

**DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY**

FY 2014 CONGRESSIONAL BUDGET JUSTIFICATION

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GENERAL NOTES

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

OFFICE OF THE SECRETARY

OVERVIEW

The Office of the Secretary (OST) requests \$934 million in FY 2014 for the programs and activities of the Office of the Secretary (OST). A total of \$818 million of discretionary funding is requested for OST programs, including funds to: continue the National Infrastructure Investments program; supplement the mandatory funding for the Essential Air Service program; improve cyber security; update the Department's financial system; and establish an Aviation Consumer Call Center and meet other requirements of the FAA Modernization and Reform Act. The President's request also assumes Essential Air Service obligations of \$100 million in mandatory funding from overflight fees against an estimated \$116 million mandatory appropriation pursuant to the FAA Modernization and Reform Act (P.L. 112-95).

Consistent with the FY 2013 President's Budget, the Department is again proposing to elevate all activities currently performed by the Research and Innovative Technology Administration (RITA) to a new office within the Office of the Secretary. The proposed Office of the Assistant Secretary for Research and Technology will improve coordination and collaboration among operating administrations, resulting in higher quality research outcomes.

The FY 2014 request includes:

- \$113.1 million for Salaries and Expenses for the Secretarial offices. This is \$10.6 million above the FY 2012 enacted level. Of that amount, \$2.3 million is for a new Credit Oversight Office within the Office of the Assistant Secretary for Budget and Programs; \$1.3 million will be used by the Office of the Chief Information Officer to address enterprise architecture vulnerabilities and program deficiencies reported by the Office of the Inspector General and to manage the records management and privacy posture; \$1.9 million will be used for the Office of the Assistant Secretary for Administration to pursue a number of procurement initiatives and environmental and sustainability requirements; and \$0.5 million is for three FTEs associated with eight new positions for the Office of the General Counsel to conduct significant additional consumer protection work required by the FAA Modernization and Reform Act.
- \$7.5 million is for the Office of General Counsel to establish a new Aviation Consumer Call Center required by the FAA Modernization and Reform Act. The Call Center will respond to complaints and comments from the public about airline service. There were no funds for an Aviation Consumer Call Center in FY 2012.
- A total of \$246 million for the Essential Air Service (EAS) program, including obligations of \$100 million of mandatory resources from overflight fees collected by the Federal Aviation Administration and a \$146 million discretionary appropriation. The FY 2014 request is \$53 million above FY 2012 enacted. The communities eligible for the program were capped in the FY 2012 FAA Modernization and Reform Act.
- \$10 million for Financial Management Capital, \$5 million above the FY 2012 enacted level, to continue a multi-year project to upgrade DOT's accounting system and enhance reporting capabilities.

- \$9.75 million for the Department’s Transportation Planning, Research and Development program for activities and studies needed to support the Secretary’s responsibilities in the formulation of national transportation policies. A \$2.75 million cancellation of unobligated balances is also proposed. The FY 2012 enacted level was \$9 million.
- \$9.6 million for the Departmental Office of Civil Rights (DOCR), \$0.2 million above the FY 2012 enacted level, to continue to support and advance internal and external civil rights initiatives, administer Federal civil rights statutes, and investigate EEO complaints.
- \$4 million for the Minority Business Resource Center (MRBC) and Minority Business Outreach (MBO) activities, the same as the FY 2012 enacted level. Both the MRBC and MBO programs encourage and assist small, disadvantaged, and women-owned businesses to participate in DOT and DOT-assisted contracts and grants and provide them assistance in obtaining short-term working capital.
- \$6 million for Cyber Security Initiatives, \$4 million less than the FY 2012 enacted level, to build out and modernize the Wide Area Network (WAN), building on and continuing the accomplishments achieved with the FYs 2012 and 2013 appropriations.
- \$500 million for the National Infrastructure Investments (NII) program, the same as the FY 2012 enacted level, for infrastructure projects of national and regional significance, planning grants, and award and oversight expenses.
- \$14.8 million for the Research and Development activities to be administered by a newly established Office of the Assistant Secretary for Research and Technology as first proposed in the FY 2013 Budget. The FY 2014 request is \$1.2 million below the FY 2012 enacted level. A portion of the funding is for salaries and expenses supporting Research and Development activities, with the remainder of the funding for Alternative Fuels Research and Development, Research, Development & Technology Coordination, Nationwide Differential Global Positioning System, and Positioning, Navigation and Timing programs. In addition, the FY 2014 request for the Office of the Assistant Secretary for Research and Technology includes \$26 million for the Bureau of Transportation Statistics (BTS) transferred from the Federal Highway Administration as an allocation from the Federal-Aid Highways account.
- The President’s Budget proposes \$50 billion in Immediate Transportation Investments for highway, highway safety, transit, passenger rail, and aviation activities. Of this amount, \$6 billion is proposed for:
 - Transportation Leadership Awards: \$2 billion is proposed for a program that encourages States and regions to implement innovative strategies to addressing pressing transportation needs.
 - Transportation Infrastructure Grants and Financing: \$4 billion is proposed to provide grants and credit assistance to State and local government and transit agencies for capital investments in the Nation’s surface transportation infrastructure, including roads and highways, public transportation facilities, freight and passenger rail, and port infrastructure.

The FY 2014 request includes the following funding levels to support the Department's key strategic objectives: \$100 million for Safety; \$100 million for State of Good Repair/Infrastructure; \$113 million for Economic Competitiveness; \$365 million for Livable Communities; \$105 million for Environmental Sustainability; and \$153 million for Organizational Excellence.

Exhibit I

U.S. Department of Transportation

Office of the Secretary –FTE/Direct FTP Positions

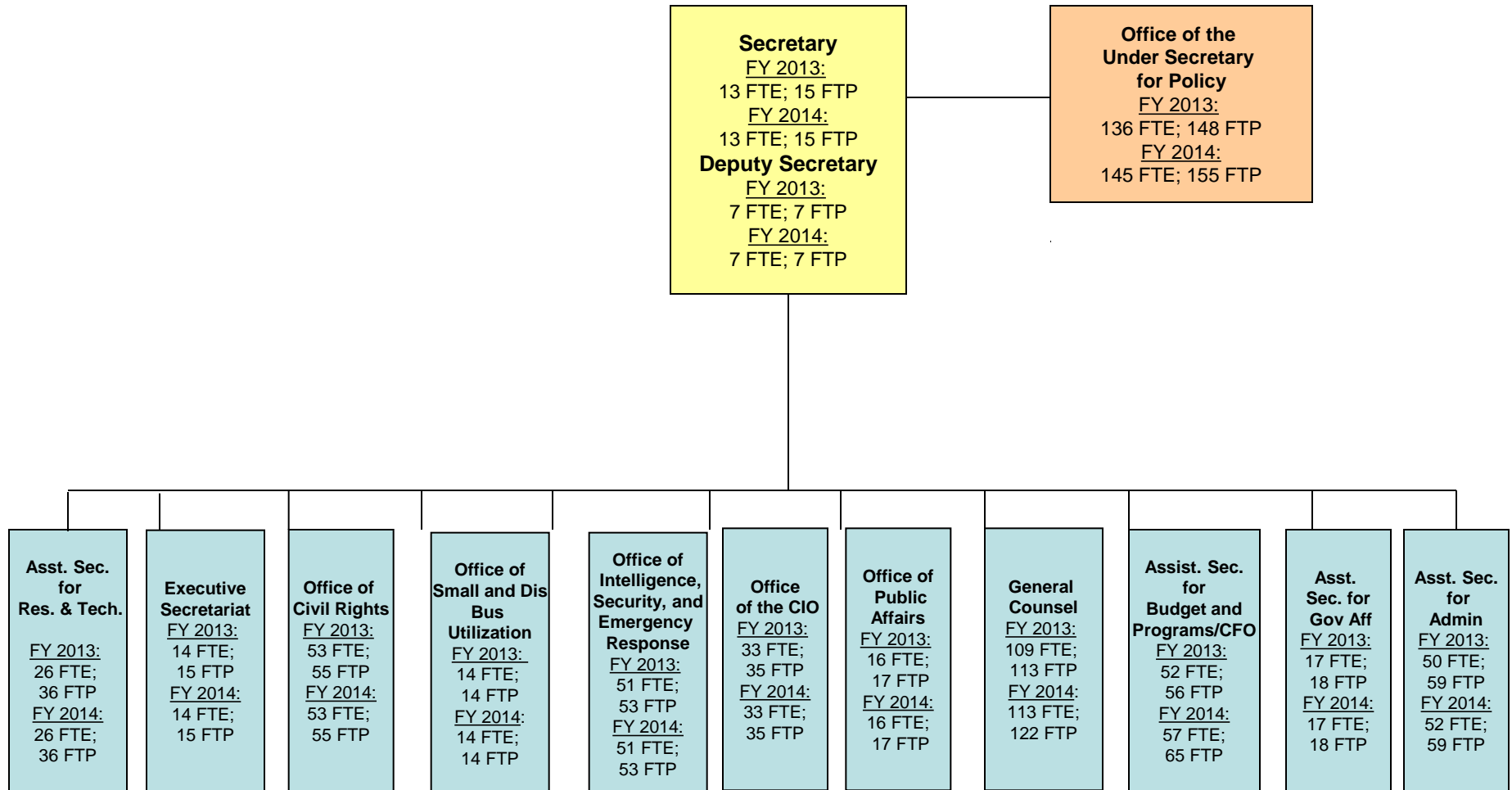


EXHIBIT II - 1
FY 2014 COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY
OFFICE OF THE SECRETARY of TRANSPORTATION

(\$000)

