program and Why is it Necessary?

Overview:

The WCF supports the **Organizational Excellence** Strategic Goal by providing high quality, timely administrative services to the DOT customers which enable the Operating Administrations to focus on core transportation infrastructure goals.

The WCF is authorized under 49 U.S.C 327 to provide the common administrative services the Secretary of Transportation decides are desirable for the efficiency and economy of the Department.

The WCF, through the Office of the Assistant Secretary for Administration (OASA) and the Office of the Chief Information Officer (OCIO), provides a wide range of technical and administrative services including human capital and human resources services, facilities management, parking management, transit benefit programs, printing and graphics, mail operation, library and dockets management operations, building security, IT operations, security and infrastructure, telecommunications, and procurement and acquisitions services. The Fund's services are delivered to customers through an organizational structure of individual business lines providing related services or products.

The WCF is a fully self-sustaining organization and must achieve full cost recovery which includes an equitable distribution of overhead and indirect costs. During the budget formulation stage, the WCF provides cost estimates to the WCF customers based on historical data and projected demand and service levels. During the year of execution, customers are billed for actual use of common services.

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

The WCF facilitates efficiencies by:

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

The WCF currently maintains an operating reserve capped at 4 percent of the previous year's revenue to protect the fund from exceeding the amounts authorized and to add an acceptable margin for both flexibility and responsiveness.

The two secretarial offices providing WCF services are:

The **Office of the Assistant Secretary for Administration** (OASA) prioritizes and deploys resources to provide the financial management for the WCF and Departmental services in human resources and systems, security, acquisition and federal acquisitions reporting systems, information services, transportation and facilities, and space management. In addition, the OASA manages the transit benefit program for over 100 agencies nationwide.

The **Office of the Chief Information Officer** (OCIO) delivers information technology services to customers through the operation of an IT infrastructure that includes e-mail services, file and print service, enterprise hosting services, consolidated IT Services as well as configuration and change management support. Operating Administrations contract with the OCIO for services and reimburse the WCF for the cost of those services.

Through the consolidation of services, the WCF is positioned to achieve economies of scale, eliminate redundancies, promote consistency in service, and reduce administrative costs across the Department.

The WCF reduces costs by consolidating administrative management structures. Without this structure, each operating administration would have to negotiate with a service provider, losing economies of scale, leading to inefficiencies and inconsistency in services. Additionally, some programs like Unemployment Compensation are required by other statutes to provide a single Departmental point of payment to the servicing agency.

FY 2016 Anticipated Accomplishments:

The Office of the Assistant Secretary for Administration is committed to developing and supporting the mission of the Department through fair, equitable and collaborative approaches, which allows the WCF to continue to provide superior administrative services in the Human Resources, Facilities and Print Management, and Physical Security arenas.

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

Efforts will continue for the Departmental Procurement Platform (DP2) integration and modernization. This collaborative effort, led by the Office of the Senior Procurement Executive (OSPE) in coordination with the Department's Chief Financial Officer (CFO) and Chief Information Officer (CIO), including full participation and support from each Operating Administration (OA), will provide an integrated procurement management infrastructure (procedures, systems, and reporting capabilities) to improve mission support of the wide range of DOT acquisitions.

DOT is consolidating its eight disparate PRISM procurement systems onto a common platform and integrating with the Department's financial system, Delphi, to improve mission support of the wide range and complexity of DOT acquisitions; implement real time financial integration with fund checking, commitment accounting, and recording of obligations; provide relevant and reliable information enabling responsiveness to OMB's transparency and efficiency initiatives; application support, and system hosting in accordance with OMB's Federal Information Technology Management Plan and Shared Services Strategy. The target DP2 environment is operational and is currently managed by the Enterprise Services Center in Oklahoma City (ESC/OKC).

Anticipated accomplishments during FY 2016 will be:

- Implementation support for up to four (4) Operating Administrations
- Solution Demonstration Lab (SDL)
- Configuration and testing of the consolidated PRISM environment
- Development and testing of conversion code and components and 2 full mock data conversions for each OA
- System Integration Testing (SIT) and User Acceptance Testing (UAT) support
- Implementation support including cut-over support and stabilization
- Development of tailorable Operating Administration Operating Procedures
- Change management activities, training, and end-user documentation
- Analysis and documentation of implementation lessons learned

The Office of the Chief Information Officer is completing its transition from contractor resources to Federal staff in FY 2016. The OCIO has used federal employees and contractors in a variety of roles to achieve its mission to effectively and efficiently provide Information Technology to DOT employees nationwide. The over use of contractors has radically increased the WCF's operating expenses. Many functions performed by contractors can or should be performed by government employees. The OCIO began the transition in FY 2014 with the submission and subsequent approval of the IT Workforce Restructuring reprogramming and will work to complete the transition in FY 2017.

Some equipment and services originally purchased with the OCIO's Cyber Security Appropriation may be transferred into the WCF and used to support WCF programs. In the case where a service and/or tool replaced an existing solution, the ongoing costs would be transferred into the WCF. Transfers are expected to be an offset, as the WCF would no longer support legacy tools. Specific areas being considered for transfer into the WCF are:

- Fixing OCIO/ITSS Cyber security weaknesses and/or gaps – Examples include Trusted Internet Connection (TIC) controls and multifactor authentication for remote access. These purchases are an expansion to what is in the WCF, as they are an enhancement to current equipment. Asset purchases in the WCF are based on existing equipment, so enhancements are not supported. The next generation of these purchases is expected to transfer to the WCF.
- Replacing and/or enhancing services for which the WCF Reserve funds do not cover the costs (scope) or are insufficient (magnitude) – Examples include Virtual Desktop Infrastructure (VDI), secure network circuits and communications, and communications consolidation in the field. These purchases are expected to transfer to the WCF once the system is operationalized and existing duplicate systems are decommissioned. The systems would run in parallel until legacy systems are decommissioned.

Why Do We Need To Fund The Program At The Requested Level?

The FY 2017 budget request aligns mission priorities with customer needs and available resources while building upon a sound administrative infrastructure that consolidates services for common Department-wide functions throughout the Operating Administrations.

Overall, the FY 2017 WCF request represents an \$.857 million net increase over FY 2016 requested levels. Specific changes from the FY 2016 levels are discussed below:

NON-DOT obligations increased by \$.507 million. A \$.500 million increase is projected for NON-DOT use of the conference center and atrium spaces. Other smaller increases and decreases totaling \$.007 million are the result of revised NON-DOT customer usage estimates in Commercial Services Management, Dockets Services, Facilities Services, Human Resources, and Substance Abuse Awareness & Testing.

DOT obligations increased by \$.350 million overall, with significant increases and decreases in several areas.

Procurement Operations is requesting a net increase of \$1.346 million. \$.183 million is requested for the annualization of the FY 2016 new positions and 1 new position in FY 2017 to provide management support in the following areas:

- Contractor Performance Assessment Reporting System (CPARS)
- OST Acquisition Workforce Program

- OST Small Business Outreach Program
- Tracking and Reporting

\$.923 million is requested to assist the program as it finalizes its transitions from the stand alone PRISM system to the integrated Departmental PRISM platform. The funds will provide for the dual operations and maintenance of the PRISM systems, contractor support leading up to and including the conversion, and training for all system users.

\$.240 million is requested to enter into a shared services arrangement with the Department of Labor for technical services to assist the Labor Compliance Advisor (LCA) in supporting the Fair Pay and Safe Workplace Executive Order 13673.

DP2 completes the transition of the operating administrations onto the integrated DP2 environment and decreases by \$4.960 million.

Building Security obligations increase \$1.12 million due to a Department of Labor (DOL) Collective Bargaining Agreement wage increase for the contracted Protective Security Officers. Copier, Printing and Multi-media have a net decrease of \$2.421 million as a result of \$2.512 million decrease in printing due to the Emergency Response Guide's tri-annual publishing schedule, and the increase of one position in the Media Center in the amount of \$.091 million. The Media Center handles all the media related activities for the senior leadership of the department and is increasingly involved in Webcasting and video-teleconferencing events for all elements of the WCF customer base - both Departmental and non-departmental. This additional position will provide support in all areas of the Media Center's activities.

An increase of \$.199 million is included in the Disability Resource Center for anticipated contract increases and for additional interpretation requirements. The Interpreting contract reached its ceiling in FY 2015 and will be competed while simultaneously, interpreting needs continue to increase as DOT moves closer to reaching the goal of having 3% of our workforce with targeted disabilities.

Dockets Services increases by \$.339 million for DOT customers. Dockets costs are recovered from our customers based on a weighted scale determined by actual usage of the Federal Docket Management System (FDMS) as provided to the WCF by the managing partner – Environmental Protection Agency (EPA). DOT provides services to two NON-DOT customers in this area and their usage is decreasing while DOT's usage is increasing.

Facilities Services & Utilities is requesting an increase of one position to provide Commissioning Services to the DOT Headquarters building. This is currently a contracted position and no additional funding is required. This position will be the Commissioning Authority (CA) for all building services, equipment and components necessary in the Headquarters building. This position will validate all design alterations, design decisions, and ensure applicable codes and standards are adhered to. This position will also be the DOT advocate with GSA and the building owner to ensure any changes to the building or the building systems are in the best interest of the DOT and the Government.

Building Maintenance and Utilities is requesting an increase of \$.452 million for the replacement of the 121 headquarters uninterruptable power supply (UPS) batteries. During a power outage, the UPS maintains all of the building mission critical systems. The batteries are reaching the end

of their useful life and need to be replaced prior to failure. These batteries will be capitalized and replacement costs will be collected over the next 12 years.

Financial Assistance Reporting System is decreasing by \$.500 million to reflect the discontinuation of this program.

Financial Mgmt, Accounting & Admin is increasing \$.492 million to reflect the increased Certification & Accreditation costs for the 13 Office of Administration (M) systems. To fully implement the requirement for continuous monitoring, the contractor will provide highly skilled, trained, and certified information security professionals with the relevant industry certifications and the knowledge and experience with NIST requirements as they pertain to the Security Assessment & Authorization (SA&A) processes. The contractor will provide services to comply with the specifications of all applicable OMB, NIST, and DOT standards to ensure that all “M” systems meet current security requirements.

Human Resource Services is requesting a net increase of \$.244 million to fund 3 previously vacant positions to include the Training Development Officer position. The training position will support the Department’s Strategic Human Capital Plans in the areas of performance management, training, employee engagement, employee viewpoint survey and other human capital initiatives.

Human Resource Systems obligations increase by \$1.518 million. \$.681 is requested to merge the thirteen separate Employee Express Inter-Agency Agreements (IAAs) into the WCF. This will increase efficiencies in the Department by eliminating the need for multiple IAA processing and billings throughout the Department. There will be no additional costs to the Operating Administrations, as they were already receiving these services outside the WCF.

An increase of \$.903 million is requested for the FAA’s full implementation onto the Training Management System (TMS). TMS is DOT’s official learning data repository of record and the official learning history source for all DOT. TMS is provided to DOT by the Interior Business Center (IBC), and because IBC hosts other DOT HR systems, TMS can be tightly integrated to provide a more complete employee training record that references job series, organizations, and GS level within training records.

These increases were slightly offset by decreases of \$.066 million in other Human Resource Systems areas as a result of favorable pricing from the service provider.

As part of the cost savings efforts in Library & Information services, a large part of the collection is now in electronic format and available from any DOT employee’s desktop. This efficiency results in a decrease of \$.235 million and 2 positions from the Library.

Security Operations is requesting a net increase of \$.870 million for DOT’s agency contribution for credit monitoring services for individuals affected by the second breach of personnel security information housed at the Office of Personnel Management (OPM). An additional 6 positions and \$.416 million is requested to meet the extra workload required by the Intelligence Reform and Terrorism Prevention Act, which places stringent mandates on agencies for timely initiation of background investigations and adjudications of the completed investigations. The Office of the Director of National Intelligence (ODNI) signed a memorandum “Approval of the Revised Federal Standards “ which requires additional periodic re-investigations on Public Trust

positions and annual assessments on all national Security Clearance holders. OPM issued follow-up guidance in a notice dated November 4, 2014 “Implementation of Federal Investigative Standards for tier 1 and 2 investigations” which when fully implemented, significantly increase the caseload for the personnel security staff. The Office of Security has oversight responsibility for the entire DOT Personnel Security Program in these areas.

An increase of \$.102 million is requested to fund the additional background investigations for WCF staff as a result of the OPM guidance discussed above.

These increases are partially offset by a decrease of \$.126 million in the HSPD-12 program that is a result of lower estimated number of cards being issued in FY 2017.

Substance Abuse and Awareness & Testing Program requests a net increase of \$1.378 million. The increase includes one new position and \$.131 million to meet the Department of Health and Human Services (HHS) revised mandatory guidelines for Federal workplace drug testing, which includes a mandatory five percent site audit of the agency’s collection sites each year. The program is also requesting an additional \$1.247 million for the new collection contract which in addition to the normal inflationary increases addresses the HHS requirements for recollection of specimens that report as a negative dilute.

Transit Benefits & Parking is requesting an increase of \$.209 million which reflects the current utilization of benefits throughout the Department.

Other small increases and decreases resulting in a net decrease of \$.035 million have been incorporated in various programs and are reflected in the revenue estimates to the WCF customers.

Without the DOT WCF, each operating administration would have to assume responsibility for the common administrative services provided by the WCF. Not providing these activities through the WCF would NOT eliminate the need for them. Instead, it would lead to inherent inefficiencies as each administration would strive to procure services individually. In programs like Copier, Printing & Multi-media, economies of scale would be lost as each mode would be forced to negotiate with a service provider for individual printing services.

FY2017 REQUEST
WCF DOT & NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)

<u>Description</u>	<u>DOT</u> <u>Obligations</u>	<u>Non-DOT</u> <u>Obligations</u>	<u>2017 Total</u>
Assistant Secretary for Administration			
Acquisition & Procurement Operations	4,129	0	4,129
Building Security	14,685	0	14,685
Commercial Services Management	0	65	65
Copier, Printing & Multimedia	5,687	500	6,187
Disability Resource Center	2,598	280	2,878
Docket Services	1,874	194	2,068
E-Gov Initiatives	4,704	0	4,704
Emergency Response Programs	1,842	0	1,842
Facilities Services & Utilities	11,018	370	11,389
Federal Laboratory Consortium	31	0	31
Financial Assistance Reporting System (FARS)	0	0	0
Financial Mgmt, Accounting, & Administration	8,153	0	8,153
Flexible Spending Account	363	0	363
Headquarters Space Management & WCF Rent	8,842	0	8,842
Human Resource Services	5,451	93	5,544
Human Resource Systems	21,605	0	21,605
Library & Information Services	1,238	0	1,238
Mail Services & Postage	3,047	0	3,047
News Media Services	447	0	447
Security Operations	7,322	0	7,322
Substance Abuse Awareness & Testing	4,365	3,440	7,806
Transit Benefits & Parking	10,822	358,353	369,175
Unemployment Compensation	2,066	0	2,066
Warehouse	1,055	0	1,055
Assistant Secretary for Admin Subtotal:	121,346	363,295	484,641
Chief Information Officer			
Campus Area Network (CAN)	6,572	0	6,572
Desktop Services	15,041	0	15,041
Enterprise Dashboard	704	0	704
Enterprise Licenses	3,198	0	3,198
Information Assurance & Privacy	14,381	0	14,381
Server & Messaging Services	13,982	0	13,982
Voice, Cable & Wireless	15,165	0	15,165
Chief Information Office Subtotal:	69,043	0	69,043
Grand Total:	190,389	363,295	553,684

FY2016 ENACTED
WCF DOT & NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)

<u>Description</u>	<u>DOT</u> <u>Obligations</u>	<u>Non-DOT</u> <u>Obligations</u>	<u>2016 Total</u>
Assistant Secretary for Administration			
Acquisition & Procurement Operations	7,743	0	7,743
Building Security	13,565	0	13,565
Commercial Services Management	65	0	65
Copier, Printing & Multimedia	8,108	0	8,108
Disability Resource Center	2,399	280	2,679
Docket Services	1,535	583	2,118
E-Gov Initiatives	4,656	0	4,656
Emergency Response Programs	1,824	0	1,824
Facilities Services & Utilities	10,566	339	10,905
Federal Laboratory Consortium	31	0	31
Financial Assistance Reporting System (FARS)	500	0	500
Financial Mgmt, Accounting, & Administration	7,163	0	7,163
Flexible Spending Account	363	0	363
Headquarters Space Management & WCF Rent	8,910	0	8,910
Human Resource Services	5,705	53	5,758
Human Resource Systems	20,087	0	20,087
Library & Information Services	1,473	0	1,473
Mail Services & Postage	3,147	0	3,147
News Media Services	430	0	430
Security Operations	6,060	0	6,060
Substance Abuse Awareness & Testing	2,987	3,180	6,167
Transit Benefits & Parking	10,613	358,353	368,966
Unemployment Compensation	2,009	0	2,009
Warehouse	999	0	999
Assistant Secretary for Admin Subtotal:	120,938	362,788	483,726
Chief Information Officer			
Campus Area Network (CAN)	6,647	0	6,647
Desktop Services	14,352	0	14,352
Enterprise Dashboard	752	0	752
Enterprise Licenses	3,642	0	3,642
Information Assurance & Privacy	14,791	0	14,791
Server & Messaging Services	14,673	0	14,673
Voice, Cable & Wireless	14,244	0	14,244
Chief Information Office Subtotal:	69,101	0	69,101
Grand Total:	190,039	362,788	552,827

FY2015 ACTUAL
WCF DOT & NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)

<u>Description</u>	<u>DOT</u> <u>Obligations</u>	<u>Non-DOT</u> <u>Obligations</u>	<u>2015 Total</u>
Assistant Secretary for Administration			
Acquisition & Procurement Operations	4,930	0	4,930
Building Security	15,764	0	15,764
Commercial Services Management	65	0	65
Copier, Printing & Multimedia	7,167	15	7,182
Disability Resource Center	2,245	280	2,525
Docket Services	1,816	301	2,117
E-Gov Initiatives	4,693	0	4,693
Emergency Response Programs	884	0	884
Facilities Services & Utilities	10,924	349	11,273
Federal Laboratory Consortium	26	0	26
Financial Assistance Reporting System (FARS)	500	0	500
Financial Mgmt, Accounting, & Administration	7,191	0	7,191
Flexible Spending Account	363	0	363
Headquarters Space Management & WCF Rent	8,534	0	8,534
Human Resource Services	6,008	50	6,058
Human Resource Systems	19,451	0	19,451
Library & Information Services	1,235	0	1,235
Mail Services & Postage	3,597	0	3,597
Security Operations	5,920	0	5,920
Substance Abuse Awareness & Testing	2,969	3,333	6,302
Transit Benefits & Parking	5,902	336,775	342,677
Unemployment Compensation	2,009	0	2,009
Warehouse	1,306	0	1,306
Assistant Secretary for Admin Subtotal:	<u>113,500</u>	<u>341,102</u>	<u>454,602</u>
Chief Information Officer			
Campus Area Network (CAN)	6,550	0	6,550
Desktop Services	17,399	0	17,399
Enterprise Licenses	1,625	0	1,625
Information Assurance & Privacy	14,890	0	14,890
Server & Messaging Services	14,260	0	14,260
Voice, Cable & Wireless	13,276	0	13,276
Chief Information Office Subtotal:	<u>68,000</u>	<u>0</u>	<u>68,000</u>
Grand Total:	<u>181,500</u>	<u>341,102</u>	<u>522,602</u>

ASSISTANT SECRETARY FOR ADMINISTRATION
WORKING CAPITAL FUND
FY 2017 BUDGET ESTIMATE
(In thousands of dollars)

<u>Program</u>	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
DOT Activities	113,500	120,938	121,346	408
Non-DOT Activities	341,102	362,788	363,295	507
Total	454,602	483,726	484,641	915
 <u>Staffing</u>				
Reimbursable Positions	219	224	231	7
Reimbursable FTE	219	222	228	6

The Office of the Assistant Secretary for Administration continues to meet the challenge to think more globally, respond to customer needs, anticipate and plan for future impacts of services offered, and strategically define what should be done in order to best prioritize and deploy resources.

