



DEPARTMENTAL OVERVIEW

THE DEPARTMENT OF TRANSPORTATION

The United States (U.S.) Department of Transportation (DOT) is the Federal steward of the Nation's transportation system. The U.S. DOT was established on April 1, 1967 with the mission to develop transportation policies and programs that contribute to providing safe, fast, efficient, accessible and convenient transportation at the lowest cost. This is essential to meeting the national objectives of economic growth and stability, security of the U.S. and the efficient use and conservation of resources.

The Departmental mission underscored the importance of transportation to all Americans and its role in making communities more livable. It affirmed, even then, that transportation is more than concrete, asphalt and steel. It is about people and the widening circle of opportunity.

DOT is at work for America building a safe transportation system for the 21st Century — one that is international in reach, intermodal in form, intelligent in character and inclusive in service.

The world is changing at a rapid pace. There are significant demographic shifts: people are living longer; national economies have been more global in scope; and technology touches nearly every aspect of our lives. As the world changes and evolves, the transportation needs of the American people and their businesses are also changing. Americans need and deserve a transportation system that is safe, fast, efficient, accessible and convenient. In order to successfully accommodate our customers — the American people — DOT must anticipate

the demands required of the nation's transportation system and provide leadership to ensure that system meets the needs of Americans in the 21st Century.

ONE DOT:

DOT has realized integrating our efforts is imperative if we are to continue leading the change and growth in the nation's transportation system. Instead of planning and operating a range of separate, distinct modes, we now think of the nation's transportation needs as a cohesive and integrated system. This integrated approach is the foundation for the ONE DOT Management Strategy.

One of the elements necessary to achieve DOT's stated mission and our desire to be "ONE DOT" is to have a solid financial basis with sound financial management. DOT has made significant progress in improving financial management. And we are committed to doing much more.

The ONE DOT management strategy was introduced in the DOT Strategic Plan to help us meet the challenges of a rapidly changing world by creating a balanced, integrated, intermodal transportation system. This system will more closely reflect how people, communities and organizations function in the 21st Century. The ONE DOT concept builds on and emphasizes the collaborative work that is part of the history of the Department. This historical collaboration has resulted in: significant public initiatives such as the Transportation Equity Act for the 21st Century (TEA-21); the leadership which DOT has assumed in welfare-to-work; rapid and effective response to natural disasters; and other DOT

efforts such as “Buckle Up America,” Operation Lifesaver and the Garrett A. Morgan Technology and Transportation Futures Program, to name a few examples. DOT will enhance the ability to achieve strategic goals by expanding collaborative efforts.

ONE DOT also compels us to think how we might draw upon the achievements of our colleagues to advance the Strategic Plan and mission of the Department beyond what we could accomplish individually. The ultimate goal isn't to create more work, but to effectively serve the needs of all our customers — internal and external — and resolve issues in a collaborative, integrated and cohesive manner.

Education and Careers in Transportation:

Although people are living longer, much of the seasoned transportation work force is retiring. The demand for both traditional and new skills is expanding. The nation's need for technologically-literate transportation workers continues to grow.

The Garrett A. Morgan Technology and Transportation Futures Program will serve as a catalyst to enhance transportation education at all levels by: leveraging the Department's current technology, education and research programs; and forging public/private partnerships.

This program has three goals:

- To ensure that America's transportation work force for the 21st Century is technologically literate and internationally competitive.
- To build a bridge between America's youth and the transportation community.

- To support the development of improved educational technology that provides better ways for people to acquire new skills.

Buckle Up America:

Buckle Up America and the Initiative for Increasing Seat Belt Use Nationwide were established to lead a national initiative to address the most significant traffic and motor vehicle safety issues. Goals as set forth are to increase seat belt use to 85 percent by 2000 and 90 percent by 2005 as well as reducing child occupant fatalities (birth to four years) by 15 percent in 2000 and 25 percent in 2005.

This program has been successful in achieving the following:

- In July 2000, in Washington, D.C., the *Blue Ribbon Panel to Increase Seat Belt Use Among African Americans* held its second meeting. Panel members continued to discuss program and research initiatives.
- Also in July 2000, *Students Against Destructive Decisions (SADD)* held its national press event at the steps of the Capitol in Washington D.C. The incoming SADD student of the year, Katie Hultin, spoke about the low rate of seat belt use by youth, the importance of wearing a seat belt, and called for young people to take a stand against impaired driving by wearing seat belts. Other SADD representatives spoke about their school-based projects that focus on seat belt use.
- The Federal Transit Administration (FTA) contacted the Washington Metropolitan Area Transit Authority (WMATA) to pursue placing

“Buckle Up” messages on electronic message boards within Metro Rail Stations. WMATA officials responded favorably to the idea. After testing the electronic message boards is complete, exact wording for “Buckle Up” messages will be made available.

- In February 1999, a new NHTSA Federal Motor Vehicle Safety Standard (FMVSS 225) was announced for a universal child safety seat anchorage system. Starting in September 1999, new passenger vehicles were to be equipped with standardized anchorage systems that are independent of the vehicle safety belts. These systems will provide improved safety and increased convenience for users.
- A Blue Ribbon Passenger Safety Panel was formed in 1995 to recommend strategies for addressing the child safety seat misuse problem. A second panel was formed in November 1998 to recommend ways to increase the use of age- and size-appropriate restraints by children from ages four to 15. Panel members include representatives from the auto and child restraint industries, as well as medical, health, safety and intergovernmental officials.

Operation Lifesaver:

Operation Lifesaver, Inc. is a nationwide, non-profit public safety education and awareness program dedicated to reduction of deaths and injuries at highway-rail intersections and railroad rights-of-way.

The program seeks to improve driver and pedestrian behavior at highway-rail intersections by encouraging compliance with traffic laws relating to crossing signs and signals. The program also encourages

enforcement of existing traffic and trespassing laws, consolidation and closure of redundant highway-rail crossings and engineering improvements, including installation and upgrading of crossing warning devices and signs.

The very strength of Operation Lifesaver lies in its railway/community cooperative effort. Previously, the lack of a national focal point precluded an effective exchange of information. Operation Lifesaver seeks to join all federal authorities in a nationwide effort to reduce deaths, injuries and property damages resulting from railway-related accidents. To achieve such a union, Operation Lifesaver, in cooperation with businesses, governments, railways and civic leaders, has and will continue to produce printed material, films, audio-visual presentations, etc., to assist in all stages of planning, implementing and evaluating an Operation Lifesaver program. Participation by the federal government is essential to the success of the project.

Operation Lifesaver seeks to increase public awareness that railroad tracks, trestles, bridges, yards and equipment are private property and that railroad right-of-way is extremely dangerous. Although trespassing is illegal and violators are subject to arrest and fines, trespassing continues to be the leading cause of rail fatalities across the U.S. In 1999, 467 trespassers were killed and 433 injured while trespassing on railroad property.

The Mississippi Delta:

The Lower Mississippi Delta Development Commission (Commission) was established by Public Law 100-460 enacted on October 1, 1988. This Commission was charged with developing a 10-year economic plan for the Lower Mississippi

Delta region. This large, integrally important region of our Nation encompasses 219 counties and parishes in seven states.

In 1990, the Commission, submitted a report entitled, "The Delta Initiatives: Realizing the Dream. Fulfilling the Potential." The report represented an aggressive, ambitious plan covering a broad array of goal areas. It identified some 400 recommendations embracing the federal executive and legislative branches, state and local governments and the private sector.

In 1998, the Department of Transportation convened "The Delta Beyond 2000" conference in Memphis, Tenn. DOT was joined by nine other Federal agencies, as well as an array of State and local leaders. The Federal partners signed a Memorandum of Understanding, and agreed to assess how far we have come toward fulfilling the goals and recommendations of the 1990 report.

Bringing opportunity and hope to the Mississippi Delta Region's people and improving their quality of life is an objective which can be accomplished. To that end, an Interim Report was completed in September 1999. Listening sessions to solicit views and insights of key partners in the region were held on September 25, 1999 in West Memphis, Ark.; October 1, 1999 in Baton Rouge, La.; October 2, 1999 in Vicksburg, Miss.; and, October 4, 1999 in Cape Girardeau, Mo. Participants included government officials, businesses, institutions, organizations and individuals who live and work in the Delta.

On May 10, 2000, "The Delta Vision, Delta Voices: Mississippi Delta Beyond 2000" report was presented by the Department of Transportation at the National Conference held in Washington, D.C. The recommendations in the report are part of a

continuing process which requires an integrated strategy supported by the bipartisan coalition of forces — Federal, State, local, private business, faith-based organizations, non-profit foundations, grassroots organizations and individuals.

The value of ethnic diversity and cooperative race relations must always be foremost in the goal of achieving real progress in and for the Delta region. Sound environmental policies that will assure and strengthen economic development for future generations must continually be promoted as well.

Transportation Initiative and Partnership with Africa:

In addition to educating members of our society on transportation, we are extending our knowledge and efforts to Africa.

Africa, a continent revitalized by change, is striving to become a full partner in the emerging global economy. The number of democratically elected governments in sub-Saharan Africa has quadrupled in the last 10 years, and three-fourths of the region's 48 countries have begun economic reforms. These reforms are bringing new hope and greater prosperity to people across the continent.

However, in order to reap the full rewards of their reforms, African nations must revitalize their transportation sectors. Already, a lack of adequate transportation infrastructure is constraining economic growth on the continent. The development of safe and efficient transportation systems is vital to Africa's continued economic development.

Africa needs not only the physical infrastructure of roads and railways, ports

and airports; it also needs people with the skills and expertise to efficiently operate, manage and maintain transportation systems that are becoming increasingly complex and intermodal.

As part of a broad-based effort to support Africa's integration into the global economy, DOT has launched the Transportation Initiative and Partnership with Africa under the theme "Transportation: The Tie that Binds." Transportation plays a key role both in the region's capacity to participate in the global economy and in the well-being of its communities and people. There is an emphasis that transportation is about more than concrete, asphalt and steel — it is also about providing people with opportunity, freedom, and community. This initiative and partnership with the nations of Africa promises to bring increased opportunities and a higher quality of life for both Africans and Americans.