<u>ACCOUNTS</u>	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
<u>SALARIES & EXPENSES</u>	102,481	103,108	113,108
Office of the Secretary (S-1)	2,618	2,634	2,652
Office of the Deputy Secretary (S-2)	984	990	1,000
Office of the Under Secretary for Transportation Policy (S-3)	10,107	10,169	12,804
Office of the Executive Secretariat (S-10)	1,595	1,605	1,714
Office of Small and Disadvantaged Business Utilization (S-40)	1,369	1,377	1,386
Office of Intelligence and Security and Emergency Response (S-60)	10,778	10,844	10,849
Office of the Chief Information Officer (S-80)	14,988	15,080	16,576
Office of Public Affairs (A)	2,020	2,032	2,203
Office of the Assistant Secretary for Budget and Programs/CFO (B)	10,538	10,602	13,326
Office of the General Counsel (C)	19,515	19,634	20,504
Office of the Assistant Secretary for Governmental Affairs (I)	2,500	2,515	2,627
Office of the Assistant Secretary for Administration (M)	25,469	25,625	27,468
<u>FINANCIAL MANAGEMENT CAPITAL</u>	0	0	0
<u>OFFICE OF CIVIL RIGHTS</u>	9,384	9,441	9,551
<u>MINORITY BUSINESS OUTREACH</u>	3,068	3,087	3,088
<u>TRANSPORTATION PLANNING, RESEARCH & DEVELOPMENT</u>	9,000	9,055	9,750
<u>TRANSP. PLANNING, RESEARCH & DEV. (CANCELLATION OF UNOBLIGATED BALANCES)</u>	0	0	-2,750
<u>NATIONAL INFRASTRUCTURE INVESTMENTS PROGRAM (NII)</u>	500,000	503,060	500,000
<u>AVIATION CONSUMER CALL CENTER</u>	0	0	7,500
<u>MINORITY BUSINESS RESOURCE CENTER PROGRAM (MBRC)</u>	939	1,293	925
Minority Business Resource Center Program - Discretionary	922	928	925
Guaranteed Loan Subsidy	333	333	333
Administrative Expenses	589	595	592
MBRC Guaranteed Loan Subsidy reestimate- Mandatory	17	365	0
(Limitation on guaranteed loans)	[18,367]	[18,367]	[18,367]
<u>COMPENSATION FOR GENERAL AVIATION OPERATIONS (discretionary)</u>	-3,254	0	0
<u>CYBER SECURITY INITIATIVES</u>	10,000	10,061	6,000
<u>OFFICE OF THE ASST. SEC. FOR RESEARCH & TECHNOLOGY</u>	15,981	16,079	14,765
<u>RESEARCH AND DEVELOPMENT</u>	15,981	16,079	14,765
<u>WORKING CAPITAL FUND (Obligation Limitation)</u>	[172,000]	[173,053]	[0,000]
<u>ESSENTIAL AIR SERVICE PROGRAM:</u>	193,000	193,875	262,000
Payments to Air Carriers (<i>Airport & Airway Trust Fund</i>) - Discretionary	143,000	143,875	146,000
Essential Air Service - Mandatory	50,000	50,000	116,000
SUBTOTAL	840,599	849,059	923,938
<u>IMMEDIATE TRANSPORTATION INVESTMENTS</u>	0	0	6,000,000
GRAND TOTAL	840,599	849,059	6,923,938
Appropriations - Budget Authority	843,853	849,059	926,688
Rescissions and Cancellations	-3,254	0	-2,750

EXHIBIT II - 2
FY 2014 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
OFFICE OF THE SECRETARY of TRANSPORTATION
Appropriations, Obligation Limitations, and Exempt Obligations, Mandatory EAS and MBRC Restimates

(\$000)

<u>ACCOUNTS</u>	<u>FY 2012 ACTUAL</u>	<u>FY 2013 CR ANNUALIZED</u>	<u>FY 2014 BASELINE ESTIMATES</u>	<u>FY 2014 PROGRAM CHANGES</u>	<u>FY 2014 REQUEST</u>
<u>SALARIES & EXPENSES</u>	102,481	103,108	103,887	9,221	113,108
Office of the Secretary (S-1)	2,618	2,634	2,652	0	2,652
Office of the Deputy Secretary (S-2)	984	990	1,000	0	1,000
Office of the Under Secretary for Transportation Policy (S-3)	10,107	10,169	10,302	2,501	12,804
Office of the Executive Secretariat (S-10)	1,595	1,605	1,612	102	1,714
Office of Small and Disadvantaged Business Utilization (S-40)	1,369	1,377	1,386	0	1,386
Office of Intelligence and Security and Emergency Response (S-60)	10,778	10,844	10,896	-47	10,849
Office of the Chief Information Officer (S-80)	14,988	15,080	15,268	1,307	16,576
Office of Public Affairs (A)	2,020	2,032	2,050	152	2,203
Office of the Assistant Secretary for Budget and Programs/CFO (B)	10,538	10,602	10,681	2,645	13,326
Office of the General Counsel (C)	19,515	19,634	20,014	491	20,504
Office of the Assistant Secretary for Governmental Affairs (I)	2,500	2,515	2,540	88	2,627
Office of the Assistant Secretary for Administration (M)	25,469	25,625	25,486	1,982	27,468
<u>FINANCIAL MANAGEMENT CAPITAL</u>	0	0	0	0	0
<u>OFFICE OF CIVIL RIGHTS</u>	9,384	9,441	9,543	9	9,551
<u>MINORITY BUSINESS OUTREACH</u>	3,068	3,087	3,088	0	3,088
<u>TRANSPORTATION PLANNING, RESEARCH & DEVELOPMENT</u>	9,000	9,055	9,112	638	9,750
<u>TRANSP. PLANNING, RESEARCH & DEV. (CANCELLATION OF UNOBLIGATED BALANCES)</u>	0	0	0	-2,750	-2,750
<u>NATIONAL INFRASTRUCTURE INVESTMENTS PROGRAM (NII)</u>	500,000	503,060	503,175	-3,175	500,000
<u>AVIATION CONSUMER CALL CENTER</u>	0	0	0	7,500	7,500
<u>MINORITY BUSINESS RESOURCE CENTER PROGRAM (MBRC)</u>	939	1,293	1,290	-365	925
Minority Business Resource Center Program - Discretionary	922	928	925	0	925
Guaranteed Loan Subsidy	333	333	333	0	333
Administrative Expenses	589	595	592	0	592
MBRC Guaranteed Loan Subsidy reestimate- Mandatory	17	365	365	-365	0
(Limitation on guaranteed loans)	[18,367]	[18,367]	[18,367]	0	[18,367]
<u>COMPENSATION FOR GENERAL AVIATION OPERATIONS</u>	-3,254	0	0	0	0
<u>CYBER SECURITY INITIATIVES</u>	10,000	10,061	10,091	-4,091	6,000
<u>OFFICE OF THE ASST. SEC. FOR RESEARCH & TECHNOLOGY</u>	15,981	16,079	16,159	-1,394	14,765
<u>RESEARCH AND DEVELOPMENT</u>	15,981	16,079	16,159	-1,394	14,765
Salaries and Administrative Expenses	6,974	7,017			6,547
Alternative Fuels Research & Development (R&D)	499	502			499
RD&T Coordination	509	512			509
Nationwide Differential Global Positioning System	7,600	7,647			5,600
Positioning, Navigation and Timing (PNT)	399	401			1,610
<u>WORKING CAPITAL FUND (Obligation Limitation)</u>	[172,000]	[173,053]	[0]	[0]	[0,000]
<u>ESSENTIAL AIR SERVICE PROGRAM:</u>	193,000	193,875	193,885	68,115	262,000
Payments to Air Carriers (<i>Airport & Airway Trust Fund</i>) - Discretionary	143,000	143,875	143,875	2,125	146,000
Essential Air Service - Mandatory	50,000	50,000	50,010	65,990	116,000
GRAND TOTAL	840,599	849,059	850,230	73,708	923,938

EXHIBIT II-3
FY 2014 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL
OFFICE OF THE SECRETARY
Appropriations, Obligation Limitations, & Exempt Obligations
\$000

	(A) FY 2012 <u>ACTUAL</u>	(B) FY 2013 <u>CR</u> <u>ANNUALIZED</u>	(F) FY 2014 <u>REQUEST</u>
STRATEGIC & PERFORMANCE GOALS by Performance Measure			
1. SAFETY STRATEGIC GOAL			
<u>A. Roadway Safety</u>			
a. Complete streets	67	227	226
a. Other	100,000	100,000	100,000
Subtotal Performance Goal	100,067	100,227	100,226
<u>B. Aviation Safety</u>			
a. Other			
Subtotal Performance Goal	0	0	0
<u>C. Rail Safety</u>			
a. Other			
Subtotal Performance Goal	0	0	0
<u>D. Transit Safety</u>			
a. Other			
Subtotal Performance Goal	0	0	0
<u>E. Pipeline Safety</u>			
a. Other			
Subtotal Performance Goal	0	0	0
<u>F. Hazmat Safety</u>			
a. Other			
Subtotal Performance Goal	0	0	0
Total – Safety Strategic Goal	100,067	100,227	100,226

	(A) FY 2012 <u>ACTUAL</u>	(B) FY 2013 <u>CR</u> <u>ANNUALIZED</u>	(F) FY 2014 <u>REQUEST</u>
STRATEGIC & PERFORMANCE GOALS by Performance Measure			
2. STATE OF GOOD REPAIR STRATEGIC GOAL			
A.Highways			
a. Other	100,000	100,000	100,000
Subtotal Performance Goal	100,000	100,000	100,000
 B. Bridges			
a. Other			
Subtotal Performance Goal	0	0	0
 C.Transit Assets			
a. Other			
Subtotal Performance Goal	0	0	0
 D. Airport runways			
a. Other			
Subtotal Performance Goal	0	0	0
 E. Amtrak's repair backlog			
a. Other			
Subtotal Performance Goal	0	0	0
 Total – State of Good Repair Strategic Goal	100,000	100,000	100,000
 3. ECONOMIC COMPETITIVENESS STRATEGIC GOAL			
<u>A. Maximum Economic Returns</u>			
a. Maintain the U.S. St. Lawrence Seaway system and lock availability at 99 percent			
b. Maintain travel time reliability in freight significant corridors			
c. Increase travel time reliability in urban areas as measured by a decrease in the Travel Time Index			
d. Other			
Subtotal Performance Goal	0	0	0

	(A) FY 2012 <u>ACTUAL</u>	(B) FY 2013 <u>CR</u> <u>ANNUALIZED</u>	(F) FY 2014 <u>REQUEST</u>
STRATEGIC & PERFORMANCE GOALS by Performance Measure			
<u>B. A competitive air transportation system responsive to consumer needs</u>			
a. Advance DOT goals with foreign governments	3,232	3,310	2,596
b. Establish or participate in 14 technology transfer and capacity building programs	3,233	3,311	2,098
c. New bilateral or multilateral agreements to remove market distorting barriers	3,234	2,366	2,818
d. Increase harmonization of vehicle communication standards to support V2V and V2I safety applications			
e. Other	100,000	100,000	100,000
Subtotal Performance Goal	109,699	108,987	107,512
<u>C. Expand Business Opportunities</u>			
a. Percent of total dollar value of DOT direct contracts awarded to women owned businesses.	2,680	3,029	2,857
b. Percent of total dollar value of DOT direct contracts awarded to small disadvantaged businesses.	2,680	2,364	2,541
c. Other			
Subtotal Performance Goal	5,359	5,393	5,398
Total – Economic Competitiveness Strategic Goal	115,058	114,380	112,910

4. LIVABLE COMMUNITIES

A. Increased access

a. Increase the number of transit boardings reported by urbanized area transit providers			
b. Increase the number of transit boardings reported by rural area transit providers			
c. Increase the transit "market share" among commuters			
d. Increase in intercity rail passenger-miles traveled			
e. Other	293,000	293,875	365,200
Subtotal Performance Goal	293,000	293,875	365,200