MISSION/VISION/VALUES

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

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

FY 2017 BUSINESS LINES BY PROGRAM

Acquisitions & Procurement Operations

\$ 4.129 million

The Procurement Operations Program provides the full range of procurement functions from acquisition planning through contract closeout including pre-award contract and grant services,

post award contract and grant services, simplified acquisition services, and purchase card administration and oversight. This program acts as the servicing procurement office for the Office of the Secretary (OST), Office of the Inspector General, and Surface Transportation Board and does limited procurement work for other customers as requested. Acquisition Services awards between \$250 million and \$450 million in new obligations annually, processing over 1200 transactions per year. At any one time, Acquisition Services is managing well over \$500 million in existing contracts and grants. Acquisition Services also manages DOT's \$200 million per year purchase card program. Contracts meet all applicable Federal Government procurement regulations.

Departmental Procurement Platform

This program supports PRISM consolidation and integration with Delphi which is the Department's approved Procurement Systems Modernization plan. The Department's Procurement Systems Modernization plan is a modular, phased approach that is compliant with OMB's Federal IT Management plan and DOT OCIO objectives. Consolidation of the multiple Operating Administration's procurement systems will significantly enhance Department-wide spend analysis and contract efficiency initiatives while reducing the cost of software maintenance, application support and system hosting. Integration of the consolidated PRISM system with Delphi, the Department's financial system, will provide systematic real time accounting and funds control validations and status of funds reporting. The consolidated PRISM environment will support over 6,000 departmental personnel who process and manage over \$2 billion in annual procurement obligations.

Building Security

\$14.685 million

The Building Security program provides security for the three DOT Headquarters buildings (Southeast Federal Center, FAA FOB-10A, and FAA FOB-10B), which includes contract Protective Security Officer (PSO) services on a 24-hour per day basis and other physical security access control functions.

At all DOT Headquarters buildings, contract PSO's perform access control functions for pedestrians, vehicles, and package deliveries. They are the first responders for security and life safety incidents. In addition, they escort special visitors (VIPs) within the building when enhanced security is required. PSO's escort employees and contractor employees who are being dismissed from employment and if necessary, monitor a person's actions until he or she leaves the building. The PSOs also monitor alarms (fire, intrusion, and duress) and the CCTV system (security cameras).

Building security functions include updating security equipment, such as surveillance monitors, cameras, X-ray inspection systems, magnetometers, and access control systems, within the buildings and on the perimeters, as well as procuring contract support to handle the maintenance, ensuring a safe and secure work environment for employees, contractors, and visitors.

The Lenel OnGuard system installed at the Headquarters facility is an access control and alarm monitoring system. The purpose of this system is to control access to secure areas via proximity/PIV card and reader technology, as well as to monitor alarm points for intrusion detection. Other functions include credential production, visitor management, and video and graphical map displays to assist in video surveillance and deployment of assets in response to an incident.

The DSX physical access control system installed at the FAA Headquarters facilities is an access control and alarm monitoring system. The purpose of this system is to control access to secure areas via proximity card and reader technology, as well as to monitor alarm points for intrusion detection.

Commercial Services Management

\$.065 million

This activity provides mandatory training to all operating administrations and services for the Purchase Card Program and its support systems throughout the Department.

Copier, Printing & Multimedia

\$6.187 million

Visual Information and Printing (VIP):

The VIP Program utilizes the Government Printing Office's (GPO) Simplified Purchase Agreement Program (SPA), GPO Express, and Direct Deal Contracts to procure both printing and graphic services. This allows faster processing time by going directly to the vendors, plus receiving top quality services with volume prices. The SPA program offers graphics access to five-hundred vendors to obtain competitive pricing, faster processing time and quick turnaround deliveries. Contract Printing is approved to the maximum \$10,000 limit for the SPA program. Direct Deal Term Contracts allows DOT to write contracts that fit DOT's specific needs for print and graphic design procurement. These contracts allow DOT to deal directly with the vendor and submit paperwork to GPO. This provides the staff the ability to calculate the final price before the job is released; jobs are processed faster and with knowledgeable print buyers, thus saving cost. Graphics provides expert consultation including design specifications, multi-media presentations, and CD-ROM layout services, web pages, publications, posters, plaques, and certificates. Contract Printing, through GPO's access to over 15,000 printing contractors nationwide, offers a complete range of printing, binding and finishing services with volume pricing. Contract Printing will evaluate job requests to be produced in the Digital Document Center as a first option before sending jobs out through the GPO procurement methods. The VIP also provides on-site, state-of-the-art, high-speed digital copying and document automation and conversion. It provides basic office documents and reports, multi-colored digital copying and the conversion of "hard copy" documents to a variety of digital file formats. The center also provides finishing services such as drilling, collating, perfect binding, spiral/comb-binding and saddle stitching.

Multi-Media & Photography Services:

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

The photographers interpret programs and situations and use innovative and improvised techniques and methods to achieve high quality photographs using digital technology, producing

prints of a professional, technical, and artistic standard. The photographers photograph the Secretary and other members of the highest offices of the government, and foreign dignitaries.

Multi-functional Printers:

The MFP (Multifunctional Printer Program) provides cost competitive equipment which copies, prints, faxes, and scans for all DOT organizations in the Washington Metropolitan area and regionally for OIG, NHTSA, FMCSA, FRA, and PHMSA. Program charges include machine lease costs, all supplies including paper, and on-site maintenance support. Centralizing this service opens the door to many advantages for the WCF customers and the Department. The MFP Program currently has 303 machines in active use.

Disability Resource Center

\$2.878 million

The DOT Disability Resource Center (DRC) is a centralized resource that provides reasonable accommodation, technical assistance, training and outreach to all modal employees and job applicants under DOT. Program costs are allocated to the modes based on national population of staff with adjustments made to exclude certain position series (i.e., Air Traffic Controller-2152).

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

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

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

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

Docket Services

\$2.068 million

Dockets Operations provides the legal framework for formal DOT proceedings, serving as a clearinghouse for rulemaking and non-rulemaking activity (e.g., proposed rules, final rules, notices, supporting materials, guidance and supporting materials, adjudications, public comments).

In support of DOT goals and objectives to increase agency transparency and accountability, Dockets Operations utilizes the government-wide, image-based, electronic docket management system known as the Federal Docket Management System (FDMS) managed by EPA. The vision of the FDMS is to (1) increase public access to federal regulatory material; (2) increase public

participation in the federal rulemaking process; and (3) improve federal agencies efficiency and effectiveness in rulemaking development.

The FDMS promotes public access to and inclusion of federal regulatory and adjudicatory information by providing a centralized, internet site for the public to search, view, download, and submit comments/submissions on all federal rulemaking and non-rulemaking materials; thereby facilitating transparency. As a clearinghouse, Docket Operations serves operating Administrations within DOT and the U. S. Coast Guard, in analyzing and uploading regulatory and non-regulatory documents, supplementary materials and public comments into the FDMS. Dockets Operations supports a variety of Executive Orders, Laws, and Action Plans including:

- Executive Order 13563 – Improving Regulation & Regulatory Review;
- Executive Order 13609 – Promoting International Regulatory Cooperation;
- The Open Government Partnership National Action Plan;
- The Presidential Memorandum – Managing Government Records;
- The Clinger-Cohen Act (40 U.S.C. §11318); and
- The E-Government Act of 2002

E-Gov Initiative

\$4.704 million

In response to the E-Government Act of 2002, the Office of Management and Budget and Federal agencies identified 24 E-Gov Initiatives to provide high-quality, common solutions such as citizen tax filing, Federal rulemaking, and electronic training. The E-Gov Initiatives serve citizens, businesses, and Federal and state government employees by delivering high quality services. This business line consolidates 117 separate interagency agreements into 9 agreements.

Emergency Response Programs

\$1.842 million

Crisis Management Center (CMC)

The CMC provides information and communications resources to effectively manage day-to-day operations and support emergency management, response, and recovery programs during emergency situations. Emergency situations may include: natural and technological disasters (e.g., hurricanes, earthquakes, major transportation accident, etc.), labor disputes, terrorist attacks, cyber-attacks, national security special events, security incidents, defense mobilization, and any transportation-related activity requiring extraordinary coordination among Departmental organizations, Federal, State, Tribal, and Local government authorities. This business line consolidates five reimbursable agreements into the WCF estimates.

COOP Facility

This program provides centralized billing services for the Department’s Continuity of Operations (COOP) facility utilized by DOT leadership. This activity includes costs associated with leasing the Secretary’s (COOP) relocation site, and provides funding for equipment and services necessary for the operation of the facility.

Emergency Notification System

The Emergency Notification System (ENS) was a recommendation in the “DOT After Action Report” following the Navy Yard active shooter incident on September 16, 2013. ENS is capable of providing emergency notifications to approximately 13,000 employees at DOT headquarters and field locations. The ENS is hosted in the cloud, maintains a voluntary self-

registration portal, and sends out DOT-wide alert notifications to hand held devices. All employees receive email notifications regardless of whether they have voluntarily registered other devices.

Facilities Services & Utilities

\$11.389 million

Transportation & Facility Services manages a diversified and complex, mission-essential, building management program for the DOT Headquarters facility totaling over 1,350,000 square feet of space which houses the Secretary of Transportation and over 5,500 employees. The following program responsibilities are carried out by the office:

Facility Services:

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

Building Maintenance and Utilities:

The Facilities Office manages the DOT Headquarters annual energy budget, and the electrical and mechanical operating system's distribution infrastructure required to light, heat and cool the facilities. The office ensures that maintenance and recurring repairs are completed on electrical transformers and other electrical and mechanical systems. This office is also responsible for implementing the National Energy Conservation Program requirements in the DOT headquarters building. The office ensures all Government-maintained mechanical, electrical and utility systems are operated in accordance with energy conservation guidelines contained in the Federal Property Management Regulation (FPMR) 101-20-107. The office maintains an energy management and conservation plan in accordance with the lease and an established preventive maintenance program for the building operating systems and keeps a complete inventory of the equipment to be maintained, with type of maintenance to be performed and frequencies. The office also manages and performs a continuous/retro-commissioning program on all its operating equipment, driven by the best practices of the industry, to promote the highest levels of sustainability and energy conservation.

Special Facility Services:

Provides special facilities services not provided through the normal Headquarters Facilities Services. Specifically, obligations for alterations for offices are budgeted here. Additionally,

special air quality testing requested by modal offices outside the normal testing done by Facilities is billed via this line of business.

Overtime Utilities:

This service provides visibility to customer overtime utility usage by billing the headquarters customers for overtime lighting and HVAC utilized outside normal operating hours. The actual usage data is compiled and billed to the OA's on a monthly basis. The lighting and HVAC systems operate from 0500 to 1900 hours, Monday through Friday. The HVAC and lighting systems remain off on Saturday, Sunday and Holidays unless the Overtime Utilities Card Swipe System is used by the requestor.

Shipping and Receiving:

The Shipping and Receiving Office provides oversight of the loading dock for the Department. Specific activities include: managing the service requests for labor support, managing the service tickets in automated system to track costs, validating received items for delivery, loading and offloading of truck deliveries, barcoding and uploading to automated property system, and maintenance on dock equipment.

Contract Labor Support:

The Facilities Office provides labor support to the DOT workforce. Support is requested to assist in special event planning, setting up conference rooms, employee relocations, moving equipment or furniture, hanging/removing photos/portraits/artwork, furniture reconfigurations and new installations, furniture maintenance, and other special requests.

Motor Pool:

The Motor Pool provides transportation/fleet management support to the DOT headquarters through the operation of an executive vehicle service program, U-drive vehicle service, and courier service. The Motor Pool program provides professional, cost effective, dependable motor vehicle service and support to the Operating Administrations (OAs) within the Headquarters Department of Transportation. The program implements Departmental administrative policy for motor vehicle operations; maintains a physical environment which supports the needs of the OAs; and provides innovative fleet solutions ensuring safe, dependable, transportation utilizing cost effect fleet strategies and efficient repair and replacement methods. The office manages the vehicle lease agreement with GSA; prepares the monthly billing report; ensures vehicle accidents, abuses, and damages are investigated; serves as a liaison to GSA Fleet Management Center (FMC)/Fleet Management Offices (FMO) for vehicle matters; reviews vehicle lease requirements annually; and manages the U-Drive fleet of vehicles.

DOT Event Center:

This program consolidates the Media Center, photography services and conference center and provides a single contact point for DOT and Non-DOT agencies to coordinate events that are related to their mission, programs and activities. This consolidated center will better assign costs to agencies for the services requested. Services include: event coordinator, webcasting, video-teleconferencing, satellite broadcasts, press and media briefings, live hook-ups with national networks and broadcasters, full range of videotape productions, a wide variety of photographic shoots with finishing and processing options, and meeting rooms that have capacity that ranges from 15 to 100 and includes use of the West Atrium which has a capacity of 550 when set up auditorium style.

Conference Center:

The Conference Center in the DOT Headquarters is used by the various DOT organizations for programs and activities related to the DOT mission.

Personal Property/Records Management:

This program provides Departmental personal property management services and governance to several Operating Administrations (OST, MARAD, FRA, OIG, and STB). Functions consist of: asset barcoding, inventory management, shipping and receiving, dispositions, storage, transporting material, property repair and rehabilitation, property custodian training, computer donations to schools, and records management.

This office conducts comprehensive reviews and evaluations on departmental programs and procedures ensuring consistency with governmental laws and regulations, and applicable industry standards and practices. As the Department's representative to external groups such as Central Managing Agencies, General Services Administration, and Government Accountability Office, the office negotiates and defends DOT on matters related to personal property policies, programs, systems and procedures. The office manages the development, implementation and maintenance of an automated property management system, containing a data base of all personal property and equipment. The office conducts an annual 100% physical inventory of all accountable property and ensures property records accurately reflect on-hand quantities.

Additional services provided include:

- Managing the DOT Approved Workstation Standards and furniture BPA nationwide.
- Managing Reports of Survey for property which is destroyed, lost, or damaged.
- Developing, recommending, and implementing standardized electronic record retrieval and disposal processes.
- Managing the Department's loan agreements for art work on loan to the Office of the Secretary of Transportation from National Galleries.

Occupational Safety and Health/Emergency Preparedness:

This Office is responsible for maintaining a viable safety program for the DOT HQ which includes ensuring alarm monitoring systems are adequately maintained and reporting all incidents resulting in personal injury related to building design to the proper authorities. This Office conducts periodic fire, safety, health, and air quality inspections.

This office also provides employees with a comprehensive occupational safety and health program which includes evaluating, assessing and monitoring the facility to reduce operational risks to employees, thereby providing a safe and healthful workplace. It also provides DOT Headquarters employees with the basic emergency preparedness procedures to include evacuation of the building and sheltering-in-place drills.

Fitness Center:

The DOT Health and Fitness Program develops and promotes Department-wide employee health and fitness policy and guidelines thereby improving employees' ability to enhance their work performance. The core programs offered by the DOT Fitness Center are well-rounded and address lifestyle behaviors, nutrition education, stress reduction, and the prevention of disease and other health conditions. The Center conducts health appraisals, lifestyle and physical risk factor assessments; including better ways to incorporate healthy strategies and approaches for improved intervention in Body Mass Index, pulse, blood pressure, aerobic strength and

flexibility levels; which are vital to optimal health. These strategies provide employees with increased knowledge in self-care thereby decreasing absenteeism and health care costs. Funding for the program is through membership fees, and a small portion supported by the DOT Operating Administrations.