DOT Operating Entities

The Department continues to push forward in *Reinventing Government the common sense way*. Through streamlining, refocusing our efforts on our customers and on performance results and using modern technologies, we are operating more efficiently.

DOT employs almost 100,000 civilian and military people located throughout the world. It includes the following operating elements:

Transportation Administrative Service
Center
(TASC)

United States Coast Guard
(USCG)

Federal Aviation Administration
(FAA)

Federal Highway Administration
(FHWA)

Federal Motor Carrier Safety Administration
(FMCSA)

Federal Railroad Administration
(FRA)

Federal Transit Administration
(FTA)

National Highway Traffic Safety
Administration
(NHTSA)

Saint Lawrence Seaway
Development Corporation
(SLSDC)

Maritime Administration
(MARAD)

Research and Special Programs
Administration
(RSPA)

Bureau of Transportation Statistics
(BTS)

Surface Transportation Board
(STB)

OUR VISION

*A visionary and vigilant Department of
Transportation leading the way to
transportation excellence and innovation in
the 21st Century.*

OUR MISSION STATEMENT

Serve the United States by ensuring a safe, fast, efficient, accessible and convenient transportation system that meets our vital national interests and enhances the quality of life of the American people, today and into the future.

STRATEGIC PLANNING

FY 2000 was an important year in DOT's continuing transition to managing for results. During this last year, DOT delivered its second Strategic Plan. Work was completed on the third Performance Plan and the Department delivered its first Performance Report for FY 1999, as required by law.

DOT's second Government Performance and Results Act (GPRA) Strategic Plan 2000-2005 was delivered to Congress in September, as required by law. A critical foundation piece for performance-based budgeting and management, the DOT Strategic Plan focuses resource allocation on five Department-wide strategic goals and one organizational goal, each with measurable objectives. This strategic plan includes the goal of advancing the Department's ability to manage for results and innovation — organizational excellence. The Department's organizational excellence goal builds on the ONE DOT management strategy that was advanced in the 1997-2002 Strategic Plan. DOT developed three organizational outcomes to achieve in the next five years: improved customer satisfaction; improved employee satisfaction and effectiveness; and improved organizational performance and productivity. The completed plan reflects a

cohesive, cross-modal vision for *what* the Department aims to accomplish (strategic goals) as well as *how* the Department aims to conduct its business (organizational excellence). This plan aligns the efforts of the Operating Administrations (OAs) and Departmental offices, and provides a framework for implementing the National Partnership for Reinventing Government (NPRG) initiatives. It also supports sound budgeting and financial management by integrating policy development and resource planning across modes well ahead of the budget process. The DOT 2000-2005 Strategic Plan was the culmination of over two years of work within DOT to re-tool management thinking and processes around the strategic outcomes.

- ***Safety***: Promote the public health and safety by working toward the elimination of transportation-related deaths and injuries.
- ***Mobility***: Shape an accessible, affordable, reliable transportation system for all people, goods and regions.
- ***Economic Growth and Trade***: Support a transportation system that sustains America's economic growth.
- ***Human and Natural Environment***: Protect and enhance communities and the natural environment affected by transportation.
- ***National Security***: Ensure the security of the transportation system for the movement of people and goods, and support the National Security Strategy.

PERFORMANCE PLANNING AND MANAGEMENT

On March 31, 2000, DOT delivered a combined FY 1999 Performance Report/ FY 2001 Performance Plan to the President and to Congress. In order to more clearly explain DOT's goals and results to the Administration, Congress and the Public, the Department combined this report on 1999 results with the plan for 2001 performance. Managing and achieving good results is enhanced by understanding historical trends and recent results and using this understanding to devise effective strategies and resource allocations. That is what our combined 1999 Performance Report and 2001 Performance Plan does.

DOT has measured and assessed performance in various programs for some time, but this year marks the first time a top-level, Department-wide report on DOT's outcomes has been presented. The Department's FY 1999 Performance Report provides a public accounting of performance against the goals in the FY 1999 Plan. DOT is proud of the results where 77 percent of our goals were met or showed improved trends. The FY 2001 DOT Performance Plan comprehensively links program activities found in each OA's budget to the Department's strategic goals. Most critically, the FY 2001 Performance Plan contains performance measures that DOT will use to assess progress in achieving long-range strategic goals. The plan organizes the presentation of these annual performance goals into five sections by strategic goal area. Within these five strategic goal areas, budget program activities are grouped together according to the annual performance goals they support. In this manner a clear line can be drawn from the mission to the strategic goal, and finally to the performance goals, strategies and requested resources.

The relationship between the performance plan's structure and the DOT budget is worth further discussion, since it gives insight into managing for results and financial accountability. The DOT Performance Plan is generally stated by major outcomes. The account and activity structure in the DOT budget varies by OA and type of budget account. In general, OA appropriation accounts group similar activities or funding mechanisms, and are not organized necessarily by outcome sought. Some appropriation accounts contribute to several different strategic outcomes, and in some cases, multiple accounts contribute to only one outcome, overall fatality reduction being the most salient example of this latter category. DOT's Performance Plan traces each appropriation account's program and financing structure to its strategic performance area.

Where DOT has been challenged is in accounting for both the primary and secondary impacts of budget activities. Program activities typically influence more than one outcome area, and, therefore, often they are associated with multiple performance goals. For example, building a new highway may affect travel time, congestion costs, emissions and land use, safety and even national security. At the same time, achieving these outcomes typically requires efforts across multiple program activities. For this reason, there may never be a clean, one-to-one relationship between funding and outcomes. The aggregated approach in the DOT Performance Plan reflects a reasonable compromise between completeness and clarity in this respect. It associates program activities and obligations with the primary purpose of the program, notes other programs which also contribute significantly to the same goals, and does not double-count resources.

DOT will continue to reexamine, and where possible, refine this approach for managing its resources and organizational performance. The Department also plans a closer link between performance accounting and cost accounting, as processes are refined. DOT is committed to more refined “managerial” cost accounting, and sees this as integral to improving the efficiency with which the Department manages for results. To this end, DOT is investing in improved financial systems, based on state of the art data systems, that will provide the flexibility to better associate dollars with activities, outputs, outcomes and performance goals.

PERFORMANCE GOALS

The DOT Performance Plan defines those performance indicators and goals used to measure the Department's progress in achieving the strategic goals. By linking these goals to the budget, the Consolidated Financial Statement describes FY 2000's effort within DOT and shows how this effort fits into the long-range plan for the Department and the U.S. transportation system. It presents performance measures, which the Department will use to assess its progress in future years towards achieving its long range strategic goals. The performance goals are grouped together under the three areas of surface, air and maritime transportation based on the five strategic goals. This section immediately follows a description of the Department's entities and major programs. The data in this report is primarily for 1999, as 2000 data will not be available and analyzed until the DOT Performance Report is sent to Congress March 31, 2001.

Transportation Administrative Service Center (TASC)

TASC provides common administrative services to the Office of the Secretary of Transportation, the Department's OAs and to other government entities. Being a business-like organization, TASC recovers all costs of operations through customer fees.

TASC made significant contributions in advancing DOT strategic initiatives:

- **Safety:** Promoting transportation safety is the single most important goal of DOT. By supporting DOT through a comprehensive array of administrative services, TASC is able to free the OAs of these responsibilities so they can focus scarce resources on safety issues. As an example, TASC conducts more drug and alcohol tests of employees in safety sensitive positions than any other civilian agency. In FY 2000, TASC conducted almost 10,000 random drug and alcohol tests. This vigilance in testing as well as promoting substance abuse awareness has produced one of the best records in government. DOT's positive test rate remains at half the government-wide average. This helps ensure that DOT employees in safety-related activities carry out their responsibilities in the most effective manner possible.
- **Mobility and Human and Natural Environment:** The ultimate goal of these initiatives is to foster more livable communities. The Federal government seeks to be a model employer in support

of more livable communities. TASC has supported this effort in a number of ways. As an example, the government has sought to dramatically increase support for employees who choose transit alternatives for commuting to work. TASC has traditionally provided transit benefits to over 5,000 DOT headquarters employees. In FY 2000, TASC made it easy for a number of other agencies and the U.S. House of Representatives to extend this benefit to their employees, reaching more than 30,000 employees in 30 cities nationwide. By the end of FY 2000, TASC had completed agreements to distribute transit benefits to more than 100,000 civilian and military employees of all but one Cabinet-level agency and scores of small and independent agencies.

- National Security: TASC business practices demonstrated their ability to ensure continuity of operations by anticipating requirements and providing seamless service to DOT headquarters personnel during the changeover to Year 2000.

TASC was recognized as a model for best practices in a variety of areas:

- TASC Human Resources (HR) Services provided expertise in a wide range of areas to more than half-dozen other agencies.
- When TASC launched its Information Technology Omnibus Program (ITOP) three years ago, it was one of two agencies outside of General Services Administration (GSA) offering a streamlined Government-wide Information Technology (IT) acquisition vehicle for large and not-so-large IT initiatives. Today there are a number of competitors who have used the ITOP model to build programs of their own. ITOP and a new IT management service, VANITS, provide DOT with unprecedented access to recognized leaders in the IT community as well as small, disadvantaged and women-owned businesses.
- DOT Connection and the Disability Resource Center (established during FY 1999) are recognized by the Office of Personnel Management (OPM) and other agencies as highly successful programs that warrant careful study by other agencies as they set up programs of their own.
- Dockets Management was cited by General Accounting Office (GAO) and Congress as the most effective program currently available in engaging the public in the critical dialogue that forms the basis of Federal policy and rulemaking.

TASC drove down the cost of providing mission critical support to DOT and others:

- TASC offers services and rates that are highly competitive with the public and private sector in such areas as printing and graphics, procurement, telecommunications, desktop services, data management and technical research services.
- The volume of material submitted to and processed by Dockets Management increased by 79 percent in FY 2000 while the cost per page processed decreased by 60 percent.
- TASC's Transportation Virtual University puts more than 800 courses at

employees' fingertips for less than the cost of a single conventional class offering.