	(A) FY 2012 <u>ACTUAL</u>	(B) FY 2013 <u>CR</u> <u>ANNUALIZED</u>	(F) FY 2014 <u>REQUEST</u>
STRATEGIC & PERFORMANCE GOALS by Performance Measure			
<u>B. Improved networks that accommodate pedestrians and bicycles</u>			
a. States with policies that improve transportation choices for walking, wheeling and bicycling			
b. Other			
Subtotal Performance Goal	0	0	0
<u>C. Improved access to transportation for older adults and people with disabilities</u>			
a. Key transit rail stations verified as accessible and fully compliant			
b. Percent of rail stations (where Amtrak is responsible for compliance) compliant with the ADA and Sec. 504			
c. Number of States that have developed an ADA transition plan			
d. Other			
Subtotal Performance Goal	0	0	0
Total – Livable Communities Strategic Goal	293,000	293,875	365,200

5. ENVIRONMENTAL SUSTAINABILITY

A. Reduction in transportation-related carbon emissions, etc.

a. Improve National Airspace System energy efficient	0	0	0
b. Increase the percentage of alternative fuels and hybrid vehicles in the transit revenue service fleet	0	0	0
c. Other	0	0	0
Subtotal Performance Goal	0	0	0

B. Reduction in transportation-related air, water and noise pollution and impacts on ecosystems

a. Reduce the nyumber of hazardous liquid pipeline spills with environmental consequences			
b. Improve aviation noise exposure			
c. Other			
Subtotal Performance Goal	0	0	0

	(A)	(B)	(F)
	FY 2012	FY 2013	FY 2014
		CR	
	<u>ACTUAL</u>	<u>ANNUALIZED</u>	<u>REQUEST</u>
STRATEGIC & PERFORMANCE GOALS by Performance Measure			
<u>C. Increased use of environmentally sustainable practices, etc.</u>			
a. Increase the number of obsolete vessels removed from the National Defense Reserve Fleet for subsequent disposal			
b. 30 percent reduction in DOT vehicle fleet petroleum use	154	354	354
c. 26 percent improvement in DOT building water efficiency	154	249	249
d. 50 percent recycling and waste diversion on DOT facilities	154	279	279
e. 95 percent of all applicable contracts will meet sustainability requirements	154	129	129
f. 12.3 percent reduction in greenhouse gas emissions	153	345	345
g. 10.9 percent reduction in greenhouse gas emissions from employee business travel and commuting	153	154	154
h. Other	104,352	105,189	103,489
Subtotal Performance Goal	105,274	106,699	104,999
Total – Environmental Sustainability Strat Goal	105,274	106,699	104,999
6. ORGANIZATIONAL EXCELLENCE	132,190	138,899	153,352
GRAND TOTAL	845,589	854,080	936,688

EXHIBIT II-3a
FY 2014 BUDGET REQUEST BY DOT OUTCOMES
OFFICE OF THE SECRETARY of TRANSPORTATION
(\$000)

DOT Outcome	Program	FY 2014 Request
SAFETY		109,146
Reduction in injuries and fatalities	Research and Development	8,430
Improved Safety		
Complete Streets	Office of the Under Secretary for Transportation Policy (S-3)	226
Other	National Infrastructure Investments Program	100,000
	Research and Development	490
STATE OF GOOD REPAIR/INFRASTRUCTURE		100,750
Other	National Infrastructure Investments Program	100,000
	Research and Development	750
	Immediate Transportation Investments	
ECONOMIC COMPETITIVENESS		114,410
Competitive transportation system	Office of the Under Secretary for Transportation Policy (S-3)	1,922
	Transportation Planning, Research & Development	5,590
	National Infrastructure Investments Program	100,000
	Research and Development	750
Expanded opportunities for businesses	Office of Small and Disadvantaged Business Utilization (S-40)	1,385
	Minority Business Outreach	3,088
	Minority Business Resource Center Program	925
	Research and Development	750
LIVABLE COMMUNITIES		365,985
Convenient and affordable choices	Office of the Under Secretary for Transportation Policy (S-3)	1,200
	Research and Development	785
Other	Transportation Planning, Research & Development	2,000
	National Infrastructure Investments Program	100,000
	Livable Communities	-
	Essential Air Services Program	116,000
	Payments to Air Carriers	146,000
ENVIRONMENTAL SUSTAINABILITY		107,809
Reduced carbon/emissions and dependence on fossil fuels and improved energy efficiency	Research and Development	2,435
Environmentally sustainable practices and materials in transportation	Office of the Assistant Secretary for Administration (M)	1,510
	Research and Development	375
Other	Office of the Under Secretary for Transportation Policy (S-3)	1,200
	Office of the Assistant Secretary for Administration (M)	129
	Transportation Planning, Research & Development	2,160
	National Infrastructure Investments Program	100,000
ORGANIZATIONAL EXCELLENCE		138,587
	Office of the Secretary (S-1)	2,652
	Office of the Deputy Secretary (S-2)	1,000
	Office of the Under Secretary for Transportation Policy (S-3)	8,256
	Office of the Executive Secretariat (S-10)	1,714
	Office of Intelligence and Security and Emergency Response (S-60)	10,849
	Office of the Chief Information Officer (S-80)	16,576
	Office of Public Affairs (A)	2,203
	Office of the Assistant Secretary for Budget and Programs/CFO (B)	13,326
	Office of the General Counsel (C)	20,504
	Office of the Assistant Secretary for Governmental Affairs (I)	2,627
	Office of the Assistant Secretary for Administration (M)	25,829
	Financial Management Capital	10,000
	Office of Civil Rights	9,551
	Cyber Security/IT Initiative	6,000
	Aviation Consumer Call Center	7,500
TOTAL ^{1/}		936,688

^{1/} Total excludes amounts associated with proposed rescissions and cancellations.

Exhibit II-3a FY 2014 BUDGET REQUEST BY DOT OUTCOMES OFFICE OF THE SECRETARY OF TRANSPORTATION OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY (\$000)		
DOT OUTCOME	Program	FY 2014 REQUEST
SAFETY STRATEGIC GOAL		
Reduction in injuries and fatalities	Research and Development	490
	Nationwide Differential Global Positioning System	6,450
	Positioning, Navigation, and Timing	1,490
Improved safety experience	Research and Development	490
STATE OF GOOD REPAIR		
Other	Research and Development	750
ECONOMIC COMPETITIVENESS		
Competitive transportation system	Research and Development	750
Expanded opportunities for businesses	Research and Development	750
LIVABLE COMMUNITIES		
Convenient and affordable choices	Research and Development	785
ENVIRONMENTAL SUSTAINABILITY		
Reduced carbon/emissions and dependence on fossil fuels and improved energy efficiency	Research and Development	1,945
	Positioning, Navigation, and Timing	490
Environmentally sustainable practices and materials in transportation	Research and Development	375
TOTAL		14,765
Notes: * The Research and Development Program FTE are distributed proportionately among each goal.		

EXHIBIT II - 4
FY 2014 BUDGET AUTHORITY
OFFICE OF THE SECRETARY of TRANSPORTATION

(\$000)

<u>ACCOUNTS</u>	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
<u>SALARIES & EXPENSES</u>	102,481	103,108	113,108
Office of the Secretary (S-1)	2,618	2,634	2,652
Office of the Deputy Secretary (S-2)	984	990	1,000
Office of the Under Secretary for Transportation Policy (S-3)	10,107	10,169	12,804
Office of the Executive Secretariat (S-10)	1,595	1,605	1,714
Office of Small and Disadvantaged Business Utilization (S-40)	1,369	1,377	1,386
Office of Intelligence and Security and Emergency Response (S-60)	10,778	10,844	10,849
Office of the Chief Information Officer (S-80)	14,988	15,080	16,576
Office of Public Affairs (A)	2,020	2,032	2,203
Office of the Assistant Secretary for Budget and Programs/CFO (B)	10,538	10,602	13,326
Office of the General Counsel (C)	19,515	19,634	20,504
Office of the Assistant Secretary for Governmental Affairs (I)	2,500	2,515	2,627
Office of the Assistant Secretary for Administration (M)	25,469	25,625	27,468
<u>FINANCIAL MANAGEMENT CAPITAL</u>	4,990	5,021	10,000
<u>OFFICE OF CIVIL RIGHTS</u>	9,384	9,441	9,551
<u>MINORITY BUSINESS OUTREACH</u>	3,068	3,087	3,088
<u>TRANSPORTATION PLANNING, RESEARCH & DEVELOPMENT</u>	9,000	9,055	9,750
<u>TRANSP. PLANNING, RESEARCH & DEV. (CANCELLATION OF UNOBLIGATED BALANCES)</u>	0	0	-2,750
<u>NATIONAL INFRASTRUCTURE INVESTMENTS PROGRAM (NII)</u>	500,000	503,060	500,000
<u>AVIATION CONSUMER CALL CENTER</u>	0	0	7,500
<u>MINORITY BUSINESS RESOURCE CENTER PROGRAM (MBRC)</u>	939	1,293	925
Minority Business Resource Center Program - Discretionary	922	928	925
Guaranteed Loan Subsidy	333	333	333
Administrative Expenses	589	595	592
MBRC Guaranteed Loan Subsidy reestimate- Mandatory	17	365	0
(Limitation on guaranteed loans)	[18,367]	[18,367]	[18,367]
<u>COMPENSATION FOR GENERAL AVIATION OPERATIONS (discretionary)</u>	-3,254	0	0
<u>CYBER SECURITY INITIATIVES</u>	10,000	10,061	6,000
<u>OFFICE OF THE ASST. SEC. FOR RESEARCH & TECHNOLOGY</u>			
<u>RESEARCH AND DEVELOPMENT</u>	15,981	16,079	14,765
Salaries and Administrative Expenses	6,974	7,017	6,547
Alternative Fuels Research & Development (R&D)	499	502	499
RD&T Coordination	509	512	509
Nationwide Differential Global Positioning System	7,600	7,647	5,600
Positioning, Navigation and Timing (PNT)	399	401	1,610
<u>WORKING CAPITAL FUND (Obligation Limitation)</u>	[172,000]	[173,053]	[0,000]
<u>ESSENTIAL AIR SERVICE PROGRAM</u>	193,000	193,875	262,000
Payments to Air Carriers(Airport & Airway Trust Fund) -Discretionary	143,000	143,875	146,000
Essential Air Service - Mandatory	50,000	50,000	116,000
SUBTOTAL	845,589	854,080	933,938
<u>IMMEDIATE TRANSPORTATION INVESTMENTS</u>	0	0	6,000,000
GRAND TOTAL	845,589	854,080	6,933,938
[Mandatory]	50,017	50,365	6,116,000
[Discretionary]	795,572	803,715	817,938