Federal Laboratory Consortium

\$.031 million

The Federal Laboratory Consortium Program provides centralized billing services. This program processes payments to the National Institute of Standards and Technology for the support of the Federal Laboratory Consortium. The Federal Laboratory Consortium provides a link between Governmental agencies and industry in order to promote the transfer of Federal technology to improve the domestic economy. This transfer of funds is required by Title 15 U.S.C. Section 3710. The National Institute of Standards and Technology requires a central billing point of contact in each cabinet level office for these costs. Distribution is based on the National Science Foundation's *Federal Obligations for Total Research and Development by Agency and Performer* report for each fiscal year.

Financial Assistance Reporting System (FARS)

\$0

This program is being phased out to meet the Federal grants streamlining goals of: 1) reducing the number of individual federal grant systems; 2) standardizing data requirements, processes, and policies; and 3) creating greater uniformity and interoperability within the DOT OAs. Each OA will enter their grants data directly into USA.spend.

Financial Management, Accounting & Administration

\$8.153 million

Office of Financial Management:

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

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

The OFM provides services to approximately 130 DOT and non-DOT customers and has an established interagency agreement for each customer. The OFM meets annually with all the DOT Operating Administrations to discuss the WCF revenue estimates and ongoing services. The OFM conducts the WCF Steering Committee meetings that provide oversight to the fund and ensures that WCF goods and services are provided to all DOT OAs in the most cost-effective and efficient manner. Specific functions and activities of the Committee include: recommending goods and services that comprise the WCF; approving all WCF funding levels; evaluating the

WCF performance in meeting service plans; and reviewing of capital asset purchases in excess of \$50,000.

Office of the Deputy Assistant Secretary for Administration:

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

IdeaHub

IdeaHub is an online community that facilitates innovation and collaboration within the Department and operating administrations. The web-based program has positioned itself as an integral part of DOT's social landscape, by providing an easily accessible, 24/7 site for employees to submit, comment, rate, and grow ideas that represent their vision for a better DOT. IdeaHub weaves social collaboration and innovation into the very fabric of the Department and enhances the DOT's culture by giving all employees a voice.

With more than 16,000 ideas submitted, employees have demonstrated their interest in this resource. Program success has not only been realized through the 120 ideas that were implemented within the modes and across the Department, but also through the program's ability to communicate existing Departmental processes and policies. Employees value transparency and IdeaHub is a forum to shed light on hundreds of topics to interested employees. New endeavors planned in the coming year are aimed at increasing responsiveness and leveraging employee ideas to make DOT a 21st century government.

Flexible Spending Account

\$.363 million

This program provides centralized billing services for the Flexible Spending Account fees. The Flexible Spending Account (FSA) program resulted from the National Defense Authorization Act for Fiscal Year 2004, Public Law 108-136. The FSA program is administered government-wide, through a contract held by the Office of Personnel Management (OPM). The WCF is the Departmental point of contact for these payments. The costs are distributed to the OAs based on actual usage information provided by OPM.

Headquarters Space Management and WCF Rent

\$8.842 million

Headquarters Space Management:

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

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

- acquisition, assignment, release or disposal of space and other real property; review of major real property acquisitions and disposals;
- space requirements development; space planning and interior design;

- tenant “build out” coordination and oversight;
- on-site real property and space utilization surveys;
- coordination and preparation of Departmental real property reports;
- maintenance of a Department-wide real property inventory and Headquarters space assignment data; and
- acts as DOT’s liaison with GSA and other Federal agencies for real property actions and issues.

Rent Program:

The WCF rent obligation in the amount of \$8.191 million, which includes the Federal Protection Services cost, is tracked under this business line and distributed to the other WCF programs.

Human Resource Services

\$5.544 million

Personnel Operations:

The Personnel Operations Program provides human resource services to the Office of the Secretary (OST). This program provides human resource services and training that includes recruitment, skill and competence assessment; payroll support and time-and-attendance administration; workforce and succession planning; employee recognition and performance management; employee relations, benefits; labor management; workers compensation and unemployment compensation assistance; and management of the automated human resources personnel systems. In addition, the program evaluates human resources management activities; adherence to merit principles and prevention of prohibited personnel practices. Training includes classes and activities to develop human resource skills for managers and employees.

Organizational Planning & Initiatives:

The Organizational Planning & Initiatives program office assures that DOT satisfies statutory and regulatory requirements to conduct workforce analyses, competency assessments, and reporting on the department’s leadership development and other learning programs in support of the human capital initiatives. OST partners with modal HR organizations to fill OA gaps and leverage services in order to meet the increasing requirements of statute and those related to the human capital initiatives. In addition, the office works with OAs to identify positions and develop recruitment strategies, and ensures OA awareness of the commitments for hiring individuals for these programs (e.g., training and rotational requirements, developing individual development plans, and monitoring intern performance).

Organizational Planning and Initiatives offers leadership development opportunities for DOT supervisors, managers and leaders. This program also offers Executive Coaching for managers and executives, and leadership training and development activities for identified target groups.

Departmental Programs:

The Departmental Special Programs Office provides centralized coordination of programs that cross all DOT operating administrations, Secretarial offices, and the Surface Transportation Board (STB). Program responsibilities include: Secretary’s Annual Awards Program, Combined Federal Campaign, Incentive Awards Program, various OPM Performance Management Awards Programs, Public Service Recognition Week, Blood Donor Program, Volunteer Program, and the Voting Assistance Program.

Executive and Political Resources Program:

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

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

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

DOT Work-life Program:

The Work-life Program provides information, resources and referral support to employees nationwide on a wide range of issues including, but not limited to, life transitions, wellness, telecommuting, time management, effective communication, financial health, parenting, child care, elder care, and long-term care planning. Support is provided over the phone, by e-mail, and via one-on-one work-life coaching consultations under the guidance of a work-life professional. The Child Care Advisor, a component of the Work-life Program provides DOT child care centers with training for their boards of directors, directors, teachers, and family resource coordinators. In addition to the training, the Child Care Advisor performs on-site visits, which include observations of classrooms, mentor teaching in classrooms, and accreditation preparation. The Advisor is also available to work one-on-one with child care coordinators and directors on program design, evaluation of RFP's, and assist with needs assessment and interpretation of new accreditation guidelines.

Health Services:

DOT Health Services provides a full health service program with the goal of improving the health of its employees. Health Services is staffed by Federal Occupational Health (FOH) staff eight hours per day, and provides service to a Federal population of approximately 3,600. Health Services offer a full range of services including: individualized health counseling, periodic bed rest, blood pressure monitoring, glucose monitoring, allergens and other medications administered by injection (employee provides allergy medication), and immunizations (Flu, tetanus and Pneumococcal), traveler's health and immunization information.

Human Resource Systems

\$21.605 million

The Departmental Office of Human Resource Management (HRM/HR Systems) provides program management, oversight and support for all consolidated HR systems, which include the Federal Personnel and Payroll System (FPPS), the Training Management System (TMS), the

Enterprise Human Resources Integration (EHRI) Electronic Official Personnel Folder (eOPF) and Analytic Tools, the Workforce Transformation Tracking System / Entry on Duty System (WTTS/EODS), Employee Express (EEX), and the Workers' Compensation Information System (WCIS), as well as for ongoing HR systems modernization.

- FPPS provides HR and payroll support and processing for all of DOT. FPPS facilitates movement toward achieving strategic management of Human Capital by providing reports that enable diversity management plans to sustain a workforce that represents the face of America in all occupations and at all grade levels and by providing support to workforce planning reporting to identify mission critical competencies and gaps in those competencies.
- TMS provides system support for the delivery of on-line learning, learner registration, learner training completion, the delivery and recording of assessments, and the reporting of TMS data to OPM. DOT is able to identify competency and resource gaps and develop improvement strategies for mission-critical occupations and is able to identify competency and resource gaps and develop improvement strategies for mission-critical occupations. Competency models are being developed and gap analyses conducted for six critical occupations to support career path development and integration of the resulting products into the TMS Competency Management System (CMS).
- eOPF allows secure access to official employee HR records for employees and HR staff. The centralized management of and access to the data provides the technological means for consolidating HR operations and improves the government's ability to share and transfer data about employees moving between agencies.
- EHRI Analytic Tools allow DOT to develop 5-year projections for Departmental mission-critical occupations using the EHRI Forecasting Tool.
- WCIS provides for the efficient and effective use of an automated system to transmit workers compensation claims to the Department of Labor and to allow workers compensation specialists and managers to monitor and manage the workers compensation cases. WCIS funding also funds management of workers compensation cases by the FAA.
- WTTS/EODS provides automated staffing and entry on duty support for all of DOT improving DOT's ability to (1) track projected gains; (2) track transfers and losses of federal staff and (3) allow HR specialists to develop checklists for entrance on duty, as well as provide on-line forms for new employees to complete information required on entrance to duty.
- HR systems modernization aligns DOT with the Office of Personnel Management's Human Resources Line of Business (HRLOB) and will include additional automated solutions to align with the goals and objectives of the HRLOB Modernization Initiative. These systems will be required to adhere to government wide interoperability standards as described in the HRLOB Modernization Roadmap. System consolidation efforts may include but are not limited to training, benefits, and recruitment systems. This effort directly supports the U.S. Chief Information Officer's *25 Point Implementation Plan to Reform Federal Information Technology*.

Library & Information Services

\$1.238 million

The DOT Library is one of the largest transportation libraries, in terms of physical and digital materials, in the United States. The library has a significant amount of unique holdings. While preserving the unique physical collections, the library is focused on meeting 21st century

information needs of Departmental staff by increasing electronic resources supporting research and decision-making. The library is transforming to provide primarily electronic services and reducing the physical footprint by 75%. The increase in electronic access to the library's collections continues to save the Department money and administrative overhead by centralizing the purchasing and management of multiple research subscriptions. In addition to converting print subscriptions to electronic versions, the library is systematically converting historic Departmental print documents to digital formats. The library also provides research and reference assistance across a variety of transportation and legal resources, as well as offering circulation, inter-library loan, journal routing, and cataloging services for both HQ and field offices. Library staff also consults and advises, for modes engaging in their own digitization projects.

Mail Services & Postage

\$3.047 million

Mail Services Program:

The Mail Services Program provides complete office and mail delivery services to the DOT HQs and its satellite locations. Over 10 million pieces of government mail are handled annually. The services include managing the DOT and FAA Mail Centers and all associated duties to include: sorting and distributing all incoming mail, processing Federal Express and UPS Mail, and delivering all accountable mail through an automated tracking system.

An A-76 review of the operation during the late 1980s and early 1990s found that a contractor workforce would be more cost-effective for the department. The Department chose to stay with the NISH vehicle in support of national disability initiatives. The vendor, Service Source, is flexible and can meet emerging requirements quickly due to their size and background in the field.

Postage Program:

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

News Media Services

\$.447 million

The News Media Services Program supplies an electronic news retrieval service via contract to create a daily news briefing/summary available to all Operating Administrations via the DOT intranet. The objective is to provide the Department's roughly 55,000 staff and managers with a thorough, current, and timely summary and compilation of news stories along with an archive that can be searched by key words.

Security Operations

\$7.322 million

Security & Investigations (S&I):

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

Security personnel coordinate criminal and administrative investigations of individuals and incidents occurring within the DOT headquarters facilities, and assist in resolving security-

related problems for DOT regional offices. Security personnel review and conduct follow-up investigations on security incident reports and serve as liaisons with their counterparts in Federal, state, and local law enforcement agencies, as well as at the DOT headquarters buildings. Security personnel are part of a crisis management team that works with human resources and law enforcement offices, employee assistance programs, and managers to help resolve potential workplace violence situations, and are frequently present during volatile disciplinary actions. Staff also provides security awareness seminars for DOT employees on topics such as theft deterrence to ensure adequate protection of government and personal property.

The S&I program staff includes federal employees who coordinate and oversee the installation, operation, and maintenance of integrated security systems, which include CCTV cameras, monitors, X-Ray inspection systems, magnetometers, and card access systems located within the three DOT Headquarters buildings and the DOT COOP site. Installation and maintenance are mostly handled by contractors who are funded out of the SEFC Building Security budget. Equipment purchases are mostly funded by the specific building security budget for which there is a need, although some equipment funds are in the S&I program to purchase general inventory for emergencies at all of the DOT Headquarters buildings.

This program also includes lock and key services and changing safe combinations periodically within our DOT headquarters buildings (SEFC, 10A, 10B and 55 M Street – DOT space only). On staff is one locksmith (federal employee) who maintains a proprietary lock and key system for the DOT Headquarters buildings.

Personnel Security Program:

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

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

Industrial Security Program:

The Industrial Security program ensures that National Security clearances for contractors working on classified contracts are obtained by the contractor, through the Department of Defense, before the contractor can access classified information in the performance of their duties on a DOT contract. Personnel Security staff process and maintain this program, while Information Security staff perform overall management including conducting investigations into any problem areas and issuing recommendations as needed. With an increasing number of contractor employees working on-site at DOT facilities, it is especially important to ensure that

background investigations have been conducted on these contractors and that they are suitable to work on classified contracts.

Identification Media Program:

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

HSPD-12: HSPD-12 requires the Office of Security to establish and follow stringent procedures to ensure a separation of functions in the issuance of Personnel Identification Verification (PIV) ID cards. Specifically, those who register and enroll DOT personnel may not serve as issuers. Contractors perform all duties associated with the registration and enrollment of DOT personnel, and DOT federal employees are responsible for initiating background investigations and issuing PIV cards. FAA is the HSPD-12 service provider for the technical infrastructure required to run the HSPD-12 program.

Passport Program:

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

Information Security Program:

This program provides technical direction and oversight for the protection and safeguarding of classified information and materials at DOT nationwide (excluding FAA), as well as advice, assistance and training to all DOT OAs on matters pertaining to classified information. The Information Security Specialist develops and delivers initial and annual training to roughly 1,100 clearance holders at DOT (non-FAA) that is required by Executive Order 13526 as a condition of holding a security clearance.

Executive Order 13556 directs executive agencies to develop and manage a program to identify and protect sensitive but unclassified information under a single banner identified as Controlled Unclassified Information (CUI), which will replace all previous labels such as For Official Use Only (FOUO) or Sensitive But Unclassified (SBU). This new program will become operational in early FY 2016, with full implementation required within one year. Executive Branch agencies must provide training (both initial and recurring) to all employees and contractors, perform ongoing internal inspections, ensure continued monitoring and tracking, perform Department-wide audits, and submit periodic reports to the National Archives and Records Administration. All of these activities are designed to protect a category of information that is not classified but yet is sensitive and warrants special treatment. The Office of Security will coordinate DOT's

transition to CUI, including the development and delivery of required training, completion of audits, and reporting.

The Information Security Program also conducts non-criminal investigations, and issues findings and recommendations, including possible disciplinary or remedial actions with respect to deficiencies or security violations/infractions. Finally, this program manages a contract for the destruction of classified and sensitive information at the DOT and FAA Headquarters buildings and maintains records for all security containers (safes) used within the Department that are serviced by the locksmith. This includes periodic inspections to ensure that classified information is properly stored in accordance with 32 CFR Part 2001.

Technical Security Program:

The Office of Security manages several security programs that fall under a general security category called Technical Security. These programs include communications security (COMSEC), control of compromising electronic emissions (TEMPEST), and technical surveillance countermeasures (TSCM), and require the expertise of persons highly trained in complex technical matters. This expertise is provided to the OAs and covers the protection of classified national security information and other sensitive information when discussed or processed during meetings or on information technology systems, or when electronically transmitted.

The Office of Security directly manages the COMSEC program for DOT Headquarters and field facilities (excluding FAA). The COMSEC program includes both fixed and mobile equipment and devices that process classified communications. This responsibility includes management of the DOT COMSEC account, conducting required inventories of controlled cryptographic equipment and material, and issuance of secure communications equipment, including the Sectera vIPer phones, which are in the process of replacing the existing Secure Terminal Equipment (STE) units, and secure wireless and satellite phones.

Substance Abuse Awareness & Testing

\$7.806 million

The DOT Federal Employee Drug and Alcohol Testing Program, mandated by Executive Order 12564 and the Omnibus Employee Testing Act of 1991, is the second largest program in the Federal Government with over 80,000 federal employees in the testing pool. Services under this program are provided to all DOT operating administrations, the U.S. Merchant Marine Academy and to the following agencies within the Department of Homeland Security (DHS):

Transportation Security Administration (TSA), U.S. Coast Guard (USCG) and the Federal Air Marshals (FAM) program. Services are provided on a nationwide basis and include setting program policy requirements; briefings to unions on policy changes; providing testimony at third party hearings; random selection process; follow-up drug and/or alcohol testing program for employees who have completed rehabilitation; urine collection and laboratory testing services for pre-employment, random, return-to-duty, follow-up, reasonable suspicion, and post-accident; breath alcohol testing services for random, return-to-duty, follow-up, reasonable suspicion, and post-accident; split specimen testing services; medical review officer services; managing, coordinating and conducting employee awareness programs and mandatory supervisory training; and coordination of the Employee Assistance Program. Drug and alcohol collection and testing services are provided through contract vendors.

Transit Benefits & Parking**\$369.175 million**

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

- Working Capital Fund (WCF) cost reimbursable agreements under Title 49 U.S.C 327.
- Non-DOT WCF reimbursable agreements under the Economy Act of 1932.
- Employee Parking Deposits for parking spaces to DOT employees under GSA Federal Management Regulation.

Transit Benefit Program:

The TRANServe Program office is a Federal Government provider for transit benefits to 106 Federal agencies with over 202 thousand participants receiving in excess of \$350 million of services annually. TRANServe provides this fringe benefit in accordance with the Internal Revenue Code section 132(f).