These efforts resulted in total TASC revenue of \$176.6 million in FY 2000, including \$82.2 million from non-DOT customers.

United States Coast Guard (USCG)

The Coast Guard is challenged to staff, train, equip, maintain and operate a response infrastructure around our nation and beyond its borders. Achieving a high and sustainable level of readiness, within budget constraints, is the Service's overarching management imperative. In fiscal year 2000, the Coast Guard:

- Saved over 3,500 lives.
- Managed approximately 655 federally funded oil spill recovery operations.
- Intercepted over 4,200 illegal migrants.
- Interdicted over 180,000 pounds of illegal drugs including an estimated 132,000 pounds of cocaine.
- Provided services and assets to assure the safe operation of vessels on waterways that carry more than 95 percent of America's foreign trade tonnage.

The USCG's *Maritime Safety Goal* is to eliminate deaths, injuries and property damage associated with maritime transportation, fishing and recreational boating.

The USCG's Search and Rescue Program conducted approximately 40,000 cases with a success rate of 85 percent. In addition, the average annual number of mariners lives lost

decreased from approximately 1,000 in the 1990-92 period to approximately 630 in the 1997-99 timeframe, a substantial decrease.

The Recreational Boating Safety (RBS) Program served approximately 75 million Americans, more than one-fourth of the nation's population, who participate in recreational boating each year. The RBS program works to teach boaters how to avoid boating problems and how to better survive boating problems when they do occur.

The Marine Safety and Environmental Protection programs promote safety through regulation, inspection and education, with an emphasis on preventing problems before they occur for both domestic vessels and foreign vessels that call on U.S. ports.

The substantial decrease in the average number of mariner lives lost over the 1990s arose from the effective coordination of Coast Guard response and prevention activities serving the Maritime Safety Goal.

The USCG's *Maritime Mobility Goal* facilitates maritime commerce and eliminates interruptions and impediments to the economical movement of goods and people, while maximizing recreational access to enjoyment of the water.

The USCG maintains the largest aids-to-navigation system in the world with more than 49,000 federally owned buoys, fixed markers and lighthouses with aid availability consistently over 98 percent. The Coast Guard also operates precision electronic navigation systems that provide highly accurate positions in harbors, waterways and coastal approaches. Long-range radio-navigation transmitters include Long Range Aid to Navigation (LORAN) and the Differential Global Positioning System (DGPS). DGPS is being

expanded through an inter-agency effort led by the Coast Guard to provide nationwide coverage to assist maritime, aviation and surface users.

The Coast Guard keeps vital domestic shipping lanes open during the winter ice season. On the Great Lakes and rivers, the USCG's domestic icebreakers and buoy tenders ensure that ships and cargo are able to move to and from our communities. The Coast Guard's polar icebreakers provide capability to support national defense, scientific research and other national interests in polar regions.

The USCG's *Protection of Natural Resources Goal* is to eliminate environmental damage and natural resource degradation associated with all maritime activities, including transportation, commercial fishing and recreational boating.

The Marine Safety and Environmental Protection Program also works to minimize damage from potential spills of oil and hazardous materials. The USCG responded to over 5,000 pollution spills (oil and chemical spills) in FY 2000. A related USCG responsibility is the management of the Oil Spill Liability Trust Fund, which has a capitalization of about one billion dollars. In FY 2000, the USCG managed over 655 federally funded pollution cases, including many begun in prior years. Commitments in removal efforts for these cases totaled \$66.2 million.

The Fisheries Enforcement Program is responsible for enforcing all laws and treaties that affect and protect the \$30 billion commercial and recreational fishing industry. The Coast Guard patrols the closed fishing grounds off New England so that depleted stocks have an opportunity to rebuild, and elsewhere conducts at-sea inspections to enforce fishing gear

restrictions, fishing bycatch quotas and other fisheries regulations. In the Gulf of Mexico, the Coast Guard protects endangered sea turtles threatened by indiscriminate net fishing and partners with the National Marine Fisheries Service to keep fish stocks viable within the 200-mile Exclusive Economic Zone, a region of more than 3.3 million square miles.

The USCG's *Maritime Security Goal* is to protect our nation's maritime borders by halting the flow of illegal drugs, migrants, and contraband entering our country by maritime routes; preventing illegal incursions of our Exclusive Economic Zone by foreign fishing vessels; and suppressing violations of federal law in the maritime region.

As a key element in the National Drug Control Strategy, the Coast Guard strives to deny drug traffickers maritime routes by patrol and interdiction efforts coordinated closely with domestic law enforcement agencies and foreign governments.

FY 2000 drug interdiction accomplishments include seizure of over 132,000 pounds of cocaine (record amount), seizure of almost 50,000 pounds of marijuana and arrest of approximately 200 felons.

The USCG's *National Security Goals* are to protect our nation as one of the five Armed Services and to enhance regional stability in support of the National Security Strategy. Our national defense functions begin in America's ports and extend to distant parts of the world. They include Deployed Port Security and Defense; Maritime Interception Operations; and Peacetime Military Engagement. Coast Guard cutters deploy to support the Department of Defense's needs worldwide and the Service plays a crucial role in the President's strategy for international engagement by conduct

training with international maritime forces. Through these interactions, the Coast Guard serves as an appropriate model for developing nations as an efficient, multi-mission, maritime military service. By example, the Coast Guard has become a positive force for peace and stability, promoting democracy and the rule of law.

U.S. Coast Guard Financial Management Performance Highlights

Capital Assets

To provide the American public with the vital multi-mission services of the Coast Guard, aging or damaged capital assets of the Service are systematically replaced in the most efficient manner possible. In FY 2000 the Coast Guard acquired mission critical vessels at a cost of \$182 million.

Likewise, aircraft received significant investment, including avionics upgrades. The Coast Guard also completed \$83 million in shore and waterways construction projects, including the replacement of facilities in St. Louis that were destroyed by flooding, renovation of an aging aircraft hangar in Kodiak and replacement or improvement of piers.

Coast Guard Finance Center Performance

During FY 2000, the Coast Guard Finance Center experienced significant improvements in efficiency. Interest penalties paid to vendors declined from \$414K to \$235K (minus 56 percent), while discount opportunities taken for prompt payment increased from \$307K to \$425K (plus 38 percent).

Government Performance Project

Of the five agencies rated in FY 2000 by the Government Performance Project sponsored

by Syracuse University and Government Executive Magazine, the Coast Guard received a grade of “A” for human resources, information technology, capital management, and managing for results, and a “B” for financial management, earning an overall grade of “A.”

Federal Aviation Administration (FAA)

FAA is the leading Federal agency responsible for the safety of civil aviation and for guiding and helping develop commercial space transportation. Major activities include the certification of pilots, aircraft and airports; around-the-clock operation of the Nation’s air traffic control system; and the prevention of incidents that threaten airport and aircraft security. FAA is dedicated to providing air travelers with the best, most technologically advanced aviation system available. This commitment requires steady progress in enhancing safety, improving security and increasing the efficiency of air travel by modernizing the air traffic control system and expanding the capacity of the Nation’s airports. By 2007, FAA, in partnership with the National Aeronautics and Space Administration, is committed to reducing the already low U.S. air carrier fatal accident rate by 80 percent from 1996 levels. In support of this goal, the Administrator established the *Safer Skies* agenda with the aviation community in 1998. *Safer Skies* focuses on the prevention of accidents by addressing recurrent causes, sharing safety information and improving certification and surveillance.

Safety Regulation and Certification

FAA aviation safety inspectors and technical staff oversee the safety of planes and the credentials and competency of pilots and

mechanics, develop mandatory safety rules and set the standards that ensure safety in the skies. FAA safety inspectors and technical staff perform more than 275 thousand inspections and audits each year, helping make air travel among the safest modes of transportation. In January 2000, a new Aviation Safety Action Program (ASAP) designed to encourage better reporting of safety concerns by aviation industry employees was announced. ASAP will give FAA and airlines an important new source of information to prevent safety incidents. FAA also evaluates foreign governments' oversight of their airlines serving U.S. airports and releases the results on its website — www.faa.gov/avr/iasa/index.htm — so that the public can know which countries meet international safety standards. FAA streamlined this program in May 2000 to make it easier for consumers to understand the rating categories.

Civil Aviation Security

FAA works with local security, intelligence and law enforcement agencies to protect passengers, personnel, aircraft and critical national airspace facilities against terrorist and other criminal acts. On January 5, 2000, FAA proposed a rule that would require agency certification for companies hired by the airlines to perform security screening at airports. The rule would set standards for companies providing security screening, strengthen training and testing standards for screeners, and impose more stringent experience and training requirements on screening company managers and instructors. To help measure screeners' performance, FAA is spending up to \$120 million to deploy a new technology called threat image projection (TIP) that runs on the checkpoint X-ray machines. Over the next three years, FAA expects to replace X-ray machines at every airport security checkpoint in the country with new

TIP-installed X-rays. FAA is also continuing airport placement of explosives trace detection devices for carry-on items and FAA-certified explosive detection systems for checked bags. This equipment is already operational at 80 U.S. airports, and with continuing funding the FAA expects to extend the deployment to more than 400 airports across the country. There are now 101 FAA-certified explosives detection systems deployed and 587 explosives trace detection devices.

Air Traffic Services

FAA air traffic controllers provide 24-hour/seven days a week support to pilots during every phase of a flight. On a typical day, controllers handle approximately 200,000 takeoffs and landings and move over 600 million commercial airline passengers per year. They rely on a complex network of radar, computer and communications systems maintained by electronics and environmental technicians.

Throughout FY 2000, DOT and FAA worked to minimize delays in the air traffic control system. The "Spring 2000 Plan" announced on March 10, 2000, focused on managing operations during severe weather conditions. A special website — www.fly.faa.gov — was launched to provide the latest information about delays at U.S. airports. A series of meetings were held in August 2000 with representatives from airlines, labor unions, airports and other stakeholders to discuss specific actions that can enhance service and efficiency.