PROPRIETARY AND OTHER GOVERNMENTAL RECEIPTS:

MBRC Guaranteed Loans Downward Subsidy Reestimate

EXHIBIT II-5
FY 2014 OUTLAYS
OFFICE OF THE SECRETARY of TRANSPORTATION
(\$000)

ACCOUNT	FY 2013		
	FY 2012 ACTUAL	CR ANNUALIZED	FY 2014 REQUEST
Salaries & Expenses	95,432	143,124	112,108
Surface Transportation Discretionary Grants	564,422	420,000	225,000
Financial Management Capital	2,659	16,829	9,004
Office of Civil Rights	8,292	10,808	9,540
Minority Business Outreach	3,961	13,510	3,088
Transportation Planning, Research & Development	13,852	27,213	9,322
National Infrastructure Investments	217,224	332,041	427,191
Aviation Consumer Call Center Initiative	0	0	6,750
New Headquarters Building	463	2,207	0
MBRC Program (loan subsidy & admin)	516	1,525	925
Cyber Security Initiatives	3,014	16,041	6,406
Research & Development	31,005	67,335	16,485
Payments to Air Carriers	149,422	143,175	145,150
VOLPE National Transportation Systems Center	-83,043	123,000	0
Working Capital Fund	23,105	50,088	41,891
Subtotal, Discretionary	1,030,324	1,366,896	1,012,860
<i>MBRC Guaranteed Loan Subsidy Upward Reestimate [mandatory]</i>	<i>17</i>	<i>365</i>	<i>0</i>
<i>Essential Air Service & Rural Airport Funding [mandatory]</i>	<i>51,101</i>	<i>38,058</i>	<i>89,600</i>
<i>Immediate Transportation Investments</i>	<i>0</i>	<i>0</i>	<i>60,000</i>
Subtotal, Mandatory	51,119	38,423	149,600
Grand Total	1,081,442	1,405,319	1,162,460

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

SALARIES AND EXPENSES

Grand Total
(\$000)

	FY 2013 CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	Worker's Comp WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct										
Positions	482	0	0	0	0	0	482	16	0	498
FTEs	447.00	0.00	0.00	0.00	0.00	0.00	447.00	16.00	0.00	463.00
Reimbursable										
Positions	18	0	0	0	0	0	18	0	0	18
FTEs	17.00	0.00	0.00	0.00	0.00	0.00	17.00	0.00	0.00	17.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits	66,789	0	488	0	0	1	67,277	2,679	0	69,956
- WCF Non-Add (Transit Benefits)	(366)	0	0	0	15	(1)	(352)	(8)	0	(360)
Travel	1,339	0	0	0	0	7	1,345	-86	0	1,259
Transportation	3	0	0	0	0	0	3	0	0	3
GSA Rent	9,017	0	0	-84	0	0	8,933	0	0	8,933
Communications and Utilities	187	0	0	0	0	1	188	0	0	188
Printing and Reproduction	298	0	0	0	0	1	300	0	0	300
Other Services:										
- Working Capital Fund	15,755	0	0	0	274	44	16,074	39	0	16,113
- Other Contractual Services	9,472	0	0	0	0	47	9,519	6,570	0	16,089
- Administrative Fees	0	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	235	0	0	0	0	1	236	5	0	241
Equipment	13	0	0	0	0	0	13	14	0	27
Administrative Subtotal	103,108	0	488	-84	273	103	103,887	9,221	0	113,108
PROGRAM EXPENSES										
None	0	0	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0	0	0
Program Subtotal	0	0	0	0	0	0	0	0	0	0
TOTAL	103,108	0	488	-84	273	103	103,887	9,221	0	113,108

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

FINANCIAL MANAGEMENT CAPITAL

(\$000)

	FY 2013 CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct										
Positions	0						0			0
FTEs	0.00						0.00			0.00
Reimbursable										
Positions	0						0			0
FTEs	0.00						0.00			0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits (Transit Benefits) (non-add)	0	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0
GSA Rent	0	0	0	0	0	0	0	0	0	0
Communications and Utilities	0	0	0	0	0	0	0	0	0	0
Printing and Reproduction	0	0	0	0	0	0	0	0	0	0
Other Services:	0	0	0	0	0	0	0	0	0	0
- Working Capital Fund	0	0	0	0	0	0	0	0	0	0
- Other Contractual Services	5,021	0	0	0	0	25	5,046	4,954	0	10,000
- Administrative Fees	0	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	0	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	0	0
Administrative Subtotal	5,021	0	0	0	0	25	5,046	4,954	0	10,000
PROGRAM EXPENSES										
None	0									
None										
None										
None										
Program Subtotal	0	0	0	0	0	0	0	0	0	0
TOTAL	5,021	0	0	0	0	25	5,046	4,954	0	10,000

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

OFFICE OF CIVIL RIGHTS

(\$000)

	FY 2013 CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct										
Positions	55	0	0	0	0	0	55	0	0	55
FTEs	53.00	0.00	0.00	0.00	0.00	0.00	53.00	0.00	0.00	53.00
Reimbursable										
Positions	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits	6,863	0	51	0	0	-6	6,908	0	0	6,908
(Transit Benefits) (non-add)	(36)	0	0	0	0	6	(30)	0	0	(30)
Travel	66	0	0	0	0	0	66	-18	0	48
Transportation	0	0	0	0	0	0	0	0	0	0
GSA Rent	0	0	0	0	0	0	0	0	0	0
Communications and Utilities	29	0	0	0	0	0	29	0	0	29
Printing and Reproduction	11	0	0	0	0	0	11	0	0	11
Other Services:	0	0	0	0	0	0	0	0	0	0
- Working Capital Fund	818	0	0	0	43	0	865	0	0	865
- Other Contractual Services	1,556	0	0	0	0	0	1,563	26	0	1,590
- Administrative Fees	0	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	50	0	0	0	0	0	51	0	0	51
Equipment	50	0	0	0	0	0	51	0	0	51
Administrative Subtotal	9,441	0	51	0	37	13	9,543	9	0	9,551
PROGRAM EXPENSES										
None	0	0	0	0	0	0	0	0	0	0
None										
None										
None										
Program Subtotal	0	0	0	0	0	0	0	0	0	0
TOTAL	9,441	0	51	0	37	13	9,543	9	0	9,551

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

MINORITY BUSINESS OUTREACH

(\$000)

	CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	WCF Increases/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct										
Positions	4	0	0	0	0	0	4	0	0	4
FTEs	4.00	0.00	0.00	0.00	0.00	0.00	4.00	0.00	0.00	4.00
Reimbursable										
Positions	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits (Transit Benefits) (non-add)	538	0	5	0	0	0	543	0	0	543
Travel	0	0	0	0	(0)	0	(0)	0	0	(0)
Transportation	40	0	0	0	0	0	40	0	0	40
GSA Rent	0	0	0	0	0	0	0	0	0	0
Communications and Utilities	0	0	0	0	0	0	0	0	0	0
Printing and Reproduction	1	0	0	0	0	0	1	0	0	1
Other Services:	3	0	0	0	0	0	3	0	0	3
- Working Capital Fund	0	0	0	0	-7	0	60	0	0	60
- Other Contractual Services	66	0	0	0	0	2	490	0	0	490
- Administrative Fees	488	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	0	0	0	0	0	0	22	0	0	22
Equipment	21	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Administrative Subtotal	1,158	0	5	0	-6	3	1,159	0	0	1,159
PROGRAM EXPENSES										
	0									
MBO Cooperative Agreements							0			0
None										
None										
None										
Program Subtotal	1,929	0	0	0	0	0	1,929	0	0	1,929
TOTAL	3,087	0	5	0	-6	3	3,088	0	0	3,088

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

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

(\$000)

	FY 2013 CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct										
Positions	33	0	0	0	0	0	33	7	0	40
FTEs	32.00	0.00	0.00	0.00	0.00	0.00	32.00	4.00	0.00	36.00
Reimbursable										
Positions	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits (Transit Benefits) (non-add)	5,529	0	40	0	0	0	5,567	638	0	6,206
Travel	(32)	0	0	0	-2	0	(30)	0	0	(30)
Transportation	153	0	0	0	0	1	153	0	0	153
GSA Rent	1	0	0	0	0	0	1	0	0	1
Communications and Utilities	0	0	0	0	0	0	0	0	0	0
Printing and Reproduction	0	0	0	0	0	0	0	0	0	0
Other Services:	20	0	0	0	0	0	20	0	0	20
- Working Capital Fund	0	0	0	0	0	0	0	0	0	0
- Other Contractual Services	622	0	0	0	4	0	626	0	0	626
- Administrative Fees	2,695	0	0	0	0	13	2,708	0	0	2,708
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	0	0	0	0	0	0	0	0	0	0
Equipment	20	0	0	0	0	0	21	0	0	21
	15	0	0	0	0	0	15	0	0	15
Administrative Subtotal	9,055	0	40	0	2	15	9,112	638	0	9,750
PROGRAM EXPENSES										
None	0									
None										
None										
None										
Program Subtotal	0	0	0	0	0	0	0	0	0	0
TOTAL	9,055	0	40	0	2	15	9,112	638	0	9,750

EXHIBIT II-6

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
OFFICE OF THE SECRETARY OF TRANSPORTATION**
Appropriations, Obligation Limitations, and Exempt Obligations

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT (CANCELLATION OF BUDGET AUTHORITY)

(\$000)

	FY 2013 Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct	0	0	0	0	0	0	0	0	0	0
Positions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FTEs										
Reimbursable										
Positions	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(Transit Benefits) (non-add)	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Travel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transportation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Printing and Reproduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Services:	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Working Capital Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Other Contractual Services	0.000	0.000	0.000	0.000	0.000	0.000	-2,750.000	0.000	0.000	-2,750.000
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Supplies and Materials	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Administrative Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-2,750.000	0.000	-2,750.000
PROGRAM EXPENSES	0.000									
None										
None										
None										
None										
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-2,750.000	0.000	-2,750.000

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

NATIONAL INFRASTRUCTURE INVESTMENTS

(\$000)