From the perspective of providing an efficient, economical means to distribute transit benefits, TRANServe enables agencies to make use of a single established distribution system, with extensive and effective internal controls over the receipt, maintenance, and distribution of the transit benefit provided to Federal employees under the program. It eliminates the need to establish multiple systems duplicating these functions at agencies and individual offices throughout the country. There is no mandate to make use of TRANServe for transit benefit distribution; rather, each of the agencies now making use of its services decided it was in their interest to use TRANServe for transit benefit distribution

Participating agencies, TRANServe, and transit benefit recipients all have specific responsibilities to help ensure that the Transit Benefit Program functions effectively and that individuals participating in the program receive only the benefits they are eligible for, and use it appropriately, “Home to Work to Home”.

- TRANServe operates a highly sophisticated program (the Program) for providing the transit benefit to 106 agencies. The Program is supported by a complex and dynamic network of activities, such as statistical forecasting for nationwide distribution, and an elaborate array of financial analysis for agency billing. The commercial marketplace supporting the transit benefit delivery system is continuing to evolve to a more technologically advanced discipline. For instance, many Transit Authorities are re-engineering their transit media delivery system by eliminating paper and moving to electronic fare media. TRANServe has also transitioned its distribution methodology to a 97% electronic format through the TRANServe Debit Card thus reinforcing a low cost, efficient framework to deliver the transit benefit.
- The shift in distribution to electronic supports Green Government, strengthens internal controls, and meets Transit Authorities changing requirements.

TRANServe executed a Memorandum of Understanding (MOU) with the Department of Treasury, Financial Management Service (FMS) to provide the ability to partner with a federally approved Bank for nationwide delivery of electronic fare media across the Federal government. TRANServe has partnered with J.P. Morgan Chase; the Financial Agent selected by FMS, and has established an electronic fare media product in the form of a debit card.

TRANServe collaborated with the Department of Treasury and Internal Revenue Service's (IRS) General Counsels' Offices to ensure the Program remained compliant with IRS tax code and the benefit maintained its tax-free status. The IRS has worked with TRANServe under their original guidance as well as their newly published guidance to ensure the Debit Card performs as required in specific transit authorities across the nation.

The Parking Management Program:

The Parking Management Program sells, issues, and administers weather-secure parking spaces in the DOT headquarters building. In addition, the program provides oversight to FAA for the management of their parking fees. The Parking Office collects money from the sale of parking permits for the regular monthly parking, temporary parking, and FAA parking.

Unemployment Compensation

\$2.066 million

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

Warehouse

\$1.005 million

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

Excess personal property is received, reported, and transferred for all DOT organizations in the Washington Metropolitan area. The excess program handles on average 750 pieces of furniture or equipment every month, sending almost half of the computer equipment to schools throughout the country as part of Executive Order 12999.

OFFICE OF THE CHIEF INFORMATION OFFICER
WORKING CAPITAL FUND
FY 2017 BUDGET ESTIMATE
(In thousands of dollars)

<u>Program</u>	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
DOT Activities	68,000	69,101	69,043	(58)
Non-DOT Activities	0	0	0	0
Total	68,000	69,101	69,043	(58)
 <u>Staffing</u>				
Reimbursable Positions	95	161	161	0
Reimbursable FTE	63	128	161	33

Background

The Office of the Chief Information Officer (OCIO) has the responsibility for the management and administration of the IT Shared Services (ITSS) portion of the Department's WCF organization, which supports the operation of an infrastructure known as the common operating environment (COE) that includes telecommunications, messaging, directory services, a fully consolidated DOT headquarters network, service desk and related support.

OCIO continues to implement the approved reprogramming and reorganization that was based on an extensive information technology (IT) workforce analysis completed in FY 2014. This realignment will improve and reduce costs. Funding for the new reimbursable positions will be realigned from the OCIO's contract line item.

Consistent with OMB guidance, OCIO will work with the WCF Steering committee to reinvest potential savings from the eliminated positions to improve the Departmental IT infrastructure, IT services, and cybersecurity posture.

The current request will provide oversight and guidance for the \$69.1 million in IT services delivered to the Department's OAs on a cost recovery basis.

MISSION/VISION/VALUES

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

WCF/ OCIO ITSS staff designs, implements, operate, maintain and oversee all lifecycle ITSM phases of the core IT infrastructure for the DOT.

FY 2017 OCIO BUSINESS LINES BY PROGRAM

Campus Area Network (CAN)

\$6.572 million

The Campus Area Network provides support services for the network infrastructure, Internet connectivity, and secure connections for the DOT headquarters and connectivity between DOT HQ and other DOT buildings in the DC Metro area, including the FAA HQ (FOB-10A). The request includes continued enhancement of the DOT network infrastructure and continued improvements of the DOT network security posture.

The request includes support for the 5-HELP Service Center Incident Management Center; maintenance support for new security software and appliances; support of the additional bandwidth for Internet connectivity; and the increased level of monitoring as required by DHS and the Trusted Internet Connection.

Desktop Services

\$15.041 million

The ITSS desktop, laptop, and engineering PC program provides quality, cost effective seat management, and related support under Service Level Agreements (SLA) with customers. ITSS sustains more than 8,900 devices that support the mission of DOT.

OCIO continues to work with the operating administrations to sustain regional and field users as requested. Several operating administrations currently pay for this service directly (i.e. outside of the Working Capital Fund) and may recognize efficiencies by consolidating into the WCF.

Enterprise Dashboard

\$0.704 million

The Dashboard allows users to visualize and understand WCF expenditures and to make better business decisions. The platform is also used to improve business intelligence in a variety of areas including demographics tracking, human resource planning, procurements, and undelivered orders.

Enterprise Licenses

\$3.198 million

ITSS manages the COE and is positioned to centrally manage and fund the Microsoft Enterprise License Agreement (ELA). This enables our customers to focus on their specific missions while the OCIO continues to manage and oversee the ELA.

Information Assurance & Privacy

\$14.381 million

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

Information Assurance:

The mission of the DOT Cybersecurity and Information Assurance (CSIA) program is to ensure the protection, integrity, availability, and confidentiality of DOT business systems, and critical IT infrastructure across hundreds of geographically separated locations, including contractor

facilities and cloud service providers. The program's primary function is to lead and oversee DOT's implementation of Federal cybersecurity regulations, policies, guidance, and capabilities, and ensure DOT's compliance with the Federal Information Security Modernization Act (FISMA), and other applicable statutory requirements.

The program operates and maintains the DOT enterprise cyber incident response capability to detect, protect, report, and respond to cyber events across the DOT global enterprise, and which supports coordination of the remediation or mitigation of vulnerabilities and weaknesses. The program reports cyber incidents to the Department of Homeland Security's (DHS) US-CERT cyber incident center, and coordinates DOT engagement and response activities with US-CERT and other Federal agencies.

The program also provides enterprise vulnerability assessment, software assurance, continuous monitoring, and cyber forensic services to assist DOT Components in identifying, and correcting or mitigating weaknesses in their information systems, and during incident response efforts.

The IAP program oversees DOT's Identity, Credential and Access Management (ICAM) program, in cooperation with the Office of the Assistant Secretary for Administration, ensuring implementation of Homeland Security Presidential Directive 12 (HSPD-12) and the use of Federal smart cards for strong, authenticated access to DOT and Federal information systems, networks, and facilities.

This program leads the DOT security assessment and authorization (SA&A) processes, and the implementation of continuous monitoring and risk management across the agency, specifically for DOT CIO systems operated by the ITSS program team. The SA&A process within ITSS ensures that there is a secure, foundational general support system that DOT Components can leverage and inherit security from with minimal risk, and with minimal duplication of effort or resources. A key part of the SA&A functional area is the Department's Cyber Security Authorization Management (CSAM) platform and system. The CSAM system cost-effectively supports online, electronic development, validation and maintenance of system security and authorization packages, continuous monitoring activities, compliance assessments and reporting, and overall risk assessment and management functions. As a DOT enterprise service, and consolidated store of cybersecurity SA&A data and documentation, CSAM also provides capabilities that maximize re-use of available information to cost effectively support required enterprise information sharing and reporting to the Office of Inspector General, DHS, and the Office of Management and Budget.

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

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

Logistics & Support Services include direct management and oversight of ITSS programs, Continuity of Operations (COOP) and Disaster Recovery (DR) activities for ITSS programs, Inventory Management/Help Desk software implementation and maintenance, Stockroom, and

Administrative services. The program costs are recovered through an equitable distribution to each ITSS program.

Enterprise Network Operations Center (ENOC) which is part of the DOT 5-HELP Service Center is responsible for the monitoring, notification, and facility management in support of ITSS. ENOC was established to provide twenty-four hour handling of calls, problem management, staff notification, and system monitoring. Areas monitored 24 X 7 include:

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

These services are provided to customers twenty-four hours a day regardless of physical location. ENOC costs are proportionally distributed to ITSS programs. ITSS will move forward with enhancing ITSS monitoring capabilities to include additional security and network functionality.

Network Engineering provides planning, design and implementation services for network infrastructure. It is one of the focal points in enabling the consolidation of services and establishing a consistent and secure network across DOT including::

- Network Monitoring
- Secure Remote access for the DOT mobile workforce
- IP Address Management
- Network Design
- Network diagnoses and optimization

In FY2017, OCIO will focus on

- Field network consolidation
- Secure cloud connectivity
- Enhanced Remote Access solutions, and
- Enhanced network security.

Server and Messaging Services

\$13.982 million

Server Operations:

The OCIO ITSS server operation consists of the following functional areas: Departmental Internet, Server Administration, Storage, Backup, and Server Hosting, professional services, Environmental Systems Research Institute (ESRI) costs and Web projects.

The Departmental Internet program provides web design support for the DOT web site and departmental collaboration tool such as SharePoint, as well as a subscription service for e-mail management and enhanced Google search capabilities.

ESRI develops functionality and provides comprehensive state-of-the-art geospatial solutions for the Department.

Server Operations provides hosting services for HQ servers and other devices for Operating Administrations (with the exception of FAA). Ongoing efforts are underway to study the current

data center locations throughout the Department to develop and implement strategies for consolidation which include expanding on-site hosting capabilities, virtualization, and cloud computing.

Server Operations will move forward with enhancing ITSS server hosting capabilities to provide state of the art on demand services to support the mission of DOT. DOT will focus on better meeting business requirements for cloud, storage, platform, and database services as well as focusing on security enhancements.

Directory & Messaging Services:

The OCIO ITSS Directory services provide secure authentication to authorized DOT users. ITSS currently manages more than 10,000 user and administrative accounts.

ITSS is further developing enhanced Directory Services to provide secure authentication for cloud mission applications to DOT and our partners including Federal, State, and local transportation agencies.

The OCIO ITSS Messaging services program includes Email and Mobile Device Management (MDM) which allows the DOT mobile workforce to securely access email, check their calendars, and keep up with work contacts remotely. ITSS is also developing cloud based services for Messaging capabilities.

Voice, Cable & Wireless

\$15.165 million

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

VCW services are an essential part of the DOT's IT support mission and are comprised of more than 17,000 telephone lines and 8,000 voice mailboxes, supported by the Southeast Federal Center's telecommunications system.

A large amount of costs in this program area, support local and long-distance communications and utilities costs for telephone, T-1 lines and circuits between regional offices and other remote sites, internet communications, and redundant systems to ensure continuity of operations.

ITSS is moving forward with implementing capabilities that will eliminate the legacy communication system. DOT's current legacy system has reached its end of life and end of service support.

Section 3 – FY 2017 Budget Request by Appropriation

Explanation of Funding Changes
for the
Working Capital Fund (DOT Activities only)

FY 2016 Base 190,039
FY 2017 Program Changes (+/-)

All programs include annualization of FTE and inflationary contract costs. Other increases are explained below:

<u>Description</u>	<u>Explanation</u>	<u>Difference</u>
<i>Assistant Secretary for Administration</i>		
Acquisition & Procurement Operations	Annualization of FY 2016 position and 1 new position (\$183); contract support and dual O&M conversion costs (\$923) in Procurement Operations, Labor Compliance Advisor support (\$240) offset by DP2 Program cost decreases (\$4,960)	(3,614)
Building Security	DOL Collective Bargaining Agreement wage increase resulted in higher Guard Services Contract rates	1,120
Copier, Printing, & Multimedia	Reduction in customer usage (Emergency Response Guide) of \$2,512 and an increase of 1 new position in Media Center (\$91)	(2,421)
Disability Resource Center	Expected increase in new Departmental interpreting contract	199
Docket Services	Change in customer usage from NON-DOT to DOT customers	339
Facilities Services & Utilities	Replacement of 121 Uninterruptable Power Supply Batteries in the SEFC	452
Financial Assistance Reporting System	Phase out of the Grants Information System	(500)
Financial Mgmt, Accting & Admin	Increase in costs for Certification and Accreditation of "M" Systems	492
Human Resource Services	Fully fund 3 previously vacant positions	244
Human Resource Systems	Increases for the merger of the Employee Express IAAs into the WCF (\$681) and for the FAA TMS Migration (\$903) , offset by favorable pricing from service providers (\$66)	1,518
Library & Information Services	Reduction of 2 FTE	(235)
Security Operations	DOT agency contribution for credit monitoring (\$870); 6 positions for new re-investigation requirements (\$416); and background investigation increases (\$102) offset by lower HSPD-12 costs (\$126) related to a lesser number of PIV cards being issued.	1,262
Substance Abuse Awareness & Testing	1 new position (\$131) and new contract award resulted in higher costs for testing (\$1,247)	1,378
Transit Benefits & Parking	Changes in Transit Benefit usage	209
Other	Reduction in customer usage and favorable pricing from service providers	(35)
Assistant Secretary for Admin Subtotal:		408
<i>Chief Information Officer</i>		
Other	Changes in customer demand and refined user requirements	(58)
Chief Information Office Subtotal:		(58)
Total FY 2017 Request		190,389

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
021-04-4520-0	ACTUAL	ENACTED	REQUEST
Obligations by program activity:			
08.01	170,281	190,039	190,389
08.02	210,405	362,788	363,295
09.00	<u>380,686</u>	<u>552,827</u>	<u>553,684</u>
Budgetary resources available for obligations:			
10.00	59,006	75,769	75,769
10.21	18,609	0	0
10.29	0	0	0
10.50	<u>77,615</u>	<u>75,769</u>	<u>75,769</u>
New budget authority (gross), detail:			
Spending from offsetting collections:			
Discretionary			
17.00	379,176	552,827	553,684
17.01	-336	0	0
17.50	<u>378,840</u>	<u>552,827</u>	<u>553,684</u>
19.30	456,455	628,596	629,453
19.41	<u>75,769</u>	<u>75,769</u>	<u>75,769</u>
Change in obligated balances:			
3000	55,705	52,516	39,243
3001	0	0	0
3010	365,266	552,827	553,684
3020	-365,266	-580,100	-569,112
3040	-18,609	0	0
3050	52,516	39,243	24,120
3060	-22,163	-21,826	-21,826
3061	0	0	0
3070	337	0	0
3090	<u>-21,826</u>	<u>-21,826</u>	<u>-21,826</u>
3100	33,542	30,690	17,417
3200	30,692	17,417	2,294
Outlays (gross), detail:			
40.00	378,840	552,827	553,684
40.10	331,993	546,827	547,869
40.11	<u>33,273</u>	<u>20,273</u>	<u>21,120</u>
40.20	<u>365,266</u>	<u>567,100</u>	<u>568,989</u>
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
40.30	-376,834	-550,719	-552,761
40.33	-2,343	-2,108	-2,108
40.40	<u>-379,177</u>	<u>-552,827</u>	<u>-554,869</u>
Against gross budget authority only:			
40.50	336	0	0
40.60	0	0	0
40.80	-13,911	14,273	15,305
41.90	<u>-13,911</u>	<u>14,273</u>	<u>15,305</u>

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2015	FY 2016	FY 2017
021-04-4520-0	ACTUAL	REQUEST	REQUEST
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	\$21,549	\$25,147	\$26,551
11.2 Accrued leave	-41	27	184
11.3 Other than full-time permanent	478	172	215
11.5 Other personnel compensation	306	523	250
11.8 Special personal services payments	0	0	0
11.9 Total personnel compensation	22,292	25,869	27,200
12.1 Civilian personnel benefits	6,637	7,314	8,162
13.0 Benefits for former personnel	2,234	2,009	2,066
21.0 Travel and transportation of persons	278	447	452
22.0 Transportation of things	99	314	239
23.1 Rental payments to GSA	7,554	8,191	8,196
23.3 Communications, utilities, and miscellaneous charges	7,018	13,190	8,782
24.0 Printing and reproduction	0	0	0
25.1 Advisory and assistance services	189	0	0
25.2 Other services	69,458	33,616	73,574
25.3 Other purchases of goods and services from Gov. accts.	39,758	77,239	42,555
25.4 Operation and maintenance of facilities	1,289	0	0
25.6 Medical Care	0	0	0
25.7 Operation and maintenance of equipment	9,936	13,375	9,947
26.0 Supplies and materials	205,424	362,201	362,525
31.0 Equipment	8,520	9,051	9,975
32.0 Land and structures	0	0	0
42.0 Insurance claims and indemnities	0	11	11
99.9 Total obligations	\$380,686	\$552,827	\$553,684

PERSONNEL SUMMARY

Identification Code	FY 2015	FY 2016	FY 2017
021-04-4520-0	ACTUAL	REQUEST	REQUEST
2001 Reimbursable civilian full-time equivalent employment	222	385	392

Section 4 - FY 2017 Research, Development and Technology

EXHIBIT IV-1
FY 2017 RESEARCH, DEVELOPMENT & TECHNOLOGY BUDGET REQUEST BY GOAL
DEPARTMENT OF TRANSPORTATION
BUDGET AUTHORITY
(in thousands of dollars)

	<u>FY 2015 ACTUAL</u>	<u>FY 2016 ENACTED</u>	<u>FY 2017 REQUEST</u>	<u>FY 2017 APPLIED</u>	<u>FY 2017 DEVELOPMENT</u>
A. Transportation Planning, Research & Development	<u>6,000</u>	<u>8,500</u>	<u>17,043</u>	<u>0</u>	<u>17,043</u>
OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY					
B. Research & Development	<u>5,410</u>	<u>5,426</u>	<u>5,445</u>	<u>3,215</u>	<u>2,230</u>
Salaries and Administrative Expenses	2,792	2,808	2,827	2,120	707
Alternative Fuels Research & Development (R&D)	499	499	499	200	299
RD&T Coordination	509	509	509	364	145
Positioning, Navigation, and Timing	1,610	1,610	1,610	531	1,079
Competitive University Transportation Center (UTC)	[68,078]	[72,000]	[72,500]	[72,500]	[0]
Consortia (FHWA) ^{1/}					

^{1/} Resources are shown as non-adds because the funding resides in the FHWA/FTA budget.