Specific actions were taken to address runway safety. Workshops were held around the country to produce regional and local plans. A runway safety human factors symposium brought together leading experts to identify the most promising human factors solutions. Recommended action

items from the outreach efforts were presented at a National Summit in June. FAA also identified 25 mid-size airports that will be equipped with low-cost airport surface detection equipment called ASDE-X.

Research and Acquisitions

FAA provides the essential infrastructure and conducts research to meet increasing demands for higher levels of system safety, security, capacity, and efficiency. National Airspace System (NAS) modernization reached a significant milestone in July when the last of 20 new display system replacements (DSR) was dedicated at the Washington Air Route Traffic Control Center (ARTCC) — an event marking the completion of the \$1 billion program to replace aging monochrome radar screens with color displays and a Windows-type interface among other technological upgrades. Another milestone was the replacement of obsolete radar with ARSR-4, an air route surveillance radar that provides better position information and weather detection. NAS modernization was further advanced when the first version of the standard terminal automation replacement system (STARS) became operational at El Paso, Texas and Syracuse, N.Y.

FAA's Research, Engineering and Development (R,E&D) effort encompasses programs that support the introduction of "Free Flight" and satellite-based navigation; the reduction of risks associated with wake vortices, hazardous weather and aircraft fatigue and corrosion; the development of less costly, more reliable security technologies; and the investigation of human factors in the aviation environment.

Free Flight

Free Flight is a new air traffic management

concept that will ultimately allow pilots operating under instrument flight rules greater freedom to select their path and speed in real time. By the end of 2002, Free Flight Phase 1 will deploy five core capability production quality systems to selected sites: traffic management advisor (TMA), passive final approach spacing tool (pFAST), user request evaluation tool (URET), collaborative decision making (CDM) and surface movement advisor (SMA). TMA is now in daily use at Minneapolis and Denver centers. A pFAST prototype is in use at the Dallas/Fort Worth TRACON for the airport's south operation, where it has helped boost capacity by adding eight or more takeoffs/landings per "rush." URET has completed over 500,000 hours of use and is saving airlines an estimated \$1 million per month in fuel costs. SMA was completed ahead of schedule. The ground delay program enhancement component of CDM is also complete, enabling FAA and the airlines to collaboratively anticipate, access and minimize conditions that slow down air travel.

Free Flight Phase 2, announced in May 2000, will expand the use of Free Flight Phase 1 tools geographically, develop and deploy new capabilities and carry out R,E&D projects selected for their importance to this specific phase.

Aid to Airports

The Airport Improvement Program (AIP) is the primary program for distributing Federal funds to airports to maintain and enhance airport safety, preserve existing airport infrastructure, expand capacity and efficiency throughout the airports system and reduce the impact of airport noise on the surrounding community. The AIP, which receives funds from the Airport and Airway Trust Fund maintained through the payment

of user taxes, makes it possible to fund one-fourth to one-third of all capital development at the Nation's public use airports. The Passenger Facility Charge (PFC) Program provides an additional source of capital funding for improving airports. The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21) signed into law on April 5, 2000, authorized the collection of new \$4.00 and \$4.50 PFC levels. Prior to AIR-21, the highest authorized PFC level was \$3.00 per enplaned revenue passenger. The uniform industry-wide start date for collection of the new levels is April 1, 2001.

Commercial Space Transportation

The Office of Commercial Space Transportation oversees the safety of commercial space launches and regulates the growing commercial space industry. The organization licenses commercial space launches that take place in the United States or are conducted by U.S. citizens anywhere in the world. In September 2000, FAA issued a final rule establishing operational requirements for launches of reusable launch vehicles (RLV) and the authorized conduct of commercial space reentry activities. A second final rule authorized the Associate Administrator for Commercial Space Transportation to determine financial responsibility requirements for licensees authorized to launch and reenter a RLV.

Federal Highway Administration (FHWA)

The mission of FHWA is to continually improve the quality of our Nation's highway system and its intermodal connections.

FHWA provides grants to States to help plan, build, maintain and manage the Nation's

highway system and bridges. It also performs research and development of highway and trucking related issues; manages the Intelligent Vehicle/Highway System (IVHS) program; and operates the direct Federal highway construction program for Federal lands.

Most FHWA programs and projects are authorized by the Transportation Equity Act for the 21st Century (TEA-21) and receive funds from the Highway Trust Fund (HTF).

Federal-Aid Highway (FAH) Program

The FAH program is the principal Federal program for distributing funds to the States to build and rehabilitate major highways and bridges. The States are reimbursed for eligible work after the work is performed. Federal-aid funding accounts for 99 percent of FHWA's budget authority.

This program provides for construction and preservation of the approximately 42,800 mile National System of Interstate and Defense Highways, generally financed on a 90 percent Federal, 10 percent State basis. It also provides for the improvement of approximately 800,000 miles of other Federal-aid primary, secondary, and urban roads and streets, with financing generally on a 75 percent Federal to 25 percent State basis.

The FAH program also funds: relocation assistance to those displaced by highway construction; improved access for the handicapped; joint use and development of highway corridors; acquisition of real property for right-of-way; participation of disadvantaged business enterprises in highway construction; and preservation of public parks and recreation lands, wildlife and waterfowl refuges, historic sites, and the natural beauty of the countryside along highways.

Funding is specified by category in the highway authorization statutes. The major programmatic categories are:

- *National Highway System (NHS)* funds construction or reconstruction on about 155,000 miles of the principal highways in the Nation.

The NHS was created by an Act of Congress in FY 1996. The 155,000 miles were designated in consultation with the States. In FY 2000, total obligations incurred by States for Federal-aid was \$4.7 billion and the apportionment of Federal-aid amounted to \$4.793 billion.

- *Surface Transportation Program (STP)* funds a flexible program that allows use of highway funds for a wide range of activities, including transit, safety and transportation enhancements which encompass numerous environmentally related activities, and bicycle-pedestrian accommodations.
- *Interstate Construction (IC)* funds completion of the Interstate Highway System. Currently, most States have opened their designated Interstate mileage to traffic. Nationwide, 99.9 percent of the 42,795-mile system is open to traffic.
- *Interstate Maintenance* funds rehabilitating, resurfacing, restoring and reconstructing older segments of the Interstate Highway.
- *Congestion Mitigation and Air Quality Improvement Act (CMAQ)* funds environmental mitigation measures in the Clean Air Act non-attainment areas and STP activities in other areas. It is intended to reduce congestion and improve air quality. Since 1992, the initial year authorized, to 2000,

authorizations have grown from \$340 million to over \$1.358 billion annually. The CMAQ program offers States flexibility to fund a wide range of projects — the largest share thus far is funding transit projects (46.8 percent) followed by traffic flow (30.9 percent).

- *Bridge Replacement and Rehabilitation (BRR)* funds construction or repair on any bridge. The bridge inventory system has disclosed that for FY 1999 of all the bridges inventoried which are not on the Federal-aid System, 21.1 percent are structurally deficient and 12.6 percent obsolete; on the National Highway System, 6.2 percent are structurally deficient and 16.6 percent are obsolete; and on all other Federal-aid systems, 11.6 percent are structurally deficient and 14.2 percent are obsolete.

To ensure that the percent of structurally deficient and obsolete bridges grows no larger, it is estimated that \$5.2 billion of maintenance would be required each year for the next 15 years.

These six categories account for about 79 percent (\$157.7 billion) of the \$199.6 billion for highways authorized by ISTEA and TEA-21 for 1992 through 2000. Much of the remainder of the authorized funding is for special interest projects (\$11.9 billion), special State allocations to balance the money flowing into and out of the HTF from each of the States (\$30 billion), and for several other miscellaneous categories.

Federal Lands Highway Program (FLHP)

The FLHP provides HTF financing of the construction and improvement of Indian reservation roads, parkways and park roads, and public lands highways, including forest highways and discretionary public land highway funding. FHWA provides the direct

Federal resources to manage this program in conjunction with the Departments of Interior and Agriculture.

This program also provides direct construction management experience for persons in the FHWA engineering training program. In total, about \$4.5 billion was provided in ISTEA and TEA-21 for this program. FY 2000 authorization was \$706 million.

In general, projects to be funded each year are selected by the Federal agency with jurisdiction over the Federal lands involved (i.e., the National Park Service with respect to parkways and park roads, the Forest Service for forest highways and the Bureau of Indian Affairs/Tribal Governments for Indian reservation roads).

Intelligent Transportation Systems (ITS) Program

The ITS program is designed to research, develop and operationally test advanced vehicle and highway systems; develop an automated highway system; and promote such technology as a means to increase the efficiency of the Nation's highways.

The program funds States, local governments and private entities to develop and test new technologies, processes, procedures and other activities that have the potential to enhance the efficiency of transportation infrastructure (e.g., increase the capacity of an existing highway by increasing the average speed), or improve operations of the vehicle using the infrastructure. ISTEA and TEA-21 provided about \$923 million in contract authority for 1992 through 2000 (\$98.2 million in 2000).

Over the life of ISTEA and TEA-21 the ITS program has tested and proved the viability of numerous technologies and applications.

Numerous operational tests are demonstrating the viability of first generation ITS technologies and services. FHWA is now seeing products and services refined by operational test programs become self sufficient and competitive in the market place.

Innovative Financing Initiative for 2000

Transportation Infrastructure Finance and Innovation Act (TIFIA)

Congress passed the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) to provide Federal credit assistance to major transportation investments of critical national importance, such as intermodal facilities, border crossing infrastructure, expansion of multi-State highway trade corridors and other investments with regional and national benefits. The TIFIA program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital. The program is funded at \$530 million in contract authority through 2003 with \$80 million available in 1999.