	FY 2013 CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	Worker's Comp WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct										
Positions	12	0	0	0	0	0	12	0	0	12
FTEs	10.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	10.00
Reimbursable										
Positions	0	0	0	0	0	0	0	0	0	0
FTEs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits	6,418	0	48	0	0	0	6,466	-8	0	6,458
(Transit Benefits) (non-add)	(15)	0	0	0	0	0	-15	(8)	0	-6
Travel	800	0	0	0	0	4	804	0	0	804
Transportation	1	0	0	0	0	0	1	0	0	1
GSA Rent	0	0	0	0	0	0	0	0	0	0
Communications and Utilities	0	0	0	0	0	0	0	0	0	0
Printing and Reproduction	10	0	0	0	0	0	10	0	0	10
Other Services:										
- Working Capital Fund	249	0	0	0	0	0	249	-33	0	215
- Other Contractual Services	12,501	0	0	0	0	63	12,563	-73	0	12,490
- Administrative Fees	0	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	21	0	0	0	0	0	21	0	0	21
Equipment	0	0	0	0	0	0	0	0	0	0
Administrative Subtotal	20,000	0	48	0	0	67	20,115	-115	0	20,000
PROGRAM EXPENSES										
NII Infrastructure Grants	483,060						483,060	-38,060	0	445,000
NII Grants - National	0						0	0	0	0
NII Planning Grants	0						0	35,000		35,000
Program Subtotal	483,060	0	0	0	0	0	483,060	-3,060	0	480,000
TOTAL	503,060	0	48	0	0	67	503,175	-3,175	0	500,000

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

MINORITY BUSINESS RESOURCE CENTER

(\$000)

	FY 2013 CR Annualized	Baseline Changes				FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	WCF Increase/ Decrease	Inflation Increase 0.50%			
PERSONNEL RESOURCES									
Direct									
Positions	1								1
FTEs	1.00								1.00
Reimbursable									
Positions	0								0
FTEs	0.00								0.00
FINANCIAL RESOURCES									
ADMINISTRATIVE EXPENSES									
Salaries and Benefits	173	0	2	0	-1	0	0	0	173
(Transit Benefits) (Non-add)	(2)	0	0	0	1	0	0	0	(0)
Travel	5	0	0	0	0	0	0	0	5
Transportation	0	0	0	0	0	0	0	0	0
GSA Rent	0	0	0	0	0	0	0	0	0
Communications and Utilities	0	0	0	0	0	0	0	0	0
Printing and Reproduction	0	0	0	0	0	0	0	0	0
Other Services:	0	0	0	0	0	0	0	0	0
- Working Capital Fund	18	0	0	0	-3	0	0	0	15
- Other Contractual Services	194	0	0	0	0	1	0	0	195
- Administrative Fees	204	0	0	0	0	0	0	0	204
- Subsidy	333	0	0	0	0	0	0	0	333
Supplies and Materials	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	0
Administrative Subtotal	928	0	2	0	-5	1	0	0	925
PROGRAM EXPENSES									
MBRC Guaranteed Loan Subsidy Restimate	365						-365		0
None									
None									
None									
Program Subtotal	365	0	0	0	0	0	-365	0	0
TOTAL	1,293	0	2	0	-5	1	-365	0	925

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

AVIATION CONSUMER CALL CENTER

(\$000)

	FY 2013 CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	Worker's Comp WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct	0						0	2		2
Positions	0.00						0.00	1.00		1.00
FTEs										
Reimbursable										
Positions	0						0			0
FTEs	0.00						0.00			0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits	0	0	0	0	0	0	0	150	0	150
- WCF Non-Add (Transit Benefits)	0	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0
GSA Rent	0	0	0	0	0	0	0	0	0	0
Communications and Utilities	0	0	0	0	0	0	0	0	0	0
Printing and Reproduction	0	0	0	0	0	0	0	0	0	0
Other Services:	0	0	0	0	0	0	0	0	0	0
- Working Capital Fund	0	0	0	0	0	0	0	0	0	0
- Other Contractual Services	0	0	0	0	0	0	0	7,350	0	7,350
- Administrative Fees	0	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	0	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	0	0
Administrative Subtotal	0	0	0	0	0	0	0	7,500	0	7,500
PROGRAM EXPENSES										
None										
None										
None										
None										
Program Subtotal	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	7,500	0	7,500

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

CYBER SECURITY INITIATIVES

(\$000)

	FY 2013 CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	Worker's Comp WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct										
Positions	0						0		0	0
FTEs	0.00						0.00		0.00	0.00
Reimbursable										
Positions	0						0		0	0
FTEs	0.00						0.00		0.00	0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits (Transit Benefits) (non-add)	0	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0
GSA Rent	0	0	0	0	0	0	0	0	0	0
Communications and Utilities	1,375	0	0	0	0	7	1,382	-807	0	575
Printing and Reproduction	0	0	0	0	0	0	0	0	0	0
Other Services:	0	0	0	0	0	0	0	0	0	0
- Working Capital Fund	0	0	0	0	0	0	0	0	0	0
- Other Contractual Services	4,682	0	0	0	0	23	4,705	-3,285	0	1,421
- Administrative Fees	0	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	0	0	0	0	0	0	0	0	0	0
Equipment	4,004	0	0	0	0	0	4,004	0	0	4,004
Administrative Subtotal	10,061	0	0	0	0	30	10,091	-4,091	0	6,000
PROGRAM EXPENSES										
None										
None										
None										
None										
Program Subtotal	0	0	0	0	0	0	0	0	0	0
TOTAL	10,061	0	0	0	0	30	10,091	-4,091	0	6,000

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

ESSENTIAL AIR SERVICE

(\$000)

	FY 2013 CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct										
Positions	14						14		0	14
FTEs	13.00						13.00		0.00	13.00
Reimbursable										
Positions	0						0			0
FTEs	0.00						0.00			0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits (Transit Benefits) (non-add)	2,032 (8)	0	15	0	0	0	2,047 (8)	0	0	2,047 (8)
Travel	3	0	0	0	0	(0)	3	-2	0	1
Transportation	0	0	0	0	0	0	0	0	0	0
GSA Rent	0	0	0	0	0	0	0	0	0	0
Communications and Utilities	0	0	0	0	0	0	0	0	0	0
Printing and Reproduction	0	0	0	0	0	0	0	0	0	0
Other Services:	0	0	0	0	0	0	0	0	0	0
- Working Capital Fund	235	0	0	0	-6	1	230	0	0	230
- Other Contractual Services	36	0	0	0	0	0	36	0	0	36
- Administrative Fees	0	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	3	0	0	0	0	0	3	0	0	3
Equipment	0	0	0	0	0	0	0	0	0	0
Administrative Subtotal	2,309	0	15	0	-7	1	2,319	-2	0	2,318
PROGRAM EXPENSES	0									
Essential Air Service Subsidy	47,691	0	0	0	0	0	47,691	65,992	0	113,682
None										
None										
None										
Program Subtotal	47,691	0	0	0	0	0	47,691	65,992	0	113,682
TOTAL	50,000	0	15	0	-7	1	50,010	65,990	0	116,000

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

PAYMENTS TO AIR CARRIERS

(\$000)

	FY 2013 CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct										
Positions	0						0		0	0
FTEs	0.00						0.00		0.00	0.00
Reimbursable										
Positions	0						0		0	0
FTEs	0.00						0.00		0.00	0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits	0	0	0	0	0	0	0	0	0	0
(Transit Benefits) (non-add)	0	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0
GSA Rent	0	0	0	0	0	0	0	0	0	0
Communications and Utilities	0	0	0	0	0	0	0	0	0	0
Printing and Reproduction	0	0	0	0	0	0	0	0	0	0
Other Services:	0	0	0	0	0	0	0	0	0	0
- Working Capital Fund	0	0	0	0	0	0	0	0	0	0
- Other Contractual Services	0	0	0	0	0	0	0	0	0	0
- Administrative Fees	0	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	0	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	0	0
Administrative Subtotal	0	0	0	0	0	0	0	0	0	0
PROGRAM EXPENSES										
Air Carrier Payments	143,875	0	0	0	0	0	143,875	2,125	0	146,000
None										
None										
None										
Program Subtotal	143,875	0	0	0	0	0	143,875	2,125	0	146,000
TOTAL	143,875	0	0	0	0	0	143,875	2,125	0	146,000

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

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

	FY 2013 CR Annualized	Baseline Changes				FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	WCF Increase/ Decrease	Inflation Increase 0.50%			
PERSONNEL RESOURCES									
Direct									
Positions	36					36		0	36
FTEs	26.00					26.00		0.00	26.00
Reimbursable									
Positions	0					0			0
FTEs	0.00					0.00			0.00
FINANCIAL RESOURCES									
ADMINISTRATIVE EXPENSES									
Salaries and Benefits	4,188	0	31	0	0	4,219	0	0	4,219
(Transit Benefits) (non-add)	0	0	0	0	0	0	0	0	0
Travel	90	0	0	0	0	90	0	0	90
Transportation	0	0	0	0	0	0	0	0	0
GSA Rent	593	0	0	47	0	640	0	0	640
Communications and Utilities	0	0	0	0	0	0	0	0	0
Printing and Reproduction	1	0	0	0	0	1	0	0	1
Other Services:									
- Working Capital Fund	1,301	0	0	0	0	1,308	0	0	1,308
- Other Contractual Services	679	0	0	0	0	679	0	-505	174
- Administrative Fees	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0
Supplies and Materials	15	0	0	0	0	15	0	0	15
Equipment	150	0	0	0	0	150	0	-50	100
Administrative Subtotal	7,017	0	31	47	0	7,102	0	-555	6,547
PROGRAM EXPENSES									
Alternative Fuels	502					502		-3	499
RD&T Coordination	512					512		-3	509
NDGPS	7,647					7,647	-2,047		5,600
PNT	401					401	1,265	-56	1,610
Program Subtotal	9,062	0	0	0	0	9,062	-782	-62	8,218
TOTAL	16,079	0	31	47	0	16,164	-782	-617	14,765

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

FY 2014 EXHIBIT II-6 - BTS (ALLOCATION ACCOUNT FROM FHWA)

(\$000)

	FY 2013 MAP-21	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 1.00%	GSA Rent	WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct										
Positions	0						0			0
FTEs	0.00						0.00			0.00
Reimbursable										
Positions	117						117			117
FTEs	70.00						70.00			70.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits (Transit Benefits) (non-add)	12,245	0	91	0	0	0	12,336	0	0	12,336
Travel	0	0	0	0	0	0	0	0	0	0
Transportation	130	0	0	0	0	1	131	0	-13	118
GSA Rent	0	0	0	0	0	0	0	0	0	0
Communications and Utilities	1,457	0	0	0	0	0	1,457	0	0	1,457
Printing and Reproduction	0	0	0	0	0	0	0	0	0	0
Other Services:	5	0	0	0	0	0	5	0	0	5
- Working Capital Fund	3,978	0	0	0	321	0	4,299	0	0	4,299
- Other Contractual Services	2,326	0	0	0	0	0	2,326	-413	0	1,913
- Administrative Fees	0	0	0	0	0	0	0	0	0	0
- Subsidy	0	0	0	0	0	0	0	0	0	0
Supplies and Materials	20	0	0	0	0	0	20	0	0	20
Equipment	758	0	0	0	0	0	758	0	0	758
Administrative Subtotal	20,919	0	91	0	321	1	21,332	0	-426	20,905
PROGRAM EXPENSES										
Safety Data and Analysis	50						50	0	0	50
Travel Statistics	400						400	0	0	400
Freight Statistics	3,793						3,793	0	0	3,793
Transportation Economics	90						90	0	0	90
Geospatial Information	150						150	0	0	150
Transportation Analysis, Data Quality and	250						250	0	0	250
Performance Metrics	348						348	0	0	348
National Transportation Library										
Program Subtotal	5,081	0	0	0	0	0	5,081	0	0	5,081
TOTAL	26,000	0	91	0	321	1	26,413	0	-426	25,986