This Exhibit IV-1, "Research, Development and Technology", and any related summary, fulfills the requirements of 23 USC 508 (b) – Annual Report, in effect on December 3, 2015. The Department of Transportation recognizes the changes to this requirement effected by the passage of the Fixing America's Surface Transportation (FAST) Act (P.L. 114-94; Dec. 4, 2015; 129 Stat. 1312), creating Chapter 65 – Research Planning in Subtitle III of title 49, United States Code. The Department will implement the new requirements with the FY 2018 Budget Estimates.

**OFFICE OF THE UNDER SECRETARY OF TRANSPORTATION FOR POLICY
FY 2017 RD&T PROGRAM SUMMARY**

RD&T PROGRAM: Transportation Planning, Research and Development

AMOUNT REQUESTED FOR FY 2017: \$17.043 million

Projects

Objective:

Conduct research on transportation standards, technical aspects of industry proposals, and transportation industry indicators. Research and review of cost benefit analyst of policy.

Description:

The TPR&D program within the Office of the Under Secretary for Policy focuses on identifying improvements in transportation through new and innovative approaches to assisting the travelling public, mitigating adverse environmental effects, and lessening impacts to industry. The program fosters improvements in safety, technology and efficiency through research and studies. Once standards are developed and approved through the research conducted, the information is used to create policy and regulation for the transportation system.

Outputs:

The TPR&D program within the Office of the Under Secretary for Policy provides economic research reports to develop and refine departmental policy positions. RD&T studies also update the state-of-the-art on economic modeling of, and data for, the aviation industry, in support of the mission of the Office of Aviation and International Affairs.

RD&T Partners:

Partners include other operating administrations, especially the Office of the Assistant Secretary for Research and Technology, FAA, FHWA, FRA and FTA; the network of University Transportation Centers (UTCs), and other private and not-for-profit organizations that engage in transportation research, including the Transportation Research Board. The research promotes the economic competitiveness of the U.S. airline industry, benefiting the U.S. travelling public, and U.S. air carriers seeking access to foreign markets. The travelling public and emerging industry will benefit from research into High Speed Rail. The public also benefits from research to improve the safety of the transportation system and reducing adverse environmental impacts.

Economic Competitiveness Strategic Goal:

Aviation Data Modernization: \$120,000

The Department's aviation data provides the information required to administer statutorily mandated aviation programs. The current system dates largely from the 1970s and needs to be updated to better address contemporary needs. The Aviation Data Modernization Program will enhance the quality, utility and accessibility of the nation's most important source of aviation data, and it will do so while reducing the reporting burden on the airline industry. It will also

streamline the aviation data products that the Department disseminates, which will make it easier to use, and, therefore more valuable to the industry and to the public interests that use this data. The Department relies upon these data for its mandated responsibilities, including the review of antitrust immunity applications, airline mergers, Essential Air Services carrier selection orders, airline congestion claims, Small Community Air Service Development Program grant awards, and slot transfers. The industry relies on this data for its usefulness in short term route planning and long term strategic planning.

The Department is working with airlines and their associations to refine and update the methodology for data collection by making the best use of their existing ticket sales and flight data records. By FY 2017, in the second year of the project, the Department will have issued a detailed proposal in a Notice of Proposed Rulemaking and will be preparing to issue a final rule. We request \$120,000 in FY 2017 for implementation of the final rule defining the new data collection methodology. It is expected that an agreed upon approach can result in a proposed rulemaking in FY 2017. Implementation will require significant redevelopment of the IT infrastructure required to house and disseminate Aviation Data. Planning and implementation of the new procedures that result from this rulemaking will take place by FY 2017.

Aviation Competition / Forecasting System: \$88,000

This is the continuation of a five-year contract for the Sabre Airline Manager Software and Global Airline Demand Database which combines airline schedule data, airline pricing data, and a passenger choice model for analyzing competition in airline services. The Office of Aviation Analysis relies extensively on the Sabre software's airline network analysis model to evaluate airline competition issues and to analyze airline codeshare and alliance agreements. The model has a broad range of applications for providing critical assessments of the evolving competitiveness of domestic and international aviation markets, rational economic bases for carrier selection decisions, and forecasts on the effects on competition of proposed mergers and alliances. Use of this model is critical to the creation of analysis required to support the Department's strategic policy to enhance competition and growth in domestic and international aviation. It is used for support in all divisions of the Office of Aviation Analysis (Essential Air Service and Small Community Air Service Development Programs, Competition and Policy Analysis, and the Air Carrier Fitness Division).

International Regulatory Cooperation and Research/ Airline Alliance Research: \$54,000

As U.S. airlines seek to engage in commercial and alliance agreements around the world to realize the economic benefits of open skies agreements with our foreign aviation partners, they encounter various "doing business issues." Many of these issues involve the application of incongruent competition policies by the countries involved. This ongoing project supports the cooperation between DOT and foreign competition authorities to foster compatible regulatory approaches in the way various national authorities review, approve, and monitor alliance agreements between U.S. and foreign airlines. These efforts often involve discussions on the appropriate competition standards that should be applied to the review of airline alliance agreements, joint research projects on the impact of these agreements on competition, and joint monitoring of approved transactions. These efforts secure the ability of U.S. airlines to generate hundreds of millions of dollars in revenue as a result of approved alliance agreements. The Department's request for FY 2017 would support the continuation of ongoing cooperative

programs and the inauguration of several new programs. The Department plans to launch a joint study with the European Commission’s Directorate General for Competition on the economic impact of alliances in transatlantic markets using the most recent data available. In addition to continuing our work with the Canadian, Chilean, Mexican, Australian, and Japanese competition authorities, we seek to improve our understanding of the important U.S.-China market as Chinese carriers rapidly expand their market share.

As U.S. airlines seek to expand their services to international markets, the number of such “doing business” issues is only increasing and the need for compatible approaches to the economic oversight of the industry is becoming more important. The Department intends to continue this program for the foreseeable future.

The alliance research aspect of this project will provide an update on a broad econometric analysis of the competitive impact of airline alliances conducted by the Department in FY 2015 in conjunction with its counterpart in Europe, DG Competition. The mutual study and dialogue between DOT and DG Competition is supported by Annex II to the US-EU Open Skies Agreement. This agreement allows EU and U.S. airlines to serve any route between Europe and the United States, calls for developing a common understanding of trends in the airline industry in order to promote compatible regulatory approaches in competition policy. FY 2017 funds would be used to support an updated econometric analysis using more recent data conducted by academic experts under contract.

Global Carrier Research: \$12,000

Major global and next-generation long-haul low-fare carriers in Asia, the Middle East and Europe are expanding in the United States, with future plans to add a significant amount of service. The emergence of the Gulf carriers, for example, has been a major development in airline competition, and it has positive and negative effects on the U.S. aviation industry. Other new and innovative competitors such as Norwegian, Hainan Airlines, and Air Asia X all have their sights on the U.S. market for the long term. The Department’s goal has been to support a fair, competitive aviation industry that provides benefits to consumers and stakeholders in the U.S. aviation industry. Questions remain as to how these foreign carriers have grown so quickly and how they operate. Some of the questions regarding these carriers’ operating strategies cannot be answered from current or publicly-available data sources. Discussion with aviation industry financial analysts, would give added insight into the state of competition. Ultimately, the strategic plans are best gleaned through direct, on-the-ground research. Greater understanding of these issues will allow the U.S. to make sound policy decisions that preserve fair and open competition needed to enhance the mobility and competitiveness of U.S. businesses and consumers.

Given the likely expansion of these airlines into U.S. markets, opening a constructive dialogue with certain key carriers and other affected entities would provide critical insights into the future of airline competition and would prepare the Department for any adjudicatory or informal matters that are raised by U.S. industry. It would also enable the Department to monitor industry developments and take more proactive measures to ensure fair competition for U.S. airlines and passengers.

Research funds would be dedicated to travel, data analysis, and other gathering of data and information, all in FY 2017, and all funding would be incurred by in house staff. Reports and conclusions will be generated for the benefit of U.S. government staff.

Economic Impact Study of Unmanned Aerial Systems: \$201,000

The aviation community, and the public at-large, are keenly interested in the development of the unmanned aerial systems (UAS) sector and the integration of UASs into the national airspace system. The Department of Transportation has the lead role within the federal government in overseeing the development and integration of the sector. The FAA has taken the first steps to write new regulations governing the integration of small UASs. The rules focus exclusively on ‘affirmative oversight by regulation,’ as opposed to ‘ad hoc oversight by statutory exemption,’ which is the current practice. The small UAS rule is part of a stepwise approach that the administrator will use to apply existing certification and safety authorities to the UAS sector, starting with small UASs with limited payloads and then extending to larger UASs that may involve commercial carriage of cargo (e.g., Amazon Prime Air) and thus require additional certification and oversight. Many proponents of the emerging UAS industry are critical of the administration’s perceived slow and rigid approach to regulating UASs. The “prime” argument is that UASs are an exciting emerging technology that the United States should do everything possible to encourage, in the interest of deploying advantageous technologies for national security and commercial applications, as well as for economic development. The refrain is that, if it doesn’t happen here, it will just happen in another country. Forward-thinking companies such as Amazon, Google, and geospatial firms are actively developing UAS business models to apply in the future, and these models are sure to have a substantial impact on the economy and the current structure of traditional all-cargo carriers. There is sure to be a large impact on the economy, and on the current structure of transportation cargo carriers. In brief, the Department, through the Office of the Secretary, needs to double efforts to understand the economic impact, consider policy options, and to complement the FAA’s efforts to integrate UASs safely. Using these TPR&D funds, the Department will engage a contractor to better understand the economic effects of the UAS sector and to better evaluate policy options and tools to support the industry, protect consumers using existing authorities, and to complement the approach taken by the FAA.

Women in Transportation: \$41,000

The project will build on ongoing efforts to advance Women in Transportation within APEC in other regions of the world. We will: (1) continue to collect data to measure progress related to gender policy; (2) build and update a compendium of best practices so each Economy can learn and improve from each other (3) continue a regular dialogue in APEC on Women in Transportation in the Transportation Working Group of APEC and other international forums; (4) hold a workshop to advance best practices in the development of women in the transportation workforce. While APEC will serve as the initial region of focus, if successful, it is anticipated this project will be replicated over various regions at a minimal incremental cost to the Department. This initiative is a Department wide effort to increase participation of women in the transportation field not only in the APEC region but within the United States as well. This initiative is a five year effort and we are currently executing the third year activities.

National Export Initiative (NEI/NEXT): \$340,000

The Secretary of Transportation is a member of the Export Promotion Cabinet, which ensures the performance of the President's National Export Initiative (NEI), whose next phase is referred to as NEI/NEXT. Several key country markets have been identified for priority interagency focus under the NEI/NEXT. China, Brazil and India are identified as top-tier country markets which can yield increased U.S. exports, especially in the infrastructure and transportation sector. Mexico and Canada have also been singled out at Administration priorities. Nine other priority markets are also highlighted for their U.S. export potential. We will continue to engage in high-level forums with China, Brazil, India, South Africa and other African partner countries, and priority countries including Mexico, which are facing similar transportation-related challenges and have significant expertise in developing and maintaining large and complex transportation systems. These provide formal mechanisms for sharing the best practices and working toward compatible regulatory frameworks, to our mutual economic benefit.

The \$340,000 is being used to continue funding research studies and workshops on transportation sector characteristics and markets in key NEI/NEXT countries. We are also exploring the feasibility of other priority markets as identified under NEI/NEXT. These studies focus on special transportation topics in support of multimodal bi-national working group objectives. For example, Intelligent Transportation Systems (ITS) presents a large market opportunity for U.S. exporters in these markets, given the large transportation infrastructure projects those countries are preparing to invest in. In some NEI/NEXT countries, definitional studies are being conducted to consolidate information about the state and understanding of transportation standards in these countries.

This initiative is an ongoing multi-year effort. The U.S. needs to improve access to existing markets and gain access to new ones for U.S. transportation goods and services. Through these forums, we will advance export opportunities for our companies, promote advanced technologies and best practices and create a framework for a safer, more efficient and environmentally friendly global transportation system.

Translation for Foreign Engagement: \$65,000

The Office of International Transportation and Trade will spend \$32,000 for translation and interpretation services in support of high level meetings, communications and technical agreements for multi-year use.

Freight Planning, Data, and Analysis Requirements of MAP-21: \$164,000

MAP-21 requires the Department to issue the Freight Transportation Conditions and Performance Report on a biennial basis, produce a National Freight Strategic Plan (NFSP) on a five-year basis, and develop improved freight transportation investment data and planning tools. The Department has established a Freight Policy Council, staffed by OST/Policy, to coordinate multimodal freight planning and the implementation of the freight provisions of MAP-21. The Department also solicits information on freight transportation needs from the freight community and public through various activities. OST/Policy will support the Freight Policy Council and the freight transportation planning and reporting requirements of MAP-21 with TPR&D funds.

The release of the first Freight Conditions and Performance Report will occur in early 2016. The draft NFSP was released in October of 2015 for public comment and the final NFSP will be developed throughout 2016. The Department will draw upon resources of the operating administrations in these tasks, but much of the work is being done in the Office of Transportation Policy. This work requires access to proprietary data resources, contractor support to support enhanced data collection, and interpretation, research on new data sources and planning tools, and report preparation and public outreach. Based on experience with these activities to date, the requested budget amount is considered conservative.

International Transportation Forum: \$45,000

The International Transportation Forum (ITF) is the only international organization representing transportation interests across the world, and continues to expand to developed and developing member nations. The ITF was established by a European Conference of Ministers of Transport (ECMT) ministerial declaration in May 2006 within the legal framework of the ECMT Protocol signed in Brussels, Belgium in October 1953 to reflect the international nature of the transportation sector. Member and Associate Member countries of the ECMT are considered members of the ITF and participate in programmatic decisions such as work priorities and conference agenda. Members that provide financial contributions participate in financial decisions. The ITF is supported by work of the Organization of Economic Cooperation and Development (OECD)/ECMT Joint Transport Research Center (JTTC), an organization that the United States supports both programmatically and financially. DOT's Operating Administrations have benefited from participation in JTTC research projects ranging from improving highway pavement to congestion mitigation and motorcycle safety. The ITF has provided us the opportunity to cooperate in infrastructure financing, high speed rail, and the environment. ITF will contribute to a pool of funds managed by the ITF Secretariat which is used to develop a common transportation research agenda, to conduct the identified research program (through research contracts), and to present and assess the results of this research at the annual ITF meetings in Leipzig, Germany. Funds are used to support ITF Secretariat costs, including staff, contractors, and logistics and meeting costs. DOT has supported the ITF through annual voluntary membership contributions since 2007.

"Best-Practices" Initiative for Implementing Open-Skies Aviation Agreements: \$30,000

Concurrent with the continuation of the Department's highly successful Open-Skies initiative to liberalize the international aviation operating environment, the Department is seeking to facilitate the ability of U.S. airlines to use their available rights with the minimum necessary regulatory oversight and with access to necessary infrastructure available on a fair and transparent basis. Broad-based international adherence to practices that streamline the process of exercising bilateral rights, such as operating rights, marketing strategies and pricing initiatives, will yield significant benefits to airlines, U.S. communities, consumers and the U.S. economy.

DOT would initiate a three-stage process. Requested funding would be used first to identify, and rank the relative seriousness of, constraints on the exercise of operating rights through outreach to U.S. industry stakeholders, with in-house staff expertise being supplemented by contracted analytical support. Follow-up with U.S. embassies and foreign regulatory authorities could then be used to validate or modify the initial findings. Secondly, the "best practices" template would be developed and vetted with both U.S. Government and U.S. industry stakeholders. Third, the

Department would seek international acceptance of the identified best practices through individual bilateral contacts and presentations in regional aviation, including staff travel.

Business Aviation Initiative: \$24,000

Building on the Department's success in further developing the APEC Business Aviation Initiative during the FY 2015 and FY 2016 cycles, we plan to pursue further work within APEC, as well as expand the initiative to include a focus on Africa.

The general aviation industry is a growing and increasingly important segment of the international aviation community. New operating paradigms, such as "fractional" aircraft ownership programs, not only have made non-commercial aviation more accessible and affordable but also have raised issues about whether these operations continue to be "private" carriage.

As general aviation becomes increasingly visible, particularly as an adjunct to the globalization of business in general, it is essential that international aviation regulators are sensitized to the economic importance of these services and their unique operational needs. Growth of this sector has the potential to yield benefits not only for users but also importantly for aircraft manufacturers. For this reason, the business aviation initiative represents a key Department priority in support of the Administration's National Export Initiative (NEI).

We anticipate that analytical support to create an inventory of current regulatory regimes and airport access criteria will provide an important underpinning for the continued work within APEC. Further staff engagement with civil aviation authorities and regional bodies in Africa will assist in developing a proposed policy approach to extend this Initiative to other regions, notably Africa, in conjunction with the ongoing work through APEC. The requested funds would support both the contractor participation and staff travel associated with this initiative.