Federal Motor Carrier Safety Administration (FMCSA)

The Federal Motor Carrier Safety Administration was established within the Department of Transportation on January 1, 2000, pursuant to the Motor Carrier Safety Improvement Act of 1999, Public Law No. 106-159, 113 Stat. 1748 (December 9, 1999). Formerly a part of the Federal Highway Administration, the Federal Motor Carrier Safety Administration's primary mission is to prevent commercial motor vehicle-related fatalities and injuries. FMCSA activities

contribute to ensuring safety in motor carrier operations through strong enforcement of safety regulations, targeting high-risk carriers and commercial motor vehicle drivers; improving safety information systems and commercial motor vehicle technologies; strengthening commercial motor vehicle equipment and operating standards; and increasing safety awareness. To accomplish these activities, FMCSA works with Federal, State and local enforcement agencies, the motor carrier industry, labor safety interest groups and others.

Motor Carrier Safety Assistance Program (MCSAP)

The Motor Carrier Safety Assistance Program is a Federal grant program that provides States with financial assistance for roadside inspections and other commercial motor vehicle safety programs. It promotes detection and correction of commercial motor vehicle safety defects, commercial motor vehicle driver deficiencies and unsafe motor carrier practices before they become contributing factors to crashes and hazardous materials incidents. The program also promotes the adoption and uniform enforcement of safety rules, regulations and standards compatible with the Federal Motor Carrier Safety Regulations (FMCSRs) and Federal Hazardous Materials Regulations (FHMRs).

Regulatory Compliance and Enforcement

FMCSA's compliance reviews and enforcement activities and the States' roadside inspection activities are the principal means for ensuring FMCSRs and FHMRs are enforced. High-risk and unsafe motor carriers are identified and targeted, and their safety performance is monitored and tracked. Continued poor safety

performance may result in a Federal Operations Out-of-Service Order/unfit determination in conjunction with the suspension and/or revocation of vehicle registration privileges.

Commercial Driver's License Program

FMCSA develops, issues, and evaluates standards for testing and licensing commercial motor vehicle drivers. These standards require States to issue a commercial drivers license only after drivers pass knowledge and skill tests that pertain to the type of vehicle operated. States are audited every three years to monitor compliance with Federal standards; noncompliance could result in loss of Federal funding.

Data and Analysis

FMCSA collects and disseminates safety data concerning motor carriers. Data collected by Federal safety investigators and State partners from roadside inspections, crashes, compliance reviews and enforcement activities are indexed by carrier. This information provides a national perspective on carrier performance and assists in determining Federal and State enforcement activities and priorities. Combined with data from other sources (including the National Highway Traffic Safety Administration), extensive analysis is performed to determine trends in performance by carrier and other factors such as cargo, driver demographics, location, time and type of incident. Based on identified trends, FMCSA directs resources in the most efficient and effective manner to improve motor carrier safety.

Research and Technology Program

FMCSA identifies, coordinates, and

administers research and development to enhance the safety of motor carrier operations, commercial motor vehicles, and commercial motor vehicle drivers. FMCSA promotes the use of information systems and advanced technologies to improve commercial vehicle safety, simplify government administrative systems and provide savings to States and the motor carrier industry.

Border and International

FMCSA supports the development of compatible motor carrier safety requirements and procedures throughout North America in the context of the North America Free Trade Agreement (NAFTA). It supports programs to improve the safety performance of motor carriers operating in border areas through special grants to States for enforcement activities and, in cooperation with other Federal agencies, it supports the development of State safety inspection facilities. FMCSA participates in international technical organizations and committees to share best practices in motor carrier safety.

Hazardous Materials

FMCSA enforces regulations for the safe transportation of hazardous materials by highway and rules governing the manufacture and maintenance of cargo tank motor vehicles, as set forth in Chapter 51 of Title 49 of the United States Code.

Household Goods

FMCSA has established a task force to identify and investigate those household goods carriers which have exhibited a substantial pattern of consumer abuse. Consumer awareness/self-help packages are available.

Hotline

FMCSA provides a toll-free hotline for reporting dangerous safety violations involving a commercial truck or bus: 1-888-DOT-SAFT (1-888-368-7238).

Federal Railroad Administration (FRA)

FRA was created in 1966, to promote and enforce safety throughout the U.S. railroad system, rehabilitate the Northeast Corridor rail passenger services, consolidate Federal support for rail transportation and support research and development for rail transportation. The mission of FRA is to provide national leadership for safe, secure and environmentally sound rail transportation for all Americans.

This is accomplished by:

- Promoting safety by working toward the elimination of rail-related deaths, injuries and property damage.
- Advancing the service, reliability and timely movement of people and goods by fostering and investing in an efficient and accessible rail system.
- Fostering the development, demonstration and implementation of technology to advance rail applications in the United States.
- Promoting full and timely access to information for internal and external customers.

Passenger rail travel is on the increase (up 25 percent since 1993 when nearly 465 million passengers took to the rail).

Commuter railroad operations accounts for 95 percent of all railroad passenger traffic. In FY 2000 there were over 443 million commuter railroad passengers (across 16 systems), and over 21.5 million additional Amtrak passengers.

Railroad Safety Program

FRA's Railroad Safety Program protects railroad employees and the public by ensuring the safe operation of passenger and freight trains. Program efforts are directed to the enhancements of railroad safety through various programs and activities:

- Issuance and enforcement of safety regulations.
- Investigations of train accidents.
- Training of industry workers on safety laws.
- Educating the public on dangers associated with railroading.
- Research and other cooperative efforts with industry to advance safety.

During FY 2000 FRA continued to set a zero tolerance for accidents, injuries and deaths in the rail industry. The years 1993 through 1999 were the seven safest in rail history, for every safety category. FRA-led partnerships with rail labor, management and others helped reduce:

- Train accident fatalities by 87 percent.
- Rail employee casualties by nearly 34 percent.
- Highway-rail crossing fatalities (the leading cause of rail-related deaths),

by more than 35 percent.

These reductions were achieved even though rail freight and passenger traffic were at all time highs.

The FRA safety force inspects the U.S.'s 230,000 miles of railroad track, 1.2 million freight cars, 20,000 locomotives and 89,000 track miles of signal and train control systems. During FY 2000 FRA's inspection force was on the job around the clock, inspecting railroad property, equipment, tracks and procedures. Over 300 FRA safety inspectors work with 137 State-level inspectors to closely monitor 715 railroads and 1429 non-railroad companies' internal inspection activities to ensure compliance with Federal regulations. During FY 2000 inspectors conducted over 42,694 inspections that detected 225,558 defects.

When necessary, FRA removed tracks, equipment or personnel from service and levied fines. Civil penalties, which are assessed against any entity (including individuals) that violate the safety laws, continued to serve as strong tools used by FRA to ensure that the railroad industry adheres to rail safety regulations. Civil penalties range up to \$22,000 per violation (\$27,500 for hazardous materials violations). In FY 2000, FRA reached settlement of issued orders that resulted in the collection of over \$4.3 billion in civil penalty assessments against major carriers, shippers of hazardous materials and small railroads.

Railroad Research and Development Program

Maglev technology reflects FRA's commitment to increase mobility in the new millennium through new technology that will grow the economy and protect the environment. High-speed rail offers an attractive

transportation alternative to congested highways and airports in certain intercity corridors. In seeking solutions to move people efficiently and safely through the next century, FRA is ensuring high-speed rail and magnetic levitation rail technology will become important links in a balanced transportation network. FRA is an active participant in the quest to operate a maglev system in the U.S. within the next five years.

During FY 2000 FRA and the Department of Transportation announced additional funding for high-speed rail and maglev initiatives and projects.

- \$14.8 million awarded to seven States and authorities for continuing pre-construction planning.
- \$5.3 million financial assistance grant awarded to five Federally-designated high-speed rail corridors to eliminate hazards at public and private highway-rail grade crossings.
- \$6.5 million grant awarded to the Illinois Department of Transportation as part of the Federal government's contribution towards the development and deployment of a Positive Train Control (PTC) system on a 120-mile segment of the Chicago-to-St. Louis high-speed rail passenger corridor.

Railroad Rehabilitation and Improvement Financing Program

During FY 2000, the final rule regarding the administration of the \$3.5 billion Railroad Rehabilitation and Improvement Financing Program (RRIF) was published. This program allows railroads:

- To acquire, improve or rehabilitate intermodal or rail equipment or facilities,

including track, components of track, bridges, yards, buildings and shops.

- To refinance existing debt incurred for the previous purposes.
- To develop and establish new intermodal or railroad facilities.

There is a statutory maximum amount of outstanding principal of \$3.5 billion. Of this, \$1 billion is reserved for projects primarily benefiting shortline and regional railroads.

Federal Transit Administration (FTA)

The mission of FTA is to provide leadership, technical assistance and financial resources for safe, technologically-advanced public transportation, which enhances all citizens' mobility and accessibility, improves America's communities and natural environment and strengthens the national economy.

FTA performs its mission through the Administrator and Deputy Administrator, ten regional offices and FTA headquarters offices which are organized by function: Administration; Budget and Policy; Chief Counsel; Civil Rights; Planning; Program Management; and Research, Demonstration and Innovation.

Transit investment improves the quality of life for over 80 million Americans who live in transit-intensive urbanized areas and the 30 million rural Americans who depend on transit for basic mobility. Ten million people rely on transit every day to get to jobs, schools, stores and health care facilities. Another 25 million use transit less frequently, but on a regular basis. In many cases, the elderly, persons with disabilities

and the economically disadvantaged are the ones who most rely on transit for their basic mobility.

The Transportation Equity Act for the 21st Century (TEA-21), reauthorized the Federal Transit programs and was signed on June 9, 1998. TEA-21 provides a total of \$41 billion in budget authority, funded from the general funds of the Treasury and trust fund resources from the Mass Transit Account (MTA) of the Highway Trust Fund (HTF), for FY 1998 through FY 2003. TEA-21 guaranteed \$5.797 billion for transit programs in FY 2000 under the discretionary spending limit, 80 percent of which is funded from the MTA.

TEA-21 amended the Internal Revenue Code by increasing the amount of motor fuel tax transferred to the account and eliminating interest payments to the HTF after September 30, 1998. In FY 2000, the cash balance of the MTA was \$9.8 billion and \$4.67 billion was deposited in the account.