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

IMMEDIATE TRANSPORTATION INVESTMENTS

(\$000)

	FY 2013 CR Annualized	Baseline Changes					FY 2014 Baseline Estimate	FY 2014 Program Increases/ Decreases	FY 2014 Base Offsets Increases/ Decreases	FY 2014 Request
		Annualized New FY 2013 Positions	9 months Jan. 2014 Pay Raise 0.50%	GSA Rent	WCF Increase/ Decrease	Inflation Increase 0.50%				
PERSONNEL RESOURCES										
Direct							0		0	0
Positions	0						0.00		0.00	0.00
FTEs	0.00									
Reimbursable										
Positions	0						0		0	0
FTEs	0.00						0.00		0.00	0.00
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(Transit Benefits) (non-add)	-	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Travel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transportation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GSA Rent	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Communications and Utilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Printing and Reproduction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Services:	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Working Capital Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Other Contractual Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Administrative Fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
- Subsidy	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Supplies and Materials	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Administrative Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PROGRAM EXPENSES										
Transportation Infrastructure Grants & Financing	0.000						0.000	4,000,000.000		4,000,000.000
Transportation Leadership Awards							0.000	2,000,000.000		2,000,000.000
None							0.000			0.000
None							0.000			0.000
Program Subtotal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6,000,000.000	0.000	6,000,000.000
TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6,000,000.000	0.000	6,000,000.000

EXHIBIT II-7

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

	FY 2012	FY 2013	FY 2014	
	ACTUAL	CR ANNUALIZED	REQUEST	CHANGE
DIRECT:				
Salaries and Expenses	15,463	16,122	16,472	351
Small Communities Air Services Development Program (SCASDP)	98	92	88	-4
Office of Civil Rights	790	854	895	41
Minority Business Outreach	33	66	60	-6
Transportation, Planning, Research & Development	599	654	656	2
National Infrastructure Investment	380	263	222	-42
Minority Business Resource Center Program	19	20	15	-5
Research and Development	1,426	1,301	1,308	7
Essential Air Service	236	243	238	-5
SUBTOTAL, DIRECT	19,044	19,615	19,954	339
REIMBURSABLE:				
Salaries and Expenses	316	375	338	-37
Research and Development	496	929	964	35
Volpe	584	573	1,111	538
SUBTOTAL, REIMBURSABLES	1,396	1,877	2,413	536
ALLOCATIONS/OTHER				
Bureau of Transportation Statistics	3,958	3,978	4,299	321
TOTAL	24,398	25,469	26,666	1,196

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

	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
<u>DIRECT FUNDED BY APPROPRIATION</u>			
Salaries and Expenses	419.62	447	463
Small Communities Air Services Development Program (SCASDP)	3.94	4	4
Office of Civil Rights	40.86	53	53
Minority Business Outreach	0.52	4	4
Transportation Planning, Research and Development	28.29	32	36
National Infrastructure Investments (NII)	7.52	10	10
Aviation Consumer Call Center Initiative	0.00	0	1
Minority Business Resource Center Program	1.00	1	1
Research and Development	24.75	26	26
Essential Air Service	10.06	13	13
SUBTOTAL, DIRECT FUNDED	536.56	590	611
<u>REIMBURSABLE</u>			
Salaries and Expenses	18.11	17	17
Research and Development	42.68	50	50
Volpe Working Capital Fund	525.20	532	532
Working Capital Fund	221.74	246	248
SUBTOTAL, REIMBURSABLE	807.73	845	847
<u>ALLOCATIONS/OTHER</u>			
Bureau of Transportation Statistics	68.03	70	70
Intelligent Transportation Systems	[18]	[18]	[18]
SUBTOTAL, ALLOCATIONS/OTHER	68.03	70	70
TOTAL FTEs	1,412.32	1,505	1,528

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

	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
<u>DIRECT FUNDED BY APPROPRIATION</u>			
Salaries and Expenses	534	482	498
Small Communities Air Services Development Program (SCASDP)	5	4	4
Office Civil Rights	64	55	55
Minority Business Outreach	4	4	4
Transportation Planning, Research and Development	33	33	40
National Infrastructure Investments (NII)	25	12	12
Aviation Consumer Call Center Initiative	0	0	2
Minority Business Resource Center Program	1	1	1
Research and Development	36	36	36
Essential Air Service	14	14	14
SUBTOTAL, DIRECT FUNDED	716	641	666
<u>REIMBURSABLE</u>			
Salaries and Expenses	22	18	18
Research and Development	70	70	70
Volpe Working Capital Fund	550	550	550
Working Capital Fund	262	256	259
SUBTOTAL, REIMBURSABLE	904	894	897
<u>ALLOCATIONS/OTHER</u>			
Bureau of Transportation Statistics	117	117	117
Intelligent Transportation Systems	[18]	[18]	[18]
SUBTOTAL, ALLOCATIONS/OTHER	117	117	117
TOTAL POSITIONS	1,737	1,652	1,680

EXHIBIT III-1
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, \$113,108,000, Provided, That not to exceed \$60,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine: Provided further, That notwithstanding any other provision of law, excluding fees authorized in Public Law 107-71, there may be credited to this appropriation up to \$2,500,000 in funds received in user fees.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

EXHIBIT III-1
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- 2014
Office of the Secretary	2,618	2,634	2,652	34
Office of the Deputy Secretary	984	990	1,000	16
Office of the Under Secretary Transportation Policy	10,107	10,169	12,804	2,697
Office of the Executive Secretariat	1,595	1,605	1,714	119
Office of Small and Disadvantaged Business	1,369	1,377	1,386	17
Office of Intel., Sec. and Emergency Resp.	10,778	10,844	10,849	71
Office of the Chief Information Officer	14,988	15,080	16,576	1,588
Office of Public Affairs	2,020	2,032	2,203	183
Office of the Asst. Sec. for Budget and Programs	10,538	10,602	13,326	2,788
Office of General Counsel	19,515	19,635	20,504	989
Office of the Asst. Sec. for Governmental Affairs	2,500	2,515	2,627	127
Office of the Asst. Sec. for Administration	<u>25,469</u>	<u>25,625</u>	<u>27,468</u>	<u>1,999</u>
Total	102,481	103,108	113,108	10,627
FTEs				
Direct Funded (Includes SCASDP)	423.56	451.00	467.00	43.44
Reimbursable, allocated, other	18.11	17.00	17.00	-1.11

Program and Performance Statement

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

FINANCIAL MANAGEMENT CAPITAL

For necessary expenses for upgrading and enhancing the Department of Transportation's financial systems and re-engineering business processes, \$10,000,000, to remain available through September 30, 2015.

Note.—A full year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- 2014
Financial Management Capital	4,990	5,021	10,000	-5,010
Total	4,990	5,021	10,000	-5,010
FTEs				
Direct Funded	0.00	0.00	0.00	0.00
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

Program and Performance Statement

This appropriation provides funds to upgrade the commercial software used for DOT's core financial system. This effort will improve system security, enhance financial reporting capabilities, and position DOT to provide shared services across the government.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, \$9,551,000.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- 2014
Office of Civil Rights	9,384	9,441	9,551	167
	9,384	9,441	9,551	167
FTEs				
Direct Funded	46.00	53.00	53.00	7.00
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

Program and Performance Statement

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

MINORITY BUSINESS OUTREACH

For necessary expenses of Minority Business Resource Center outreach activities, \$3,088,000 to remain available until September 30, 2015: Provided, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS OUTREACH

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012-2014
Minority Business Outreach	3,068	3,087	3,088	20
Total	3,068	3,087	3,088	20
FTEs				
Direct Funded	0.52	4.00	4.00	3.48
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

Program and Performance Statement

This activity provides contractual support to assist small, women-owned, Native American, and other disadvantaged business firms in securing contracts and subcontracts resulting from transportation-related Federal support.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT
(INCLUDING CANCELLATION OF FUNDS)

For necessary expenses for conducting transportation planning, research, systems development, development activities, and making grants, to remain available until expended, \$9,750,000: Provided, That of the unobligated balances made available by Public Law 111-117 and designated for a single project in the accompanying conference report, \$750,000 are hereby permanently cancelled: Provided further, That of the unobligated balances made available by Section 195 of Public Law 111-117, \$2,000,000 are hereby permanently cancelled.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY

(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012-2014
Transportation Planning, Research and Development	9,000	9,055	9,750	750
Total	9,000	9,055	9,750	750
FTEs				
Direct Funded	28.29	32.00	36.00	7.71
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

Program and Performance Statement

This appropriation finances research and studies concerned with planning, analysis, and information development needed to support the Secretary's responsibilities in the formulation of national transportation policies and the coordination of national-level transportation planning. Funding also supports departmental leadership in areas such as regulatory modernization, energy conservation, environmental and safety impacts of transportation, aviation economic policy and international transportation issues. The program activities include contracts with other Federal agencies, educational institutions, non-profit research organizations, and private firms.