Environmental Sustainability Strategic Goal:

Climate, Sustainability and Adaptation Policy: \$41,000

Funding would continue to advance research to support policy decisions and transportation response to emerging sustainability policies. The work will support a focus on resilience planning for the transportation sector, as well as alternative fuels and strategies to reduce transportation related pollution and impacts on the natural environment. This funding will support transportation aspects of major White House initiatives, including update of the Global Change Research Program's National Climate Assessment mandated by the Global Change Research Act and representing DOT on the National Climate Assessment's advisory committee.

The funding would also support work of the DOT Center for Climate Change and Environmental Forecasting to quantify transportation climate impacts for the transportation system and assets, to integrate adaptation and resilience planning in DOT programs, and to assist state and local transportation agencies in considering how to reduce transportation emissions.

Clean Energy Research – Green Ports Study and Pilots: \$5,000,000

Section 6018 of the FAST Act (49 USC 6314) creates a port performance measures program. Section 1105 expands the ability of DOT to fund important port projects. While the freight port performance measures program will eventually provide a better basis for identifying bottlenecks in existing freight flows, they are inherently backward looking, and will be of limited near-term value in identifying opportunities for significantly reducing freight emissions through transformative investments in port/rail connections, cold ironing, zero emissions or alternative fuel port equipment and support vessels, LNG refueling facilities, and identification of facilities to support economically attractive marine highway routes. The Office of the Secretary, in cooperation with modal administrations, will examine and evaluate prospects for emissions reduction activities at major ports across the United States, covering port operations, landside interfaces, and potential for new marine freight routes. This research effort will identify specific emissions-reducing maritime-related projects with benefits that exceed costs that are suitable for funding from diverse private, State/Local, or Federal sources. As part of this program, DOT will provide grants to fund a few site-specific feasibility studies or small matching grants to co-finance pilot hardware deployments to demonstrate emerging technologies, or catalyze projects stymied by institutional barriers. This work to reduce port emissions will complement the Administration initiative to invest in Clean 21st Century Surface Transportation Options.

Quality of Life in Communities Strategic Goal:

Health in Transportation: \$50,000

In a companion project to the Ladders of Opportunity research, OST-P will work with FHWA on putting together a toolkit for communities, planners, and government officials looking for guidance and tools on creating resilient, sustainable, equitable communities. The research will continue to support and disseminate tools to help transportation agencies consider health and transportation linkages. This research will assist DOT in attaining performance goals specified in the DOT Strategic and Performance Plans, especially the goal of fostering quality of life in communities through place-based policies and investments that increase transportation choices and access to Transportation services.

Safety Strategic Goal:

Safety Research Coordination: \$100,000

This project would collaborate closely with the Safety Council, OST-R and the modes to identify safety research needs and promote dissemination of important safety research and data products. The Safety Council provides a forum to identify, prioritize and coordinate cross-modal safety challenges and emerging safety policy initiatives. Research will be associated with emerging and critical cross-modal safety issues, including developing more robust data analysis to identify and address such issues, as well as specific issues including driver distraction, pedestrian and bicycle safety, crude oil transportation issues, and other issues that emerge through Departmental and Safety Council discussions. Research products will focus on cross-modal policy, data, investment and administrative solutions that will address identified barriers and continue to build a systematic approach to addressing transportation safety problems. This research will assist

DOT in attaining performance goals specified in the DOT Strategic and Performance Plans, especially the goal of improving public health and safety by reducing transportation-related fatalities and injuries.

Pedestrian and Bicycle Safety Initiative: \$100,000

This project will support continuation of a multi-year collaborative multi-modal project to identify solutions to persistent barriers to improved safety for all road users. Research issues are being identified during FY 2016 through the Pedestrian and Bicycle Safety Action Team and its outreach to stakeholders, university partners, and state and local practitioners. Research projects will include a focus on providing safe access to public transportation routes, removal of policy barriers that prevent installation of safer bicycle and pedestrian infrastructure, and other topics. Solutions-oriented research products will be developed in the form of toolkits, webinars, classroom instruction and other methods to ensure that research findings can be applied by practitioners in State and local transportation agencies. The projects will help the Department reach its safety performance goals, and help State and local transportation agencies bring down the rate of pedestrian and bicycle fatalities and injuries, regardless of age or ability.

Interagency infrastructure permitting improvement center and online Permitting Dashboard: \$4,000,000

Funding for the interagency infrastructure permitting improvement center and online database Permitting Dashboard, administratively located within the Office of the Under Secretary of Transportation for Policy, will work to cut transportation infrastructure permitting and review timelines by producing a faster, more efficient process, while also producing measurably better outcomes. This will include management, improvement, and expansion of a Federal Infrastructure Permitting Dashboard (Dashboard), as well as interagency coordination on the implementation of other government-wide permitting reforms. The Dashboard will facilitate early collaboration of infrastructure project reviews, synchronize, align and reduce time associated with permitting and environmental review timelines, when appropriate and practicable, and, increase accountability by making more project information available to the public. Other agency contributions will be provided to supplement funding of the interagency elements of the Dashboard.

Significant activities will include:

- Facilitating data collection and reporting in conjunction with development, management, maintenance, operation, and oversight of the Dashboard. Projects will be posted on the Dashboard in accordance with the requirements of the FAST Act, and Guidance issued by OMB and CEQ that establish metrics for permitting and environmental review of all major infrastructure projects. Funds will implement significant upgrades to the Dashboard to fully expand its technical capabilities to support project management and tracking, as well as public transparency for projects across the Federal government. Funds will address costs that include migrating and hosting, initial and future website enhancements and updates (visualizations and improvement), and website operations and maintenance. Further, funds will address additional staffing that includes, but is not limited to, a Dashboard Project Manager, support staff, and a Help Desk. The Dashboard

Project Manager will oversee implementation of the FAST Act and Guidance, technical requirements and support staff, make recommendations for policy and future guidance, and act as a central point of contact for agencies posting projects to the Dashboard. The Help Desk includes dedicated support personnel. Of initial support personnel, one is a communications specialist to provide training to users, host training webinars, and work with agency specific permitting leads and the other is a customer service agent to field incoming calls and requests. These staff will ensure continuity of services and operations, and be available to provide basic training on Dashboard operations. Activities undertaken by the Dashboard team will also include training subject matter experts across agencies regarding effective use of the tool on a widespread basis.

- Targeted technical assistance, training, outreach related to reform implementation across federal agencies and bureaus, as well as state, local and tribal governments.
- Conducting research and piloting new policies, such as approaches for conducting environmental analysis, including analysis of mitigation options.
- Developing new policy improvements and process reform recommendations to accelerate project delivery through synchronized/coordinated environmental review and permitting among agencies, and promoting shared NEPA documents to satisfy all environmental reviews and permits. This includes identifying best practices associated with early stakeholder engagement, reducing information collection requirements, and other aspects of environmental review and permitting as well as to facilitating advanced planning for mitigation of project impacts and use of landscape or watershed-level approaches to mitigation to achieve improved environmental and community outcomes.

In addition, funding will be used to develop and deploy information technology tools that enhance the interagency coordination on major infrastructure projects, provide greater transparency on the process, facilitate better project planning and track and report on performance metrics related to the effort. This will include updating and expanding the Dashboard to track more projects and provide greater transparency and accountability to project proponents and the public for major infrastructure projects. Funds will also be used to continue to explore other opportunities to develop digital tools to help modernize project review and approval processes across agencies.

What Benefits Will Be Provided To The American People Through This Request?

TPR&D supports multiple programs that advance White House and Secretary of Transportation objectives. Below are some of the beneficial impacts to the American public:

- Ensuring fair and efficient air service to the American public by providing oversight over proposed airline mergers and acquisitions.
- Modernizing the data collection methods, usefulness and consistency of aviation data, which is used by the Department of Transportation, the aviation industry and the American Public to enhance aviation route planning as well as long term strategic planning and the Department's review of Essential Air Service carrier selection orders and Small Community Air Service Development Program grant awards.
- Review of domestic and international airline schedules to help enhance competition and growth in aviation.

- Maintaining constant dialog with foreign countries regarding cooperative airline programs and assuring the fairness of competition between domestic and international air carriers.
- Providing climate resiliency planning technical assistance to state, local and tribal communities.
- Identifying aspects of the U.S. transportation system that might be enhanced to increase international exports and provide economic benefits.
- Providing enhanced benefit – cost analysis to better measure the impact of proposed infrastructure investments.
- Emphasizing the importance of general aviation in support of the National Export Initiative.
- Assisting in making the transportation sector more sustainable through research to support policy decisions on strategies to reduce transportation contribution to climate change, pollution and impacts on the natural environment. Supporting communities' efforts to build Ladders of Opportunity through transportation investments.
- Through the enhancements to the Dashboard, the FAST implementation and Guidance will establish guidelines for agencies to use the Dashboard to report a common set of timeframe metrics for major infrastructure projects. In addition to supporting better project management, the information collected will help establish a baseline of the typical review timeframes for infrastructure projects across nine sectors. The Dashboard can achieve a number of important benefits including cutting timelines by encouraging synchronized review and early coordination, making it easier to identify and troubleshoot roadblocks, and improving agencies' accountability and transparency to the public. These benefits can help cut project timelines while also improve the quality and consistency of agencies' environmental analysis. The primary benefits to the American public are the reduced timelines related to the permitting of infrastructure projects and the measurably better outcomes of the projects. Additionally, the activities directly and indirectly facilitate job creation in the area of infrastructure projects.

Additionally, the various research and development projects funded through this appropriation directly and indirectly facilitate job creation in the areas of general aviation, commercial airlines, freight hauling, transportation infrastructure and the export of U.S produced goods and services internationally.

OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY

RESEARCH & TECHNOLOGY COORDINATION

AMOUNT REQUESTED FOR FY 2017: \$509,000

Project: *Planning and Coordination*

Objective: Coordinate, facilitate and review the Department’s investments in research, development and technology (RD&T).

Description: This program promotes coordination and collaboration for the Department’s RD&T programs through the RD&T Planning Council and RD&T Planning Team. These groups are convened at the Assistant Secretary and Deputy Assistant Secretary levels, respectively, to provide a forum for intra-agency and interagency coordination. This program manages and coordinates the strategic planning and execution process for transportation RD&T across the Department. It promotes excellence in research management, developing guidance on peer review processes and research ethics, and increases Departmental participation in initiatives of the White House Office of Science and Technology Policy (OSTP)/National Science and Technology Council (NSTC).

Outputs:

- Monthly RD&T Planning Team meetings.
- Semi-annual RD&T Planning Council meetings.
- Review of annual modal research plans, as required by the FAST Act, and facilitating review of these plans by the Secretary.
- Implementation of the five-year *USDOT RD&T Strategic Plan* as required by the FAST Act.
- Annual RD&T budget guidance.
- Annual analysis of the Department’s RD&T budget to ensure alignment with the Secretary’s priorities, the *USDOT Strategic Plan* and the President’s Science and Technology Priorities for the annual budget.
- Departmental representation to the International Transport Forum’s Joint Transport Research Centre (ITF/JTRC).
- Coordination of Departmental responses to directives, including the Scientific Integrity Policy and the Policy for Increasing Access to the Results of Federally Funded Scientific Research.

RD&T Partners:

- The Department’s operating administrations.
- U.S. Department of Energy; and other Federal Department and Agencies on a project-by-project basis.
- Stakeholders including the Transportation Research Board (TRB) and its hundreds of committees, TRB cooperative research programs, the Association of State Highway and Transportation Officials Research Advisory Committee (AASHTO RAC), academic institutions, State DOTs, transit authorities, local, regional and State planning entities, local, State and regional governmental entities, and the private sector including the owners and operators of transportation infrastructure.

FY 2017 Funding: \$334,000

RD&T Strategies:

- Improve the transparency, accountability and coordination of the Department’s RD&T investments.
- Increase and leverage multimodal RD&T activities across the Department and among Department-funded researchers and other stakeholders.
- Fund small, time-critical research projects.

Project: *USDOT Research Hub*

Objective: To provide the information needed to foster research coordination and collaboration, promote excellence in research management, and increase RD&T transparency within the Department and with stakeholders. Utilize the Research Hub as a key component of the Consolidated Research Database, required by the FAST Act.

Description: This project consists of a web-based, publicly-available central repository of RD&T project records obtained from each operating administration (provided online at <http://ntlsearch.bts.gov/researchhub/index.do>). The database supports research coordination by providing project-level access to the Department’s extensive RD&T portfolio, ensuring transparency and leveraging opportunities for cross-agency collaboration. The database is used to develop reports on pertinent research topics, and to identify gaps and potential duplication in ongoing research activities across the Department. Beneficiaries include Departmental staff, transportation research program managers and researchers, external stakeholders, transportation system managers and users, OMB, and Congress. Funding will be used to maintain up-to-date database content, add new information on “real world” research implementation, and upgrade the web interface to enhance ease of use and search capabilities.

Outputs:

- Increased leveraging of knowledge, funds and products that come from the expenditure of the Department’s RD&T investments.
- Tracking the Department’s RD&T spending and types of research investments.
- Identifying research gaps, overlaps, and potential synergies, and to answer inquiries on the Department’s RD&T activities and research topics.
- Ensuring transparency through providing public access to the Department’s research portfolio. In 2014, the site had 32,306 page views.
- Conducting cross-modal reviews of the Department’s research portfolio to ensure the optimal allocation of future research resources.

RD&T Partners:

- The Department’s operating administrations.
- Department-funded researchers, including the Office of the Assistant Secretary for Research and Technology’s (OST-R) University Transportation Centers (UTCs) and FAA’s Centers of Excellence.

- Stakeholders including the TRB and its hundreds of committees, TRB cooperative research programs, AASHTO RAC, academic institutions, State DOTs, transit authorities, local, regional and State planning entities, local, State and regional governmental entities, and the private sector including the owners and operators of transportation infrastructure.

FY 2017 Funding: \$100,000

RD&T Strategies:

- Improve the transparency and accountability of the Department’s RD&T investments.
- Increase and leverage multimodal RD&T activities across the modes and among Department-funded researchers and other stakeholders.

Project: *Technology Transfer*

Objective: The program’s technology transfer activities focus on leveraging the Department’s research products to facilitate commercialization and subsequent “real world” benefits. The program works with all of the operating administrations to help them understand and implement best practices in research product development and deployment. The program supports OST-R’s overall RD&T coordination mission.

Description: Technology transfer is the process the Federal government uses for its research to become known and used by transferring scientific information (technologies) to stakeholders and users who may further develop it for public or private needs. It includes various elements of transferring technologies and augments the Department’s marketing and deployment of technology transfer. This program ensures the full use of the Department’s investment in research and development, and it protects intellectual property through securing patents and issuing licenses (where applicable) that facilitate commercialization of these technologies.

Outputs:

- Continuing to lead collaborative efforts with the cross-modal technology transfer team.
- Coordinating the Department’s response to the Presidential Memorandum on Accelerating Technology Transfer and Commercialization of Federal Research in Support of High-Growth Businesses.
- Developing the Department’s Technology Transfer Annual Performance Report and submitting to the Department of Commerce.
- Identifying Department-funded technologies for potential application.
- Providing training in processes and best practices for facilitating technology transfer.

RD&T Partners:

- The Department’s operating administrations.
- Department-funded researchers, including OST-R’s UTCs.
- Stakeholders including the TRB and its hundreds of committees, TRB cooperative research programs, AASHTO RAC, academic institutions, State DOTs, transit authorities, local, regional and State planning entities, local, State and regional

governmental entities, and the private sector including the owners and operators of transportation infrastructure.

FY 2017 Funding: \$50,000

RD&T Strategies:

- Improve the transparency and accountability of the Department's RD&T investments.
- Increase awareness about the Department's technology transfer activities among the operating administrations, Department-funded researchers and other stakeholders.
- Increase awareness of availability of technologies for application with potential users.

Project: *Transportation Education and Workforce Development Coordination*

Objective: To foster the development of a dynamic and diverse transportation workforce through partnerships with the public sector, private industry and educational institutions.

Description: This program coordinates the Department's investments in attracting, recruiting, and retaining a highly skilled and trained workforce for the transportation industry in collaboration with the operating administrations and industry partners. It also enables the Department to increase its STEM and transportation mentoring efforts for K-12 students.

Outputs:

- Conducting a minimum of eight meetings of the DOT Education and Workforce Development Community of Practice.
- Coordinating annual reporting of transportation education and workforce development performance goals and indicators as outlined in the *DOT Strategic Plan 2014-2018*.
- Showcasing notable practices in transportation education and workforce development.
- Continuing coordination with the U.S. Departments of Education and Labor.
- Increasing numbers of Departmental employees participating as mentors in the Youth-Employee Science, Technology, Engineering and Mathematics (YES STEM) Mentoring program.

RD&T Partners:

- The Department's operating administrations.
- Department-funded transportation education programs including OST-R's UTCs, the FAA's Centers of Excellence, FHWA's National Summer Transportation Institutes, and FTA's Transit Workforce Development Grants.
- Federal agencies with missions in education and workforce such as the U.S. Departments of Education and Labor, and the National Science Foundation.
- Stakeholders including the TRB's Training and Education Committee, professional associations, labor unions, community colleges, and State Departments of Education.

FY 2017 Funding: \$25,000

RD&T Strategies:

- Improve the transparency and accountability of the Department's education and workforce development investments.

Section 4 – FY 2017 Research, Development and Technology

- Increase and leverage multimodal education and workforce development activities across the operating administrations and among Department-funded programs and other stakeholders.

ALTERNATIVE ENERGY RESEARCH

AMOUNT REQUESTED FOR FY 2017: \$499,000

Objective: To leverage funds across and outside the Department to ensure the optimal development and deployment of alternative energies within our nation's transportation systems that guarantee the safety, economic value, mobility, efficiency and environmentally-sustainable use of alternative energy pathways.