Through a variety of grant assistance programs, FTA provides funding to over 800 public transit operators in 316 urbanized areas, 1,200 transit systems serving rural areas and 3,700 agencies that provide transit service to elderly and persons with disabilities and to plan, construct and operate the Nation's mass transit systems.

Grants are distributed either by statutory formulas or by discretionary grants which are usually earmarked in the appropriation and authorization processes. Formula grants are apportioned by statutory formula based on population, population density and/or transit operational data.

In FY 2000, FTA obligated \$7.5 billion in funds appropriated to FTA including \$1.2 billion in FHWA funds transferred to FTA

for use on transit projects.

Obligations included \$4.5 billion in Formula Grants, \$2.7 billion in Capital Investment and Discretionary Grants, \$59.5 million for Administrative Expenses and \$281 million for others which include Washington Metropolitan Area Transit Authority (WMATA), Transit Planning and Research (TPR), University Transportation Research (UTC) and Job Access and Reverse Commute (JARC).

National Highway Traffic Safety Administration (NHTSA)

The mission of NHTSA is to save lives, prevent injuries and reduce traffic-related healthcare and other economic costs. NHTSA pursues this mission by developing, promoting and implementing effective educational, engineering and enforcement programs directed at ending preventable tragedies and reducing economic costs associated with vehicle use and highway travel — estimated at \$150 billion annually.

As a result of NHTSA's programs, motor vehicle travel has become safer. Traffic fatalities have decreased from 51,091 in 1980 to 41,611 in 1999. The fatality rate per 100 million vehicle miles dropped to 1.5 in 1999. This is a record low since record-keeping began in 1966 when the rate was 5.5.

Despite this progress, there are a number of challenges that NHTSA must address. For example, although the number of highway related fatalities decreased slightly in 1998, it had increased from 1992 through 1996, and the fatality rate, although improved since 1980, has been stalled at 1.7 since 1992.

In FY 1998, the Department initiated new programs such as “Buckle Up America” to help decrease the number and rate of highway-related fatalities. This has substantially increased the focus on providing technical assistance to the States in developing comprehensive strategies, targeting traffic law enforcement problems and reducing the human loss and economic costs caused by traffic crashes. Emerging traffic safety issues such as fatigue, drowsiness and use of cellular phones while driving, combined with speed, create new challenges that make progress more difficult and require innovative strategies and a strong Federal role. The Department's Strategic Plan guides program priorities. NHTSA's activities tie directly to DOT's Safety strategic goal and make contributions to the other four departmental strategic goals.

NHTSA's programs have proven to be cost-effective. A 1994 NHTSA analysis of the Department's traffic safety programs showed that society receives a return of about nine dollars for each dollar spent on vehicle and highway safety. Programs administered by NHTSA are funded from the Highway Trust Fund (HTF) and the General Fund. This funding supports research, highway safety and vehicle programs, and also grants to States and the National Driver Register.

Traffic Safety Programs

The traffic safety programs administered by NHTSA encompass a range of program strategies to reduce crashes and their consequences. NHTSA administers the Safe Communities program which, through the creation of partnerships, enables communities to identify, understand and address their traffic safety problems. Traffic safety programs also include highway safety research activities and education and

outreach efforts, particularly relating to air bag and child safety.

- *Occupant Protection Programs* continue progress toward the goals of the Initiative to Increase Seat Belt Use Nationwide to 90 percent by 2005. National safety belt usage has risen to 70 percent. The program emphasizes enforcement and education and utilizes public/private partnerships to increase the use of safety belts and child safety seats. NHTSA develops training programs for child passenger safety instructors and technicians and complements private sector seat distribution efforts, as well as promotes correct safety belt and child safety seat use to enhance the effectiveness of air bags and eliminate air bag related injuries.
- *Impaired Driver Programs* seek to reduce impaired driving by changing driver behavior through a variety of strategies such as stricter laws and enforcement, better training and outreach programs. In 1998, alcohol-related fatalities dropped to 38 percent of total fatalities for the first time. This will help the agency achieve its 2005 goal to reduce the number of alcohol-related fatalities to 11,000.
- *Other Safety Programs* continue to increase the number of people educated about air bag safety, improve emergency medical services and focus attention on pedestrians, bicyclists and older and younger drivers. NHTSA establishes strategies to combat drug use by youth in support of the Initiative on Drugs, Driving and Youth. NHTSA continues to investigate and demonstrate methods to control speeding, aggressive driving and other unsafe driving acts.

Safety Performance Standards

- *Safety Standards Support Program* obtains and analyzes information on changes in automotive design and technology and on regulatory and non-regulatory alternatives to increase motor vehicle safety. The program responds to rulemaking petitions and explores new technologies for reducing head injuries and improving head restraints. Work continues on advanced air bag performance, especially as it relates to children, the development of an offset frontal test standard and harmonization of vehicle safety standards with those of other countries.
- *New Car Assessment Program* conducts crash tests to evaluate the comparative crashworthiness of passenger vehicles and to motivate vehicle manufacturers to provide higher levels of occupant protection by using market forces. NHTSA conducts frontal and side impact tests at 35 mph and 38.5 mph, respectively, to provide information to consumers for their purchasing decisions. In FY 1999, 60 vehicles were crash tested. Thirty vehicles were tested and rated for frontal protection and 30 for side protection. NHTSA estimates that these tests, when combined with results valid from earlier model years, provided customers with relative crashworthiness information on passenger vehicles on 80 percent of model year 2000 passenger cars. Other vehicle safety information, provided to consumers through the *Consumer Information Program*, includes the safety features available on new vehicles, child passenger safety guidelines and the characteristics and proper use of anti-lock braking systems.
- *Other Programs* report statistics on motor vehicle theft and insurance related data, issue rules regarding vehicle theft prevention and set Corporate Average Fuel Economy (CAFE) standards, rulemaking actions and consumer information on Uniform Tire Quality Grading.

Safety Assurance

- *Vehicle Safety Compliance* ensures that all motor vehicles and motor vehicle equipment sold in the U.S. provide the safety benefits intended by Federal safety regulations or qualify for the appropriate exemptions. The compliance program incorporates the testing, inspection and investigation necessary to ensure compliance with the performance requirements of Federal Motor Vehicle Safety Standards. Since the inception of the National Traffic and Motor Vehicle Safety Act in September 1966 through May 1999, 3,483 investigations for possible non-compliance were initiated, of which 3,460 have been completed and closed. In addition, from September 1966 through May 1999, civil penalties collected for Safety Act violations totaled \$5.3 million.
- *Defects Investigations Program* collects, analyses and acts on information related to safety defects that affect the occurrence and severity of crashes. NHTSA also analyzes recalls conducted by manufacturers to determine whether notification to owners, scope of vehicles or equipment covered and remedies performed are adequate. In 1999, there were 223 recalls involving 11 million vehicles and more than 33 million items of motor vehicle equipment for safety problems. One-fifth

of the recall campaigns, representing over 50 percent of the vehicles recalled, were influenced by NHTSA defects investigations.

- *Odometer Fraud Programs* help reduce odometer fraud by enforcing Federal laws and regulations, encouraging States to aggressively enforce State laws, increasing public awareness and monitoring motor vehicle titling systems. From 1989 through 1998, states completed 718 investigations and recovered more than \$1.9 million in restitution for consumers.
- *Auto Safety Hotline* serves as the primary contact for consumers to report problems with motor vehicles or motor vehicle equipment that may warrant a safety defect investigation and also to provide consumers with timely information concerning motor vehicle safety. This includes recall information and general information to increase consumer understanding and awareness of highway safety. The Hotline, 1-800-424-9393, received over 700,000 calls from customers for each of the last four years, seeking information on a wide variety of highway safety issues, from child seat installation, to recalls, to crash data, to air bags on specific vehicles.

Research and Development

NHTSA's research programs provide the foundation for improvements in the safety of motor vehicles and driver behavior. A major emphasis of the research program is on air bag aggressivity. Research was conducted by the National Transportation Biomechanics Research Center on international harmonization, crash avoidance and maintaining and improving the critical

data programs administered by the National Center for Statistics and Analysis.

Biomechanics research is concerned with understanding the automotive injury process and developing methodologies capable of evaluating and effecting improvements in crash safety. Part of the research involves analyses conducted at trauma centers through Crash Injury Research and Engineering Network on the human consequences of real world crashes. The National Center for Statistics and Analysis collects data vital to the vehicle and behavioral programs of NHTSA, FHWA and other Department programs; State and local governments, as well as vehicle manufacturers, insurers and highway safety public interest groups.

Highway Safety Grants

NHTSA provides grants to States including Section 402 formula grants, Section 405 Occupant Protection Incentive grants, Section 410 Alcohol-Impaired Driving Incentive grants and Section 411 State Highway Safety Data Improvements Incentive grants.

The Section 402 grant program is a performance-based formula program that provides the States with the opportunity to set their own highway safety goals and develop program strategies to meet them. State programs are focused on national priorities including alcohol/drug-impaired driving prevention, occupant protection, police traffic services, emergency medical service/trauma care, traffic records, pedestrian/bicycle safety, motorcycle safety and roadway safety. States can use funds to form Safe Communities partnerships to address highway safety problems. By the end of July 1999, there were 667 local Safe

Communities established in all 50 States nationwide.

The Section 405 Occupant Protection Incentive Grant Program awards grants to states to implement and enforce seat belt and child safety seat usage. Under the Section 2003(B) Child Passenger Protection Education Grant Program, grants are made to States to implement specific child passenger protection and education activities.

The Section 410 Alcohol-Impaired Driving Incentive Grant Program continues to provide effective incentives to motivate States to implement effective measures to reduce safety problems stemming from use of alcohol and drug while driving. States can receive grants based on specific actions such as enactment of laws and implementation of programs to reduce impaired driving. A total of 38 States and the District of Columbia qualified for Section 410 grants in FY 2000.

The Section 411 State Highway Safety Data Improvements Incentive Grant Program provides grants to States to implement effective programs to improve the accuracy, availability and uniformity of state highway safety data.