NATIONAL INFRASTRUCTURE INVESTMENTS

For capital investments in surface transportation infrastructure, \$500,000,000, to remain available through September 30, 2016: Provided, That the Secretary of Transportation shall distribute funds provided under this heading as discretionary grants to be awarded to a State, local government, transit agency, or a collaboration among such entities on a competitive basis for projects that will have a significant impact on the Nation, a metropolitan area, or a region: Provided further, That projects eligible for funding provided under this heading shall include, but not be limited to, highway or bridge projects eligible under title 23, United States Code; public transportation projects eligible under chapter 53 of title 49, United States Code; passenger and freight rail transportation projects; and port infrastructure investments: Provided further, That the Secretary shall give priority to projects which demonstrate transportation benefits for existing systems or improve interconnectivity between modes: Provided further, That the Secretary may use up to 35 percent of the funds made available under this heading for the purpose of paying the subsidy and administrative costs of projects eligible for Federal credit assistance under chapter 6 of title 23, United States Code, if the Secretary finds that such use of the funds would advance the purposes of this paragraph: Provided further, That in distributing funds provided under this heading, the Secretary shall take such measures so as to ensure an equitable geographic distribution of funds, an appropriate balance in addressing the needs of urban and rural areas, and the investment in a variety of transportation modes: Provided further, That a grant funded under this heading shall be not less than \$10,000,000 and not greater than \$200,000,000: Provided further, That not more than 25 percent of the funds made available under this heading may be awarded to projects in a single State: Provided further, That the Federal share of the costs for which an expenditure is made under this heading shall be, at the option of the recipient, up to 80 percent: Provided further, That not less than 20 percent of the funds provided under this heading shall be for projects located in rural areas: Provided further, That for projects located in rural areas, the minimum grant size shall be \$1,000,000 and the Secretary may increase the Federal share of costs above 80 percent: Provided further, That projects conducted using funds provided under this heading must comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code: Provided further, That of the amount made available under this heading, the Secretary may use an amount not to exceed \$35,000,000 for the planning, preparation, or design of projects eligible for funding under this heading: Provided further, That the Secretary shall conduct a new competition to select the grants and credit assistance awarded under this heading: Provided further, That the Secretary may retain up to \$20,000,000 of the funds provided for this program to remain available through September 30, 2019, and may transfer portions of those funds to the Administrators of the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration and the Federal Maritime Administration, to fund the award and oversight of grants and credit assistance made under the National Infrastructure Investments program: Provided further, That the Secretary shall give priority to projects that require a contribution of Federal funds in order to complete an overall financing package.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NATIONAL INFRASTRUCTURE INVESTMENTS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- 2014
Infrastructure Investments: Discretionary	500,000	503,060	500,000	0
Total	500,000	503,060	500,000	0
FTEs				
Direct Funded	10.00	10.00	10.00	0.00
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

Program and Performance Statement

This program provides funding for grant awards or credit assistance on a competitive basis for planning grants and capital investments in surface transportation infrastructure that will have a significant impact on the Nation, a metropolitan area or a region.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

IMMEDIATE TRANSPORTATION INVESTMENTS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- 2014
Immediate Transportation Investments	0	0	6,000,000	6,000,000
Total	0	0	6,000,000	6,000,000
FTEs				
Direct Funded	0.00	0.00	0.00	0.00
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

Program and Performance Statement

The FY 2014 budget includes \$50 billion of mandatory funding for immediate investments to support critical infrastructure projects, improving America's roads, bridges, transit systems, border crossings, railways and runways. Of this amount, \$4.0 billion is for Transportation Infrastructure Grants and Financing and \$2.0 billion is for Transportation Leadership Awards that would be administered by the Office of the Secretary of Transportation.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of guaranteed loans, \$333,000, as authorized by 49 U.S.C. 332: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$18,367,000.

In addition, for administrative expenses to carry out the guaranteed loan program, \$592,000.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER PROGRAM
APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- 2014
Minority Business Resource Center Program	922	928	925	3
Total	922	928	925	3
FTEs				
Direct Funded	1.00	1.00	1.00	0.00
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

Program and Performance Statement

This program provides assistance in obtaining short-term working capital for minority, women-owned and other disadvantaged businesses and Small Business Administration 8(a) firms. As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs for this program associated with guaranteed loans, as well as administrative expenses of this program.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER PROGRAM
GUARANTEED LOAN FINANCING ACCOUNT

Program and Performance Statement

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

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

COMPENSATION FOR GENERAL AVIATION OPERATIONS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012 - 2014
Compensation for General Aviation Operations	-3,254	0	0	-3,254
Total	-3,254	0	0	-3,254
FTEs				
Direct Funded	0.00	0.00	0.00	0.00
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

Program and Performance Statement

The Transportation, Treasury and Housing and Urban Development, The Judiciary, District of Columbia and Independent Agencies Appropriations Act of 2006 (P.L. 109-115) provided \$17 million to reimburse fixed-based general aviation operators and providers of general aviation ground support services at five facilities for the financial losses they incurred when the Federal Government closed the facilities due to the September 11, 2001 terrorist attacks. The Consolidated and Further Continuing Appropriations Act of 2012 (P.L. 112-55) rescinded the remaining balances in this account.

AVIATION CONSUMER CALL CENTER

For necessary expenses of establishing and operating an Aviation Consumer Call Center and other related activities pursuant to Section 42302(a) of Title 49, including providing the required notice to the public, \$7,500,000, to remain available until expended.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

AVIATION CONSUMER CALL CENTER

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- 2014
Aviation Consumer Call Center Initiative	0	0	7,500	7,500
	0	0	7,500	7,500
FTEs				
Direct Funded	0.00	0.00	1.00	1.00
Reimbursable, allocated, other	0.00	0.00	1.00	0.00

Program and Performance Statement

This appropriation provides funds to establish and operate an Aviation Consumer Call Center and other related activities pursuant to Section 42302(a) of Title 49, including notifying the public of the call center telephone number as required.

CYBER SECURITY INITIATIVES

For necessary expenses for cyber security initiatives, including necessary upgrades to wide area network and information technology infrastructure, improvement of network perimeter controls and identity management, testing and assessment of information technology against business, security, and other requirements, implementation of Federal cyber security initiatives and information infrastructure enhancements, implementation of enhanced security controls on network devices, and enhancement of cyber security workforce training tools, \$6,000,000 to remain available through September 30, 2015.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

CYBER SECURITY INITIATIVES

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- 2014
Cyber Security Initiatives	10,000	10,061	6,000	-4,000
Total	10,000	10,061	6,000	-4,000
FTEs				
Direct Funded	0.00	0.00	0.00	0.00
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

Program and Performance Statement

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

RESEARCH AND DEVELOPMENT

For necessary expenses related to the Office of the Assistant Secretary for Research and Technology, \$14,765,000, of which \$8,218,000 shall remain available until September 30, 2016: Provided, That there may be credited to this appropriation, to be available until expended, funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training: Provided further, That notwithstanding any other provision of law, the powers and duties, functions, authorities and personnel of the Research and Innovative Technology Administration are hereby transferred to the Office of the Assistant Secretary for Research and Technology in the Office of the Secretary, including the authority to accept funding from modal administrations for support of Global Positioning System activities pursuant to reimbursable agreements with the Assistant Secretary for Research and Technology in the Office of the Secretary; Provided further, That notwithstanding 49 U.S.C. 102 and 5 U.S.C. 5315, there shall be an Assistant Secretary for Research and Technology within the Office of the Secretary, appointed by the President with the advice and consent of the Senate, to lead such office; Provided further, That any reference in law, regulation, judicial proceedings, or elsewhere to the Research and Innovative Technology Administration shall be deemed to be a reference to the Office of the Assistant Secretary for Research and Technology of the Department of Transportation.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY

RESEARCH AND DEVELOPMENT

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2012 <u>ACTUAL</u>	FY 2013 CR <u>ANNUALIZED</u>	FY 2014 <u>REQUEST</u>	CHANGE FY 2012- <u>2014</u>
<u>Research and Development</u>				
Salaries and Administrative Expenses	6,974	7,017	6,547	(427)
Alternative Fuels R&D	499	502	499	0
RD&T Coordination	509	512	509	0
Nationwide Differential Global Positioning System	7,600	7,647	5,600	(2,000)
Positioning, Navigation and Timing (PNT)	<u>399</u>	<u>401</u>	<u>1,610</u>	<u>1,211</u>
TOTAL: [Discretionary]	15,981	16,079	14,765	(1,216)
<u>FTEs</u>				
Direct Funded	25	26	26	1
Allocation/Reimbursable/Other:				
Transportation Safety Institute	30	36	36	6
Volpe National Transportation Systems Center	525	532	532	7
Intelligent Transportation Systems [non-add]	[18]	[18]	[18]	0

Program and Performance Statement

The 2014 Budget elevates the Research and Innovative Technology Administration into the Office of the Assistant Secretary for Research and Technology within the Office of the Secretary. This proposal will strengthen research functions across the Department by providing a prominent centralized focus on research and technology, which will improve collaboration and coordination between operating administrations. The Office of the Assistant Secretary for Research and Technology is responsible for facilitating and reviewing the Department's research, development, and technology portfolio as well as enhancing the data collection and statistical analysis programs to support data-driven decision-making. The Office of the Assistant Secretary for Research and Technology is also responsible for Positioning, Navigation, and Timing (PNT) technology, PNT policy coordination, and spectrum management, and it is the program manager for the Nationwide Differential Global Positioning System.

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

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

The Intelligent Transportation Systems (ITS) Joint Program Office facilitates the deployment of technology to enhance the safety, efficiency, convenience, and environmental sustainability of surface transportation. The ITS program carries out its goals through research and development, operational testing, technology transfer, training, and technical guidance. The ITS Research Program is currently funded through the Federal Highway Administration.

The University Transportation Centers (UTC) advance U.S. technology and expertise in many transportation-related disciplines through grants for transportation education, research, and technology transfer at university-based centers of excellence. The UTC Program funding is provided to the Office of the Assistant Secretary for Research and Technology through an allocation from the Federal Highway Administration.

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

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

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY

Volpe National Transportation Systems Center

SUMMARY BY PROGRAM ACTIVITY
Appropriations, Obligation Limitations, and Exempt Obligations
(000)

	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- 2014
Account:				
Volpe National Transportation Systems Center	[259,000]	[260,000]	[260,000]	[1,000]
TOTAL:	[259,000]	[260,000]	[260,000]	[1,000]
<u>FTEs</u>				
Direct Funded	0	0	0	0
Reimbursable, allocated, other:				
Volpe National Transportation Systems Center	525	532	532	7

Program and Performance Statement

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

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY

BUREAU OF TRANSPORTATION STATISTICS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

	FY 2012 ACTUAL	FY 2013 MAP-21	FY 2014 REQUEST	Change FY 2013- 2014
<u>Bureau of Transportation Statistics</u>				
Salaries and Administrative Expenses	[20,872]	[20,919]	[20,919]	[0]
Safety Data and Analysis	[0]	[50]	[50]	[0]
Travel Statistics	[450]	[400]	[400]	[0]
Freight Statistics	[2,621]	[3,793]	[3,793]	[0]
Transportation Economics	[160]	[90]	[90]	[0]
Geospatial Information Systems	[360]	[150]	[150]	[0]
Transportation Analysis, Data Quality and Performance Metrics	[395]	[250]	[250]	[0]
National Transportation Library	[348]	[348]	[348]	[0]
TOTAL: [Allocation] ^{1/}	[25,206]	[26,000]	[26,000]	[0]
Direct FTE	68	70	70	0
Reimbursable FTE	12	14	14	0

^{1/} Resources are shown as non-adds because the Bureau of Transportation Statistics is an allocation a under the Federal-aid Highways program.