Description: The program is the only multimodal, multidisciplinary program assessing optimal development and deployment of alternative energy within our nation's transportation systems, working to ensure the safe application and efficient deployment of different energy types. The funding flexibility allows for the innovative, responsive and effective research needed to advance the state of knowledge and practice in this area. The program supports stakeholder needs in alternative energy as part of the Department's strategic goal of **Environmental Sustainability**. Without this funding, the Department would not have the ability to support, collaborate on, and coordinate the development and deployment of alternative energy types.

Outputs:

- Advancing the state of alternative energy technologies and applications, through outcomes such as patents, technology demonstrations, and commercialization.
- Increasing scientific knowledge through publications and citations.
- Developing alternative energy safety standards, rules and regulations in an effective and timely fashion.
- Improving adaptation and/or application to transportation of long-term enabling research performed by other Federal agencies, including the U.S. Department of Energy, the National Science Foundation, and the National Biomass R&D Board.

RD&T Partners:

- The Department's operating administrations.
- Department-funded researchers, including OST-R's UTCs and FAA's Centers of Excellence.
- U.S. Department of Energy (DOE), National Renewable Energy Laboratory (NREL).
- External stakeholders including other federal agencies, the TRB and its hundreds of committees, TRB cooperative research programs, and other non-government organizations focused on clean transportation advancement.

FY 2017 Funding: \$499,000

RD&T Strategies:

- Improve the Department's ability to meet Administration goals on alternative energy development and deployment.
- Improve the Department's ability to meet Administration goals on mitigating greenhouse gas (GHG) emissions in the transportation sector through peer-reviewed funding awards.
- Interact with other Federal agencies to accelerate the use of alternative energy sources and the reduction of GHG production.

Section 4 – FY 2017 Research, Development and Technology

- Fund research to enhance the use of alternative energy in the Nation’s transportation system.

POSITIONING, NAVIGATION, AND TIMING & SPECTRUM MANAGEMENT

AMOUNT REQUESTED FOR FY 2017: \$1,610,000

Objective: To serve as the designated lead for Federal civil agency Positioning, Navigation, and Timing (PNT) requirements and architecture development; and to ensure protection of GPS and other safety-of-life transportation capabilities from harmful interference.

Description: The PNT program coordinates Departmental PNT technology, policy, and spectrum management, and provides civil PNT systems and spectrum analysis which is critical to cross-modal transportation applications in support of the Department's **Safety** and **Environmental Sustainability** Strategic Goals.

The Assistant Secretary for Research and Technology serves as the co-chair of the National Space-Based PNT Executive Steering Group, to guide national level space-based and complementary PNT investment and implementation decisions.

Outputs:

- *Federal Radionavigation Plan* in conjunction with DoD and DHS
- *DOT Strategic Spectrum Plan*
- *Civil PNT Requirements Document*
- Spectrum interference protection criteria for systems operating in the band adjacent to GPS
- Analysis of spectrum sharing technologies to determine whether use of Dedicated Short Range Communications (DSRC) for safety-critical connected vehicle technology applications can co-exist with operation of wireless services
- Coordinated analysis through PNT Research Hub of ongoing civil efforts to address PNT capability gaps mapped to the National PNT Architecture Implementation Plan
- Summary Record of Civil GPS Service Interface Committee (CGSIC) meetings

RD&T Partners:

- The Department's operating administrations
- Department of Defense (DoD)
- Department of Homeland Security (DHS)
- Civil government agency PNT stakeholders
- External stakeholders including other federal agencies

FY 2017 Funding: \$1,610,000

RD&T Strategies:

- Through participation in the Complementary PNT effort, the Department can leverage work conducted by the DoD in the research and development of new PNT capabilities and explore technology transfer to civil applications. This effort is important to mitigate the growing vulnerability of GPS to jamming and potential spoofing of the signal, and to increase the resiliency of critical infrastructure that uses GPS.

- The Department is conducting a GPS Spectrum Adjacent Band Compatibility Assessment to ensure that adjacent radiofrequency bands to GPS contain compatible signals and services that will not interfere with GPS. This assessment is in response to work conducted to evaluate proposals for wireless broadband services in the radiofrequency band adjacent to GPS, which demonstrated widespread interference to GPS signals.
- Spectrum experts continue to interface with the ITS Joint Program Office on technical analysis to determine whether DSRC can co-exist with operation of unlicensed wireless services in the same radiofrequency band.

UNIVERSITY TRANSPORTATION CENTERS PROGRAM

AMOUNT REQUESTED FOR FY 2017: \$75,000,000

Project: *Grant Management*

Objective: To manage and ensure proper execution of grants allocated to university consortia selected to receive University Transportation Center (UTC) grants.

Description: The UTC program's mission is to advance transportation expertise and technology in the many disciplines that comprise transportation through education, research, and technology transfer at university-based consortia.

The UTC program provides a critical transportation knowledge base outside of the Department, and addresses critical workforce needs for the next generation of transportation professionals. UTCs are selected based on a rigorous competition which includes research, education and technology transfer activities that will address research priorities named in the FAST Act and topic areas established by the Secretary that address these priorities.

Outputs:

- Publishing technical reports on research topical areas.
- Publishing technical presentations at National and regional technical conferences.
- Conducting technical seminars and workshops.
- Delivering new/improved guidelines on planning, operations, design or maintenance issues.
- Producing highly-qualified university graduates specializing in the transportation sector.
- Developing new technologies and products for application to transportation systems.

RD&T Partners:

- The Department's operating administrations.
- External stakeholders, including other Federal agencies, academic institutions, State DOTs, transit authorities, local, regional and State planning entities, local, State and regional governmental entities, and the private sector including owners and operators of transportation infrastructure.

FY 2017 Funding: \$75,000,000

RD&T Strategies:

Through the UTC program, universities are funded to conduct research, education and technology transfer activities across the modes that will result in the following:

- Next generation technologies and products for the transportation sector.
- Reduced transportation congestion.
- Safer transportation systems.
- More efficient and productive transportation systems.
- The next generation of transportation leaders and experts.

**Transparency Paper:
Total Program Resources for
Office of the Assistant Secretary for Administration
and
Office of the Chief Information Officer**

The information contained in this Transparency Paper identifies the amount of funding received and requested by the Office of the Chief Information Officer and the Office of the Assistant Secretary for Administration from direct appropriations, and the amount of funding for those two offices from WCF reimbursements; and a clear description of the WCF work that is completed under the appropriations cap, exempt from the cap, and completed under reimbursable agreements.

INTRODUCTION

The Working Capital Fund (WCF) was authorized under the Department of Transportation (DOT) Act, Public Law 89-670, enacted October 15, 1966, to provide technical and administrative services that allow the DOT Operating Administrations (OAs) to focus on core missions while reducing costs by consolidating administrative management structures. The WCF is funded through negotiated agreements with its customers. The WCF is an intra-governmental revolving fund established in order to finance a cycle of operations in which the customers reimburse the costs of goods and services received. Costs reimbursed by customers include direct and indirect costs including accrued annual leave and capital asset depreciation. To extend efficiencies and to increase economies of scale, the WCF also services customers outside of the DOT. These Non DOT customers include the Department of Homeland Security, specifically Coast Guard and Transportation Security Administration, and more than 100 agencies nationwide, including the House of Representatives, that use the WCF to manage transit benefits to their employees.

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

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

A WCF Steering Committee (Committee) was established in fiscal year (FY) 2003 to facilitate shared accountability by both WCF and the operating administrations, and ensure a transparent and effective working environment that invites everyone involved to operate with shared responsibilities. The Committee ensures common goods and services are provided in the most cost effective and efficient manner. The Committee is comprised of Associate Administrators of Administration and Chief Financial Officers/Budget Officers from each OA. Specific functions and activities of the Committee include: recommending goods and services that comprise the WCF; approving all WCF funding levels for each service; evaluating the WCF performance in meeting service plans; ensuring that systematic measures of performance against approved service plans are in place; and evaluating and approving capital asset purchases in excess of \$50,000.

The Office of the Assistant Secretary for Administration administers funds for the Working Capital Fund, receives appropriations for Salaries and Expenses for non-WCF functions, and administers a Reimbursable Program. The Office of the Chief Information Officer provides IT services, technical management, and business support through the WCF. The OCIO also receives Salaries and Expenses and Cyber Security Initiatives appropriations.

The following table shows the breakout of funds for both offices.

TOTAL OBLIGATIONAL AUTHORITY BY OFFICE

(In thousands of dollars)

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request	Difference from FY 2016 Enacted
Assistant Secretary for Administration				
Salaries and Expenses	25,365	25,925	30,054	4,129
Working Capital Fund				
DOT	113,500	120,938	121,346	408
NON-DOT	341,102	362,788	363,295	507
Reimbursable	1,787	1,836	1,857	21
TOTAL	481,754	511,487	516,552	5,065
Chief Information Officer				
Salaries and Expenses	15,500	16,280	17,688	1,408
Cyber Security Initiatives	5,000	8,000	15,000	7,000
WCF DOT Activities	68,000	69,101	69,043	(58)
WCF NON-DOT Activities	0	0	0	0
TOTAL	88,500	93,381	101,731	8,350

Major Responsibility
Source of Funds
FY 2017 Request (in thousands)

Office of the Assistant Secretary for Administration Overview:

The Assistant Secretary for Administration is the policy and operations leader and principal advisor to the Secretary of Transportation on Department-wide and Office of the Secretary administrative functions. The Assistant Secretary serves as the:

- Department's Chief Human Capital Officer and provides leadership on all matters associated with the Chief Human Capital Officers Act of 2002. In this role, oversees the planning, implementation, reporting, and evaluation of personnel policies, programs, operating procedures, and systems that support DOT strategic objectives and performance goals.
- Deputy Chief Acquisition Officer for DOT (49 CFR §1.59(a) (6)). Formulates departmental policy, controls and standards to ensure that procurement and financial assistance management programs are in accord with applicable laws, regulations, and good business practices to meet departmental missions in support of the national transportation system.

The Assistant Secretary also delivers administrative services to DOT and Non-DOT customers through the WCF operations and ensures administrative support services are responsive to OST customer requirements and DOT strategic policy direction.

For FY 2017, the Office of the Assistant Secretary for Administration will administer three sources of funding in performing its various roles in support of the DOT. Each funding stream is maintained and reported independently. OASA funding directly tracks to the OASA three areas of responsibility:

- Annually appropriated Salaries and Expenses (S&E) for carrying out human resources and procurement policy, security management and follow-up, promoting environmental strategies and technologies, and resolution of Government Accountability Office and Inspector General audit reviews of department programs, including preparation of required reports.
- Reimbursable funding for providing formal Administrative Procedure Act (APA) hearings to DOT operating administrations.
- Working Capital Fund cost reimbursements for providing and supporting Department-wide core administrative, security and facilities functions such as executive and political personnel operations, building security, and facilities management.

Specific breakdown of the uses of these funds follows.

**FY 2017
(\$000)**

Assistant Secretary for Administration - Salaries and Expenses \$30,054

The OASA provides oversight and leadership for major programs such as acquisition reform, human capital planning and recruitment, sustainable operations and environmental compliance, physical and facility security policy outreach and oversight, and emergency preparedness. This program also administers the resources to pay for consolidated rent payments to GSA and OST payments to the Working Capital Fund.

The Assistant Secretary for Administration serves as the principal advisor to the Secretary and Deputy Secretary on Department-wide administrative matters. The Assistant Secretary is the Department's Chief Human Capital Officer (CHCO), with statutory responsibility for developing and reviewing policies and programs to ensure that high-quality, diverse talent is both continuously available and properly deployed to support DOT objectives. Reforms mandated by the Service Acquisition Reform Act (P.L. 108-16) and the Energy Policy (E.O. 13514) have also significantly enlarged the responsibilities of the Assistant Secretary, who is the Deputy Chief Acquisition Officer. In that capacity, the OASA formulates departmental policy, controls, and standards to ensure that procurement and financial assistance programs are in accord with applicable laws, regulations, and good business practices. Under the authority delegated by the Secretary, the Assistant Secretary carries out the responsibilities of the Competitive Sourcing Officer as specified in OMB Circular A-76, Performance of Commercial Activities. The Assistant Secretary is also the senior departmental security executive and provides leadership and direction to departmental organizations to ensure the safety, security, and protection of DOT personnel, information, facilities, and other assets.

Assistant Secretary for Administration - Working Capital Fund \$484,641

DOT: \$121,346

NON-DOT: \$363,295

The Working Capital Fund (WCF) provides Departmental services in human resources, security, acquisition and grants, information services, transportation and facilities, and space management. In the transit benefits area, the WCF manages the program for over 100 agencies nationwide. These services include financial management of DOT's WCF.

The DOT's WCF provides an array of services in support of the Department's Office of the Secretary and Operating Administrations. The WCF is a full cost recovery, fee-for-service organization that normally receives no directly appropriated funds, but recovers costs through cost reimbursable and interagency service level agreements. The WCF has an obligation ceiling set by Congress which limits the amount of business the WCF may do for the Department that fiscal year.

Assistant Secretary for Administration - Reimbursable Program

Office of Hearings

\$1,857

The Office of Hearings is located in the Office of the Assistant Secretary for Administration in order to separate the Office from all investigatory and prosecution functions. The Office of Hearings is composed of administrative law judges, who hold hearings under the Administrative Procedure Act (5 U.S.C. § 551 et seq.) (APA) for the Department’s Office of the Secretary (primarily in aviation matters) and the Department’s component modal administrations that need formal APA hearings, including the Federal Aviation Administration, Federal Motor Carrier Safety Administration, and the Pipeline and Hazardous Materials Safety Administration.

Office of the Chief Information Officer Overview:

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT) and cyber security advisor to the Secretary. In this strategic departmental role, the CIO provides leadership on all matters associated with the Department’s \$3.5 billion IT portfolio. This includes security, investment management, and improvements in the delivery of services to the American taxpayer through electronic government initiatives.

Funding is included in this request to address the CIO’s strategic Departmental, OST and infrastructure roles. The DOT OCIO also supports the CIO function for Office of the Secretary. Similar to the role of an operating administration CIO, the OST CIO ensures that IT needs of OST employees are met and sound investment decisions are made, consistent with mission and business requirements of the DOT CIO.

The DOT CIO delivers IT services to DOT customers through the operation of an IT infrastructure that includes e-mail services, a backbone network, and help desk support. Historically, operating administrations contract with the CIO for services and reimburse the CIO for the cost of those services. The WCF is the reimbursement mechanism for these services.

DOT CIO Managed Resources Overview:

For FY 2017, the Office of the Chief Information Officer (OCIO) will administer three sources of funding in performing its various roles in support of the DOT. Each funding stream is maintained and reported independently. OCIO funding directly tracks to the CIO’s areas of responsibility:

- Annually appropriated Salaries and Expenses (S&E) for formalizing IT strategy and carrying out IT policy, security and other mandates, guidance, monitoring and reporting.
- WCF cost reimbursements for providing and supporting Department-wide core IT functions, such as information assurance and support, voice, cable and wireless, campus area network (CAN), desktop services, and server and messaging services.
- A Cyber Security Initiatives appropriation to improve infrastructure and Departmental programs to address growing cyber threats and continuing the accomplishments achieved with the FY 2016 Cyber Security Initiatives appropriation.

A specific breakdown of the uses of this funding request follows.

FY 2017
(\$000)

Office of the Chief Information Officer - Salaries and Expenses \$17,688

The OCIO annual Salaries and Expenses appropriation provides pay, compensation and benefits for the Department's CIO, and Deputy CIO and Chief Technology Officer, the CIO for OST, as well as technical and administrative government staff. Annual OCIO S&E funding provides resources necessary for the CIO to meet responsibilities to the Department as well as other Executive and Legislative Branch requirements, and for improving practices in the design, modernization, use, sharing, and performance of information resources. The CIO develops recommendations for information technology management policies, procedures, and standards and leads e-government projects to improve service delivery, and foster the effective use of IT communication technologies to enhance business activities performance. The OCIO also works closely with Budget and Procurement to lead IT investment governance.

Cyber Security Initiatives \$15,000

The DOT OCIO is requesting \$37 million of cyber security funding for FY 2017 to provide necessary resources for DOT to continue to improve the DOT's cyber security posture. Major areas of focus will be:

- DOT's continued implementation and expansion of the Federal Continuous Diagnostics and Mitigation (CDM) program, which will not be funded by a DHS; and supporting the DOT DCM program including the dashboards to improve visibility into vulnerabilities and improve capability to remediate vulnerabilities
- Maintaining and supporting existing capabilities for secure remote access, secure communications, identity management services, and TIC
- Completing a full transition of Internet access for the DOT COE to the secure Managed Trusted Internet Protocol Services (MTIPS)
- Collecting requirements, perform analysis, design, engineer, and perform initial deployment of capabilities expected of DOT COE information systems in support of the DOT Insider Threat program. The desired outcome is a capability to detect and report upon the unauthorized access and transmission of classified or highly sensitive information on DOT sensitive-but-unclassified networks;
- Partnering with FAA to identify necessary changes and enhancements in services to the DOT Security Operations Center, and supporting contracts to address changing cyber threats
- Supporting the creation and initial operational capability of a cloud development environment to develop, implement and enforce enterprise standards and security for new and modernized applications.
- Establishing an enterprise identity management service to support strong authentication and secure identity, which will facilitate reliable and secure access to DOT information systems for DOT personnel, and State, industry, and public stakeholders.

In FY 2017, DOT will continue to support infrastructure elements procured in FYs 2013 - 2015. Specifically, funding will maintain the Secure Remote Access user base preserving the Department's capabilities for remote and mobile employees. DOT will work to find

opportunities to integrate infrastructure improvements and assets from cyber and other appropriations into the WCF through the IT Workforce Initiative.