National Driver Register (NDR)

The National Driver Register provides a very critical transportation safety function by allowing State motor vehicle administrators to communicate with other States to identify problem drivers. The NDR is a central repository of identification information on individuals whose license to operate a motor vehicle has been revoked, suspended, canceled or denied in any State and is used by other transportation-related organizations such as the Federal Aviation Administration, Federal Railroad Administration, United States Coast Guard,

air carriers and employers making licensing or certification decisions.

Maritime Administration (MARAD)

The mission of MARAD builds on their maritime heritage and strengthens the maritime industry for the continued security and prosperity of the Nation. MARAD has primary Federal responsibility for ensuring the availability of efficient water transportation service to shippers and consumers. MARAD also seeks to ensure that the U.S. enjoys adequate shipbuilding and repair service, efficient ports, effective intermodal water and land transportation connections, and reserve shipping capacity for use in time of national emergency.

Maritime Security Program (MSP)

The MSP provides funding to maintain a U.S. flag merchant fleet crewed by U.S. citizens to serve both the commercial and national security needs of the U.S. Payments are made to U.S. carriers for 47 dry cargo ships (capped at \$2.1 million per ship per year) employed in U.S. international liner trades. This program is authorized through FY 2005, and is subject to annual appropriations. In exchange for the payment, U.S. carriers agree to provide the Department of Defense (DOD) with “assured access” to modern and efficient U.S. flag commercial liner ships, intermodal equipment and systems, including terminal facilities, as well as providing a base of experienced U.S. merchant mariners to transport DOD contingency and sustainment cargoes anywhere in the world.

The MSP was enacted into law in the first quarter of FY 1997. MARAD made MSP payments of \$ 98.5 million in FY 2000 and anticipates payment of \$98.7 million for

FY 2001. The estimated total of MSP outlays through FY 2005 will be approximately \$814 million, which is 18.5 percent less than the 10 year authorized level of one billion dollars provided in the Maritime Security Act of 1996.

The MSP provides the U.S. Government “assured access” to a world-class U.S. flag intermodal sealift capability at the lowest possible cost. Without this capacity, the Nation’s vital national military and economic interests would be compromised as it would be prohibitively expensive for the Government to own sufficient shipping resources to sustain projected U.S. military operations in an emergency. MARAD, in partnership with DOD’s U.S. Transportation Command, launched the Voluntary Intermodal Sealift Agreement (VISA) to provide a contractual mechanism for the U.S. Government to obtain assured access to commercial sealift resources during emergencies. VISA was developed as a complementary program to the MSP to meet statutory obligations for MSP contractor support of DOD in emergencies. These synergistic programs, combined with the U.S. Government’s reserve sealift fleets, will ensure that sufficient resources will be available to meet DOD surge and sustainment requirements.

Operating Differential Subsidy (ODS) Program

The ODS program, predecessor of the MSP, compensated U.S. carriers on a reimbursable basis for the higher costs of operating ships under the U.S. flag as compared to those of foreign flag competitors. These were 20-year contracts between the Federal Government and subsidized vessel operators. The last ODS contract expires in September 2001 and residual costs associated with the expired contracts are estimated to end by FY 2003.

National Defense Reserve Fleet (NDRF) and Ready Reserve Force (RRF) Programs

The primary focus of the NDRF and RRF programs is to contribute to the achievement of MARAD’s national security strategic goal. NDRF retention ships, except the RRF component, are in a deep lay-up condition.

The 143 ships in the NDRF can be activated to help meet U.S. shipping requirements during a national emergency above which the RRF and commercial fleets can satisfy. Of the 258 NDRF ships, 115 non-retention ships are being held, slated for disposal. NDRF ships are preserved and maintained by MARAD. MARAD spends about \$260 million annually to maintain the NDRF. The NDRF/RRF program is currently funded by DOD through the National Sealift Trust Fund. The NDRF ships are primarily cargo ships and tankers.

The RRF was established in 1976, as a subset of the NDRF. Of the 258 ships currently in the NDRF, 90 are RRF ships. RRF ships are upgraded and maintained to be fully operational and tendered to the DOD within four to 30 days after notification.

The RRF is composed of special types of cargo ships, not available on short notice from the commercial fleet. The RRF is structured to transport Army and Marine Corps unit equipment and initial resupply for armed forces deploying anywhere in the world during the critical initial period before adequate numbers of commercial ships can be obtained.

During FY 2000, the reliability of active RRF ships was 97 percent over a combined total of 1,729 ship-days under operational control by Military Sealift Command.

***Maritime Guaranteed Loan
(Title XI) Program***

The Title XI program promotes the growth and modernization of the U.S. merchant marine fleet and U.S. shipyards in support of MARAD's shipbuilding strategic goal. The program enables companies to obtain long-term financing from the private sector on terms and conditions and at interest rates that may otherwise be unavailable in the commercial market. Under the Title XI Program, the Federal Government guarantees full payment to the lender of the unpaid principal and interest in the event of default. Funds guaranteed under this program are obtained from the private sector to aid in U.S. shipyard construction and reconstruction of merchant vessels and U.S. shipyard modernization projects.

In FY 2000, approvals of \$885 million were issued for Title XI financing. As of September 30, 2000, Title XI in force totaled approximately \$4.44 billion, covering approximately 1,700 vessels.

***Ocean Freight Differential (OFD)
Program***

MARAD supports the strategic trade goal of increasing the U.S. maritime industry's participation in foreign trade by paying the differential between shipping costs on U.S. flag vessels and foreign flag vessels, for specified programs of the U.S. Department of Agriculture (USDA) and the Agency for International Development. P.L. 99-198 increased from 50 to 75 percent the amount of agricultural commodities under specified programs that must be carried on U.S.-flag vessels. In general, the differential shipping costs are covered by the Federal agency shipping the goods, but MARAD is required to reimburse USDA for ocean freight differential costs for the added tonnage above 50 percent but not exceeding the additional 25 percent. These reimbursements

are funded through borrowing from the Treasury.

During the past 12 years, MARAD reimbursed USDA \$407 million for its OFD obligations. This resulted in just over 15.6 million metric tons of additional agricultural food aid cargo for U.S. flag carriers at an average OFD rate of \$26 per million metric ton.

***Capital Construction Fund (CCF)
Program***

The CCF program supports MARAD's shipbuilding strategic goal by assisting operators to accumulate their own capital in order to build, acquire and reconstruct vessels through the deferral of Federal income taxes on eligible deposits. Operators may defer taxes on funds deposited in the CCF and withdraw the money at a later date to build or acquire vessels. In general, the taxable income of the operator is reduced to the extent deposits of money are made into the fund. The outstanding fund balances amounted to \$1.9 billion at the end of FY 2000, with 158 fund holders.

There have been cumulative deposits of \$6.7 billion since program inception to accomplish construction and acquisition programs.

Maritime Education and Training

MARAD provides world-class maritime education and training at the U.S. Merchant Marine Academy at Kings Point, N.Y. and provides Federal support for six State/Region maritime academies through direct payments to the schools, incentive payments to cadets and maintenance and repair of ships provided to the schools as primary training aids. Support for the education and training of U.S. citizen seafarers helps to meet MARAD's national

security strategic goal by ensuring that American mariners with appropriate skills are available to crew commercial and government-owned cargo ships in times of national emergencies.

War Risk Insurance Fund (WRIF) Program

The program encourages continued flow of U.S. foreign commerce during periods when commercial insurance cannot be obtained on reasonable terms and conditions to protect vessel operators and seamen against losses resulting from war. This program offers the advantage of avoiding the high rates charged by commercial insurers, which DOD or other Federal agencies would have to pay when chartering or hiring shipping into certain areas. As of September 30, 2000, there were 269 binders on vessels and barges providing eligibility for hull protection and indemnity and Second Seamen's war risk insurance.

Research and Special Programs Administration (RSPA)

The mission of RSPA is to make America's transportation systems more integrated, effective and secure by conducting and fostering crosscutting research and special programs to enhance the quality of life, safety, the environment and the well-being of all Americans. RSPA's mission can be broken down into three major programs: transportation safety, research and technology and emergency preparedness. RSPA's safety mandate is to protect the Nation from the risks inherent in the transportation of hazardous materials by all modes, including pipelines.

Transportation Safety Programs

Hazardous Materials (HAZMAT) Safety Program

This program identifies hazardous materials and works with shippers and carriers who offer for transportation or transport hazardous materials by highway, rail, water or air. In addition, RSPA coordinates its activities with international authorities through the United Nations Committee of Experts on the Transport of Dangerous Goods, especially with Canada and Mexico through the North American Free Trade Agreement, as well as with other Federal departments and agencies, and State and local government agencies. The scope of RSPA's HAZMAT activities include materials classification, packaging, hazard communication, operating practices, response planning and HAZMAT employee training. The HAZMAT safety program employs risk management concepts. The Hazardous Materials Regulations prescribe, to the maximum extent possible, performance standards that permit the use of long-proven materials and technologies, as well as advanced, state-of-the-art processes and materials developed by the regulated industries that maximize safety while minimizing the cost of compliance.

Regulated hazardous materials include bulk shipments, like gasoline, anhydrous ammonia and liquid nitrogen, as well as non-bulk shipments, like dynamite, radiopharmaceuticals, and a wide variety of hazardous chemicals used in industrial processes and consumer products. In addition, the HAZMAT safety program prescribes requirements for the training of each employee that performs any transportation-related function. RSPA maintains a toll-free telephone information

service (1-800-467-4922) and a website — <http://hazmat.dot.gov> — to assist shippers, carriers, compliance enforcement officers, and other affected individuals, in their understanding of regulations under certain particular circumstances.

Pipeline Safety Program

During FY 2000, RSPA took its fight against excavation-related damage to pipelines, and all other underground utilities, to a new level. RSPA received stakeholder support for and established a non-profit damage prevention organization to follow through on the damage prevention best practices identified in our Common Ground report. A board of directors, bylaws, membership structure, charter and subcommittees were established. Though up and running now, by March of 2001, this organization should be operating on a stand-alone basis without support needed by the Department. The new Common Ground Alliance permanently embodies the type of broad-based stakeholder support needed to increase national awareness and use of damage prevention best practices. This current fiscal year, RSPA was successful at dramatically increasing funds available to our State partners to help oversee pipelines and assist us in preventing excavation-related damage to pipelines and other underground utilities.