Office of the Chief Information Officer - Working Capital Fund

\$ 69,043

The DOT's Working Capital Fund provides an array of services in support of the Department's Office of the Secretary and OAs. The WCF is a full cost recovery, fee-for-service organization that normally receives no directly appropriated funds, but recovers costs through cost reimbursable and interagency service level agreements. The WCF has an obligation ceiling set by Congress which limits the amount of business the WCF may do that fiscal year.

WCF organizationally consists of two major components, personnel/facilities services, and IT shared services. The IT shared services fall organizationally and operationally under the OCIO. OCIO's WCF IT operations are essentially an outsourced environment, consisting primarily of contractors and a small cadre of government project managers and technicians. In addition to providing the DOT Washington metro area's campus-wide telephony, communications backbone infrastructure, and firewall security, OCIO WCF IT operations also provide a common IT operating environment, server hosting facilities, desktop management, IT engineering, DOT intranet/internet support and field support.

OCIO will continue to work to finalize the realignment of the number of federal employees (FTPs) to realize increased efficiency and improve the infrastructure of OCIO services. The realignment will include updated processes that improve efficiencies and eliminate redundancies.

The following tables show the Budget Estimates, with a break out for both offices, for FY 2017, FY 2016, and FY 2015:

FY 2017 REQUEST BUDGET SUMMARY BY OFFICE

ASSISTANT SECRETARY FOR ADMINISTRATION

	<u>Salaries & Expenses</u>	<u>Working Capital Fund</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>			
Personnel Compensation and Benefits	8,499	28,818	1,274
Travel	25	437	5
Other Costs	<u>21,530</u>	<u>455,386</u>	<u>578</u>
TOTAL	30,054	484,641 ^{1/}	1,857

1/ Of the \$395 million, \$369 million is for the Transit Benefits and Parking Program.

STAFFING

Direct Positions	60	0	0
Reimbursable Positions	0	231	9

OFFICE OF THE CHIEF INFORMATION OFFICER

	<u>Salaries & Expenses</u>	<u>Working Capital Fund</u>	<u>Cyber Security Initiatives</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	10,705	6,544	0	0
Travel	15	15	0	0
Other Costs	<u>6,968</u>	<u>62,483</u>	<u>15,000</u>	<u>0</u>
TOTAL	17,688	69,043	15,000	0

STAFFING

Direct Positions	106	0	0	0
Reimbursable Positions	0	161	0	0

FY 2016 ENACTED BUDGET SUMMARY BY OFFICE**ASSISTANT SECRETARY FOR ADMINISTRATION**

	<u>Salaries & Expenses</u>	<u>Working Capital Fund</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>			
Personnel Compensation and Benefits	7,635	28,144	1,264
Travel	25	436	5
Other Costs	<u>18,265</u>	<u>455,146</u>	<u>567</u>
TOTAL	25,925	483,726 ^{1/}	1,836

1/ Of the \$484 million, \$369 million is for the Transit Benefits and Parking Program.

STAFFING

Direct Positions	60	0	0
Reimbursable Positions	0	224	9

OFFICE OF THE CHIEF INFORMATION OFFICER

	<u>Salaries & Expenses</u>	<u>Working Capital Fund</u>	<u>Cyber Security Initiatives</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	8,102	5,039	0	0
Travel	15	12	0	0
Other Costs	<u>8,163</u>	<u>64,050</u>	<u>8,000</u>	<u>0</u>
TOTAL	16,280	69,101	8,000	0

STAFFING

Direct Positions	71	0	0	0
Reimbursable Positions	0	161	0	0

FY 2015 ACTUAL BUDGET SUMMARY BY OFFICE**ASSISTANT SECRETARY FOR ADMINISTRATION**

	<u>Salaries & Expenses</u>	<u>Working Capital Fund</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>			
Personnel Compensation and Benefits	7,376	28,024	1,233
Travel	25	446	5
Other Costs	<u>17,964</u>	<u>426,132</u>	<u>549</u>
TOTAL	25,365	454,602 ^{1/}	1,787

1/ Of the \$454 million, \$343 million is for the Transit Benefits and Parking Program.

STAFFING

Direct Positions	59	0	0
Reimbursable Positions	0	219	9

OFFICE OF THE CHIEF INFORMATION OFFICER

	<u>Salaries & Expenses</u>	<u>Working Capital Fund</u>	<u>Cyber Security Initiatives</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	7,042	9,705	0	0
Travel	15	12	0	0
Other Costs	<u>8,443</u>	<u>58,283</u>	<u>5,000</u>	<u>0</u>
TOTAL	15,500	68,000	5,000	0

STAFFING

Direct Positions	52	0	0	0
Reimbursable Positions	0	95	0	0

The following tables show the total Working Capital Fund estimate and a break out for both offices.

**ASSISTANT SECRETARY FOR ADMINISTRATION
WORKING CAPITAL FUND
FY 2017 BUDGET ESTIMATE**
(In thousands of dollars)

Program	FY 2015 <u>Actual</u>	FY 2016 <u>Enacted</u>	FY 2017 <u>Request</u>	Difference from FY 2016 <u>Enacted</u>
DOT Activities	113,500	120,938	121,346	408
Non-DOT Activities	341,102	362,788	363,295	507
Total	454,602	483,726	484,641	915

Staffing

Reimbursable Positions	219	224	231	7
Reimbursable FTE	219	222	228	6

**OFFICE OF THE CHIEF INFORMATION OFFICER
WORKING CAPITAL FUND
FY 2017 BUDGET ESTIMATE**
(In thousands of dollars)

Program	FY 2015 <u>Actual</u>	FY 2016 <u>Enacted</u>	FY 2017 <u>Request</u>	Difference from FY 2016 <u>Enacted</u>
DOT Activities	68,000	69,101	69,043	(58)
Non-DOT Activities	0	0	0	0
Total	68,000	69,101	69,043	(58)

Staffing

Reimbursable Positions	95	161	161	0
Reimbursable FTE	63	128	128	0

The following tables display the WCF/OCIO cost estimates by Operating Administration:

**Working Capital Fund
Operating Administration Costs
And Other Expenses Estimate
(\$000)**

	FY 2015 Actual			FY 2016 Enacted			FY 2017 Request		
	WCF Administration	WCF OCIO	Total	WCF Administration	WCF OCIO	Total	WCF Administration	WCF OCIO	Total
Operating Administration									
OST	10,519	9,924	20,443	9,675	10,619	20,294	10,635	10,415	21,050
FAA	40,484	9,764	50,248	39,488	9,584	49,072	43,186	9,743	52,929
FHWA	11,626	16,718	28,344	15,015	17,768	32,783	12,727	17,375	30,102
FRA	3,822	3,746	7,569	4,116	4,177	8,293	3,899	4,423	8,322
NHTSA	5,998	6,275	12,273	5,628	6,538	12,166	5,508	6,749	12,257
FTA	3,812	4,758	8,570	3,767	4,908	8,675	3,582	4,939	8,521
SLSDC	289	436	725	284	457	741	307	487	794
VOLPE	860	207	1,067	1,451	101	1,552	894	107	1,001
MARAD	5,096	3,897	8,993	4,389	3,883	8,272	4,255	3,899	8,154
OIG	2,892	1,167	4,059	2,637	1,151	3,788	2,890	1,271	4,161
STB	277	44	321	244	44	288	268	43	311
FMCSA	5,486	3,932	9,419	5,770	4,400	10,170	5,570	4,484	10,054
OST-R	2,995	3,132	6,127	2,737	2,880	5,617	2,793	2,906	5,699
PHMSA	3,548	4,728	8,275	6,033	4,629	10,662	3,408	4,687	8,095
DOT Unspecified	1,277	3,571	4,848	5,987	1,372	7,359	6,245	2,061	8,306
SUBTOTAL	98,981	72,300	171,281	107,222	72,510	179,732	106,167	73,589	179,756
Other Expenses									
Capital Assets	865	5,220	6,085	0	5,220	5,220	568	5,220	5,788
Depreciation	(1,274)	(6,507)	(7,781)	(253)	(4,758)	(5,011)	(286)	(5,338)	(5,624)
Net NON-DOT Intrafund Costs	9,206	0	9,206	10,481	0	10,481	8,721	0	8,721
Net WCF Intra Fund Costs	5,721	(3,013)	2,708	3,488	(3,871)	(383)	6,176	(4,428)	1,748
TOTAL	113,500	68,000	181,500	120,938	69,101	190,040	121,346	69,043	190,389

Note: Totals may not add due to rounding

Crosswalk of DOT Operating Costs/Expenses

The WCF is a fee-for-service operation which normally receives no direct appropriations. Instead, the WCF is a self-sustaining reimbursable fund. During the budget formulation stage, the WCF provides to its customers operating cost estimates they will need to contribute to the WCF. These estimates are based on historical data and projected on-demand service levels. The preceding chart is a summary of the DOT operating cost estimates to our customers based on full cost recovery. These operating costs represent the costs provided to each Operating Administration during the fiscal year.

To crosswalk the DOT customer operating costs to DOT obligations, it is necessary to account for items that are (a) at the time of budget formulation were not directly attributable to a specific customer or (b) not directly collected as operating costs.

- DOT Unspecified represents costs where the scope of the work for individual customers is not yet determined and it is not possible to determine a specific billing methodology or customer base, such as for IT consolidation.
- Capital Asset obligations will be expensed over the expected life of the asset and collected in the future as asset replacement reserve.
- Depreciation expenses are treated as a replacement reserve to enable capital assets to be refreshed on a regular cycle. These assets are typically significant technology investments, such as networking and telecommunications equipment that have a useful life of two or more years.
- Net Non DOT Intra Fund Costs provide support services to NON-DOT programs that are not reflected in the DOT cost numbers
- Net WCF Intra Fund Costs are the indirect expenses shared between WCF programs.

Customer Operating Costs:	<i>FY 2017</i> (\$000)
DOT Customer Total	171,450
DOT Unspecified	8,306
DOT Operating Administrations' Costs	<u>179,756</u>
Capital Assets	5,788
Depreciation	(5,624)
Net Non-DOT Intra Fund Costs	8,721
Net WCF Intra Fund Costs	<u>1,748</u>
Total WCF Obligations	190,389

The DOT unspecified amounts in FY 2017 relate primarily to on-demand services such as facility services, personnel services, and the phased implementation of IT field consolidation and enterprise license consolidations. These services are subject to fluctuations in customer demand. A breakout of these amounts is provided in the following chart:

Service	Amount (\$000)	Reason
Acquisition & Procurement Operations	\$240	Labor Compliance Officer Technical Support
Facilities Services & Utilities	\$326	Undetermined customer work load (Facilities Services)
Parking Management & Transit Benefits	\$5,520	Potential changes in participant benefits and addition of new customers
Security Operations	\$159	Possible increased work load for re-investigations and PIV card reissuance
Desktop Services	\$1,001	Changes in Customer Demand
Server Operations	\$296	Changes in Customer Demand
Voice, Cable & Wireless	\$764	Changes in Customer Demand
Total	\$8,066	

Capital Asset obligations will be expensed over the expected life of the asset and collected in the future as asset replacement reserve. A breakout of these amounts being purchased is provided in the following chart:

Program Area	Asset Description	Budgeted Asset Value (\$000)	Useful Life (Months)
Building Maintenance & Utilities	UPS Battery Backups	\$ 400	144
Building Security SE Federal Center	Gemini 2-6040 Small Parcel X'rays	\$ 168	84
Logistics and Support	Remedy Upgrade	\$ 270	48
Voice, Cable & Wireless	Additional Telecomm Infrastructure	\$ 750	36
Campus Area Network (CAN)	Network Infrastructure Optimization	\$ 1,550	48
Server Operations	Server Hosting/Infrastructure Build-out	\$ 2,000	48
Server Operations	Google Search Appliance	\$ 250	24
Directory & Messaging	Messaging Enhancements	\$ 400	48
	Total FY 2017 Assets	\$ 5,788	

The following tables show WCF obligations by business line:

**FY 2017 REQUEST
WCF DOT AND NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)**

<u>Description</u>	<u>DOT Obligations</u>	<u>Non-DOT Obligations</u>	<u>2017 Total</u>
Assistant Secretary for Administration			
Acquisition & Procurement Operations	4,129	0	4,129
Building Security	14,685	0	14,685
Commercial Services Management	0	65	65
Copier, Printing & Multimedia	5,687	500	6,187
Disability Resource Center	2,598	280	2,878
Docket Services	1,874	194	2,068
E-Gov Initiatives	4,704	0	4,704
Emergency Response Programs	1,842	0	1,842
Facilities Services & Utilities	11,018	370	11,389
Federal Laboratory Consortium	31	0	31
Financial Assistance Reporting System (FARS)	0	0	0
Financial Mgmt, Accounting, & Administration	8,153	0	8,153
Flexible Spending Account	363	0	363
Headquarters Space Management & WCF Rent	8,842	0	8,842
Human Resource Services	5,451	93	5,544
Human Resource Systems	21,605	0	21,605
Library & Information Services	1,238	0	1,238
Mail Services & Postage	3,047	0	3,047
News Media Services	447	0	447
Security Operations	7,322	0	7,322
Substance Abuse Awareness & Testing	4,365	3,440	7,806
Transit Benefits & Parking	10,822	358,353	369,175
Unemployment Compensation	2,066	0	2,066
Warehouse	1,055	0	1,055
Assistant Secretary for Admin Subtotal:	121,346	363,295	484,641
Chief Information Officer			
Campus Area Network (CAN)	6,572	0	6,572
Desktop Services	15,041	0	15,041
Enterprise Dashboard	704	0	704
Enterprise Licenses	3,198	0	3,198
Information Assurance & Privacy	14,381	0	14,381
Server & Messaging Services	13,982	0	13,982
Voice, Cable & Wireless	15,165	0	15,165
Chief Information Office Subtotal:	69,043	0	69,043
Grand Total:	190,389	363,295	553,684

FY 2016 ENACTED BUDGET
WCF DOT AND NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)

<u>Description</u>	<u>DOT Obligations</u>	<u>Non-DOT Obligations</u>	<u>2016 Total</u>
Assistant Secretary for Administration			
Acquisition & Procurement Operations	7,743	0	7,743
Building Security	13,565	0	13,565
Commercial Services Management	65	0	65
Copier, Printing & Multimedia	8,108	0	8,108
Disability Resource Center	2,399	280	2,679
Docket Services	1,535	583	2,118
E-Gov Initiatives	4,656	0	4,656
Emergency Response Programs	1,824	0	1,824
Facilities Services & Utilities	10,566	339	10,905
Federal Laboratory Consortium	31	0	31
Financial Assistance Reporting System (FARS)	500	0	500
Financial Mgmt, Accounting, & Administration	7,163	0	7,163
Flexible Spending Account	363	0	363
Headquarters Space Management & WCF Rent	8,910	0	8,910
Human Resource Services	5,705	53	5,758
Human Resource Systems	20,087	0	20,087
Library & Information Services	1,473	0	1,473
Mail Services & Postage	3,147	0	3,147
News Media Services	430	0	430
Security Operations	6,060	0	6,060
Substance Abuse Awareness & Testing	2,987	3,180	6,167
Transit Benefits & Parking	10,613	358,353	368,966
Unemployment Compensation	2,009	0	2,009
Warehouse	999	0	999
Assistant Secretary for Admin Subtotal:	120,938	362,788	483,726
Chief Information Officer			
Campus Area Network (CAN)	6,647	0	6,647
Desktop Services	14,352	0	14,352
Enterprise Dashboard	752	0	752
Enterprise Licenses	3,642	0	3,642
Information Assurance & Privacy	14,791	0	14,791
Server & Messaging Services	14,673	0	14,673
Voice, Cable & Wireless	14,244	0	14,244
Chief Information Office Subtotal:	69,101	0	69,101
Grand Total:	190,039	362,788	552,827

**FY 2015 ACTUAL
WCF DOT AND NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)**

<u>Description</u>	<u>DOT Obligations</u>	<u>Non-DOT Obligations</u>	<u>2015 Total</u>
Assistant Secretary for Administration			
Acquisition & Procurement Operations	4,930	0	4,930
Building Security	15,764	0	15,764
Commercial Services Management	65	0	65
Copier, Printing & Multimedia	7,167	15	7,182
Disability Resource Center	2,245	280	2,525
Docket Services	1,816	301	2,117
E-Gov Initiatives	4,693	0	4,693
Emergency Response Programs	884	0	884
Facilities Services & Utilities	10,924	349	11,273
Federal Laboratory Consortium	26	0	26
Financial Assistance Reporting System (FARS)	500	0	500
Financial Mgmt, Accounting, & Administration	7,191	0	7,191
Flexible Spending Account	363	0	363
Headquarters Space Management & WCF Rent	8,534	0	8,534
Human Resource Services	6,008	50	6,058
Human Resource Systems	19,451	0	19,451
Library & Information Services	1,235	0	1,235
Mail Services & Postage	3,597	0	3,597
Security Operations	5,920	0	5,920
Substance Abuse Awareness & Testing	2,969	3,333	6,302
Transit Benefits & Parking	5,902	336,775	342,677
Unemployment Compensation	2,009	0	2,009
Warehouse	1,306	0	1,306
Assistant Secretary for Admin Subtotal:	<u>113,500</u>	<u>341,102</u>	<u>454,602</u>
Chief Information Officer			
Campus Area Network (CAN)	6,550	0	6,550
Desktop Services	17,399	0	17,399
Enterprise Licenses	1,625	0	1,625
Information Assurance & Privacy	14,890	0	14,890
Server & Messaging Services	14,260	0	14,260
Voice, Cable & Wireless	13,276	0	13,276
Chief Information Office Subtotal:	<u>68,000</u>	<u>0</u>	<u>68,000</u>
Grand Total:	<u>181,500</u>	<u>341,102</u>	<u>522,602</u>