RSPA is now finalizing the first in a series of rulemaking efforts that will provide increased protection from pipeline failures for both the public and the environment. RSPA has identified the unusually environmentally sensitive areas most critical to protect from pipeline spills and then shaped a regulatory proposal.

RSPA has improved technology available for internally inspecting pipelines that can be used to locate outside force damage and

stress corrosion cracking. This work will significantly improve RSPA's ability to assess and rank the severity of pipe damage.

This year RSPA sent a strong message to the pipeline industry through assessment of record levels of civil penalties. This communicated RSPA's efforts to enforce and improve existing pipeline safety standards.

Transportation Safety Institute (TSI)

TSI supports the Department's and RSPA's Strategic Plans through safety and security training programs for all modes of transportation. This is accomplished through the development and administration of training in many forms: classroom teaching, self-teaching course modules, train-the-trainer courses and distance learning. The safety professionals who are the recipients of TSI's safety training come from all levels of Federal, State and local governments, industry and business.

Training via Internet and by interactive CD-ROM to reach more students at a decreased cost will continue to be priority goals for TSI.

Research and Technology Programs

John A. Volpe National Transportation Systems Center (Volpe Center)

The Volpe Center provides Federal transportation and logistics expertise in research, analysis, development and deployment of transportation technologies for clients in DOT and other Federal agencies on a fee-for-service basis. The Volpe Center also serves as a bridge to industry, academia and other government agencies to promote innovation in national and international transportation.

In FY 2000, the Volpe Center obligated almost \$200 million against about 350 projects. These projects included, upgrading the Army rail fleet; further enhancements to the Advanced Traffic Management System used by the FAA; further Army amphibious and watercraft engineering support; additional work improving the physical security of the U.S. Capitol facilities; Environmental Protection Agency (EPA), Region 8 site assessment and remediation; additional improved guidelines for Human Factors engineering of the design and evaluation of cockpit avionics, air traffic control, and high speed rail; continued safety performance analysis systems (SPAS) operations; and further development for DOT's Federal Motor Carrier Safety Administration's safety performance monitoring system called SAFESTAT.

Research and Development Program

RSPA's Research and Development (R&D) program supports the Department's Strategic Plan by fostering technological innovation in transportation through private-public partnerships; promoting world-class transportation research; and, investing in human capital. RSPA's research, technology, education and training activities will enable DOT to provide a safe, efficient, sustainable and secure transportation system that is international in reach, intermodal in form, intelligent in character, and inclusive in nature.

University Transportation Center (UTC) Program

The UTC Program in FY 2000 consisted of 33 grants, 10 at institutions that won a 1999 competition and 23 at institutions identified in the Transportation Equity Act for the 21st Century.

The mission of the UTC Program is to advance U.S. expertise and technology in the many disciplines comprising transportation through the mechanisms of education, research, and technology transfer at university-based centers of excellence. The outcome desired from DOT's investment in the UTC Program is an increase in the number of Americans who are prepared to design, deploy, operate and maintain the complex transportation systems that will enhance America's economic competitiveness in the 21st Century. By the year 2004, the investment in UTCs is expected to result in a five percent increase in the number of Americans receiving advanced degrees in transportation-related fields from institutions of higher learning that receive DOT funding to support their education programs.

Emergency Transportation Program

RSPA's Emergency Transportation Program develops and maintains the Department's emergency preparedness policies and programs, covering a full spectrum of crises from natural disasters to national security, and manages the Department's Crisis Management Center. RSPA staff coordinate the departmental response to all major disasters.

In FY 2000, RSPA responded to seven major emergencies and prepared 49 reports. This is an apparent reduction in reports from previous years, but is due in part to the introduction of a new computer program. The Activation Information Management (AIM) system enables disaster data to be entered by RSPA, as well as allowing the 10 DOT regions to input their own information on a real time basis. RSPA works with operating administrations from throughout the Department, who dispatch emergency field

personnel to FEMA regional offices or directly to Disaster Field Offices, and alerts emergency support agencies. The Office of Emergency Transportation (OET) prepares and disseminates transportation infrastructure damage information to DOT leadership and external agencies.

Bureau of Transportation Statistics (BTS)

The Bureau of Transportation Statistics (BTS) is one of thirteen operating administrations within the U.S. Department of Transportation. BTS puts together data and information that others need to make decisions concerning transportation. BTS collects data; compiles, analyzes and publishes statistics; and generally coordinates the statistical programs within DOT. BTS manages the National Transportation Library and the Office of Airline Information, and leads the Federal effort in developing geo-spatial data for transportation.

As one of the Federal statistical agencies, BTS maintains a special degree of objectivity and independence. They provide special protections of confidentiality in data collection, and provide reports directly to the Secretary and to Congress. BTS does not advocate policies or programs. BTS' efforts are focused on getting — and helping to interpret — the data that can be used to better inform decision making, regardless of what the data show.

The mission of BTS is to lead in developing transportation data and information of high quality, and to advance their effective use in both public and private transportation decision making. The BTS vision is that data and information of high quality will support

every significant transportation policy decision, thus advancing the quality of life and economic well being of all Americans.

Relevance — BTS aims to anticipate the needs of decision makers, provide the information that is most useful to them, and demonstrate a thorough understanding of major transportation issues and trends.

Quality — BTS aims to provide data, analysis and information of high quality for transportation decision making which is accurate, reliable and objective.

Timeliness — BTS aims to reduce the lag in data reporting, so that decision makers have a nearly “real-time” view of the transportation system and the factors that affect it.

Comparability — BTS aims to provide a view of transportation that is consistent across modes and across time, to enable people to make comparisons and to make broad program and resource decisions.

Completeness — BTS aims to have data that covers transportation in every area of interest.

Utility — BTS aims to make data easy to access, easy to understand, and easy to use.

Surface Transportation Board (STB)

The STB was established on January 1, 1996, by the Interstate Commerce Commission Termination Act of 1995 (ICCTA). The ICCTA eliminated the Interstate Commerce Commission (ICC) and transferred certain functions formerly performed by the ICC to the STB. The STB is a three-member, bipartisan,

decisionally-independent adjudicatory body with jurisdiction over certain surface transportation economic regulatory matters.

The mission of STB is to promote substantive and procedural regulatory reform in the economic regulation of surface transportation, and to provide a forum for dispute resolution and facilitation of appropriate business transactions.

In performing its mission, the STB is streamlining case processing and applicable regulations, expediting the processing of all cases before the STB, ensuring that appropriate market-based activities in the public interest are facilitated, and developing new opportunities for various sectors of the transportation community to work together to find creative solutions to persistent industry and/or regulatory problems.

During FY 2000, STB took approximately 1,049 decisions and court-related work, involving adjudications and rulemakings, resolving or otherwise acting upon matters such as rail carrier consolidations, abandonments and line constructions and sales; review of rail labor arbitral decisions; and rail rates and service. Some of these actions also related to motor carrier undercharge rate cases, intercity bus mergers and pooling matters, motor collective ratemaking, and non-rail rate matters, such as pipeline rate cases. In performance of its goals, the STB has issued several rulemakings streamlining regulations and the regulatory process and has underway a comprehensive reexamination of its rail merger policies and rules. The STB also adopted rules modifying rail waybill regulations to more accurately collect rail freight traffic data, eliminating product and geographic competition in determining market dominance in rail rate cases and issuing with FRA proposed joint rules for

developing safety integration plans concerning financial transactions before the STB.

After a four-day extensive public hearing on major rail consolidations, the STB issued a decision suspending all major rail merger activity until new merger rules are in place and a number of concerns and issues are addressed. These include matters such as the “downstream” effects, maintaining safe operations, safeguarding rail service to shippers and short line railroads, promoting and enhancing competition, and cross-border issues. The STB proposes that the final rules will be issued by June 2001.

With respect to rail restructuring, the STB continued its annual oversight of the Union Pacific/Southern Pacific merger and of the Conrail acquisition by CSX and Norfolk Southern railroads and initiated oversight of the acquisition of the Illinois Central railroad by the Canadian National railroad. The STB conducted a review of various rail access and competition issues, completed action on several labor arbitration appeals and processed numerous other rail restructuring cases. With regard to pending rail and pipeline rate complaints, the STB resolved a number of cases where the movement of coal and other commodities was unreasonably high. In the area of rail construction, the STB has done significant work on the transportation and environmental issues associated with the construction and operation of the DME railroad in the Powder River coal basin. The STB accepted an application from a party seeking to construct and operate a rail line connected with the interim storage of spent nuclear fuel.

Regarding other rail matters, the STB also continued its work on the joint task force with the Department of Agriculture to address shipper and railroad information

needs relating to recurring seasonal problems affecting grain transportation.

With respect to non-rail activity, the STB has issued decisions in a number of intercity bus merger cases, as well as actions related to motor carrier rate bureaus. Also, there are a number of water carrier cases involving rates in the non-contiguous domestic water trade before the STB.

Office of Inspector General (OIG)

The Inspector General Act of 1978, as amended (Inspector General Act, P.L. 95-452), established the OIG as an independent and objective oversight organization within DOT. The Inspector General (IG) is committed to fulfilling its statutory mission and assisting the Secretary and senior Department officials in achieving a safe, efficient and effective transportation system that meets vital national interests and enhances the quality of life of the American people today and in the future.

In addition to this, the OIG's FY 2000 work was designed to provide objective analytical analysis which supported Congressional oversight of DOT's three major priorities as well as the six goals established in DOT's Strategic Plan.

OIG also has significant responsibilities under the Chief Financial Officers Act, the Government Performance and Results Act and the Government Management Reform Act. OIG will fulfill these responsibilities by completing audits of DOT's financial statements, assessing the adequacy of internal control systems, and identifying opportunities to achieve financial benefits.