Program and Performance Statement

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

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND
(In thousands of dollars)

PROGRAM	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- FY 2014
WCF DOT Activities	172,000	173,053	182,930	10,930
WCF Non-DOT Activities	341,966	319,020	340,482	-1,484
TOTAL	513,966	492,073	523,412	9,446
Reimbursable Positions	262	256	259	-3
Reimbursable FTE	221.74	246	248	26.26

Program and Performance Statement

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

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012- 2014
Essential Air Service [Mandatory]	50,000	50,000	116,000	66,000
Total	50,000	50,000	116,000	66,000
FTEs				
Direct Funded	10.06	13.00	13.00	2.94
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

NOTE: The FY 2014 Budget assumes \$100 million in obligations against the \$116 million mandatory appropriation pursuant to the FAA Modernization and Reform Act.

Program and Performance Statement

The Federal Aviation Reauthorization Act of 1996 (P.L. 104-264) authorized the collection of user fees for services provided by the Federal Aviation Administration (FAA) to aircraft that neither take off nor land in the United States, commonly known as overflight fees. The Act permanently appropriated the first \$50 million of such fees for the Essential Air Service program and rural airport improvements. In addition, the recently enacted FAA Modernization and Reauthorization Act (P.L. 112-95) requires that, in any fiscal year, overflight fees collected in excess of \$50 million will be available to carry out the EAS program. A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-0175). The continuing resolution extended as a term and condition a proviso of Section 112 of the 2012 FAA Administrative Provisions (P.L. 112-55) that the Department of Transportation interprets as restricting the availability of overflight fees for the Essential Air Service program provided in section 428 of the FAA Modernization and Reform Act of 2012 (P.L. 112-95). This restriction is reflected as a -\$76 million discretionary change in a mandatory program in FY 2013 in the Aviation Overflight Fee account, and results in only \$50 million being transferred to the Essential Air Service program. It is expected that a full year appropriation will amend this proviso of Section 112 so that the additional overflight fees will be available to the EAS program.

PAYMENTS TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)
(INCLUDING TRANSFER OF FUNDS)

In addition to funds made available from any other source to carry out the essential air service program under 49 U.S.C. 41731 through 41742, \$146,000,000, to be derived from the Airport and Airway Trust Fund, to remain available until expended: Provided, That in determining between or among carriers competing to provide service to a community, the Secretary may consider the relative subsidy requirements of the carriers: Provided further, That no funds made available under section 41742 of title 49, United States Code, and no funds made available in this Act or any other Act in any fiscal year, shall be available to carry out the essential air service program under sections 41731 through 41742 of such title 49 in communities in the 48 contiguous States unless the community received subsidized essential air service or received a 90-day notice of intent to terminate service and the Secretary required the air carrier to continue to provide service to the community at any time between September 30, 2010, and September 30, 2011, inclusive: Provided further, That basic essential air service minimum requirements shall not include the 15-passenger capacity requirement under subsection 41732(b)(3) of title 49, United States Code: Provided further, That if the funds under this heading are insufficient to meet the costs of the essential air service program in the current fiscal year, the Secretary shall transfer such sums as may be necessary to carry out the essential air service program from any available amounts appropriated to or directly administered by the Department of Transportation for such fiscal year: Provided further, That thereafter the Administrator of the Federal Aviation Administration shall make available, as requested by the Secretary, fees to replenish such transferred amounts from fees credited to the account established under section 45303, including the funds derived from fees imposed under the authority contained in section 45301(a).

Note. – A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY
(In thousands of dollars)

PROGRAM ACTIVITY	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST	CHANGE FY 2012-2014
Payments to Air Carriers	143,000	143,875	146,000	3,000
Total	143,000	143,875	146,000	3,000
FTEs				
Direct Funded	0.00	0.00	0.00	0.00
Reimbursable, allocated, other	0.00	0.00	0.00	0.00

Program and Performance Statement

Through 1997, the Essential Air Service program was funded from the Airport and Airway Trust Fund. Starting in 1998, the Federal Aviation Administration reauthorization funded it as a mandatory program supported by overflight fees under the Essential Air Service and Rural Airport Improvement Fund. In addition to mandatory funding supported by overflight fees, direct appropriations from the Airport and Airway Trust Fund to Payments to Air Carriers have been enacted every year beginning in 2002 to meet the needs of the essential air service program. For 2014, \$146 million is requested from the Airport and Airway Trust Fund for Payments to Air Carriers.

*ADMINISTRATIVE PROVISIONS--
OFFICE OF THE SECRETARY OF TRANSPORTATION*

Sec. 101. The Secretary or his designee may engage in activities with the States and State legislators to consider proposals related to the reduction of motorcycle fatalities.

- ❖ Section 101 retains the provision of allowing the Secretary or his designee to engage in activities with the States and State legislators to consider proposals related to the reduction of motorcycle fatalities.

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

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

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

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

Section 104. No funds appropriated in this Act to an agency of the Department shall be transferred to the Working Capital Fund without majority approval of the Working Capital Fund Steering Committee and approval of the Secretary.

- ❖ Section 104 proposes a provision that will retains the language under the Working Capital Fund heading in the Consolidated and Further Continuing Appropriations Act, 2012 (P.L. 112-55) whereby no funds appropriated in the Act to an agency of the Department can be transferred to the Working Capital Fund without majority approval of the Working Capital Fund Steering Committee and approval of the Secretary.

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

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

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

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

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

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

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

Sec. 183.

- (a) No recipient of funds made available in this Act shall disseminate personal information (as defined in 18 U.S.C. 2725(3)) obtained by a State department of motor vehicles in connection with a motor vehicle record as defined in 18 U.S.C. 2725(1), except as provided in 18 U.S.C. 2721 for a use permitted under 18 U.S.C. 2721.
 - (b) Notwithstanding subsection (a), the Secretary shall not withhold funds provided in this Act for any grantee if a State is in noncompliance with this provision.
- ❖ Section 183 retains the provision that prohibits recipients of funds made available in this Act from releasing certain personal information and photographs from a driver's license or motor vehicle record, without express consent of the person to whom such information pertains; and prohibits the

withholding of funds provided in this Act for any grantee if a State is in noncompliance with this provision.

Sec. 184. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited respectively to the Federal Highway Administration's "Federal-Aid Highways" account, the Federal Transit Administration's "Research and University Research Centers" account, and to the Federal Railroad Administration's "Safety and Operations" account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

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

Sec 185. None of the funds in this Act to Department of Transportation may be used to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than 3 full business days before any project competitively selected to receive a discretionary grant award, any discretionary grant award, letter of intent, or full funding grant agreement totaling \$1,000,000 or more is announced by the department or its modal administrations from: (1) any discretionary grant program of the Federal Highway Administration including the emergency relief program; (2) the airport improvement program of the Federal Aviation Administration; (3) any program of the Federal Railroad Administration; (4) any program of the Federal Transit Administration other than the formula grants and fixed guideway modernization programs; or (5) any funding provided under the headings "National Infrastructure Investments" and "Assistance to Small Shipyards" in this Act: *Provided*, That the Secretary gives concurrent notification to the House and Senate Committees on Appropriations for any "quick release" of funds from the emergency relief program: *Provided further*, That no notification shall involve funds that are not available for obligation.

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

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

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

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

- (1) to reimburse the actual expense incurred by the Department of Transportation in recovering improper payments; and
 - (2) to pay contractors for services provided in recovering improper payments or contractor support in the implementation of the Improper Payments Information Act of 2002: *Provided*, That amounts in excess of that required for paragraphs (1) and (2)--
 - (A) shall be credited to and merged with the appropriation from which the improper payments were made, and shall be available for the purposes and period for which such appropriations are available: *Provided further, That where specific project or accounting information associated with the improper payment or payments is not readily available the Secretary may credit an appropriate account, which shall be available for the purposes and period associated with the account so credited or*
 - (B) if no such appropriation remains available, shall be deposited in the Treasury as miscellaneous receipts: *Provided further*, That prior to the transfer of any such recovery to an appropriations account, the Secretary shall notify to the House and Senate Committees on Appropriations of the amount and reasons for such transfer: *Provided further*, That for purposes of this section, the term “improper payments”, has the same meaning as that provided in section 2(d)(2) of Public Law 107-300.
- ❖ Section 187 retains the provision that allows amounts from improper payments to a third party contractor that are lawfully recovered by the DOT to be available to cover expenses incurred in the recovery of such payments, but proposes an annual report of the transfer of such recoveries rather than congressional notification prior to each transfer.

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

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

Section 189. None of the funds appropriated or otherwise made available under this Act may be used by the Surface Transportation Board of the Department of Transportation to charge or collect any filing fee for rate complaints filed with the Board in an amount in excess of the amount authorized for district court civil suit filing fees under section 1914 of title 28, United States Code.

- ❖ Section 189 proposes a provision that the Surface Transportation Board funds appropriated or available under this Act cannot be used to charge or collect any filing fee for rate complaints filed with the Board in any amount in excess of the amount authorized for district court civil suit filing fees.

Section 190. Funds appropriated in this Act to the modal administrations may be obligated for the Office of the Secretary for the costs related to assessments or reimbursable agreements only when such amounts are for the costs of goods and services that are purchased to provide a direct benefit to the applicable modal administration or administrations.

- ❖ Section 190 proposes a provision that would allow the Office of the Secretary of Transportation to assess or enter into reimbursable agreements with the modal administrations only to the degree that such amounts are for the costs of goods and services that are purchased to provide a direct benefit to the applicable modal administration or administrations.

Sec. 191. The Secretary of Transportation is authorized to carry out a program that establishes uniform standards for developing and supporting agency transit pass and transit benefits authorized under section 7905 of title 5, United States Code, including distribution of transit benefits by various paper and electronic media.

- ❖ Section 191 would explicitly designate the Department of Transportation as the Government-wide executive agency for the Federal transportation transit benefit program. While the Department of Transportation currently acts as the *de facto* executive agent, the lack of an official designation creates confusion with coordinating with the Office of Management and Budget and other agencies as to the Federal agency with the policy role for the program. In an April 2007 report, the Government Accountability Office (GAO) identified weaknesses in the design of program controls for transit benefit program at numerous Federal agencies; noted the lack of Government-wide policies or standards for establishing internal controls for the Federal transit benefits program; and concluded that weak program controls at each agency is a factor in fraud and abuse. The Department of Transportation has taken many of the corrective actions identified in the GAO report, but a formal designation as

the Government-wide executive agent would enable the Department to lead more effectively the effort against transit benefit subsidy fraud and abuse.

[Sec. 192. (a) Title 49, United States Code, is amended as follows: (1) Section 102(e) is amended by striking “4” and inserting “5”; (2) Section 111(a) is amended by striking “in the Research and Innovative Technology Administration” and inserting “in the Department of Transportation”; (3) Chapter 1 is amended by striking Section 112; and (4) The analysis of chapter 1 is amended by striking the item relating to the “Research and Innovative Technology Administration”. (b) Title 5, United States Code, is amended as follows: (1) Section 5314 is amended by striking “Administrator, Research and Innovative Technology Administration”; and (2) Section 5315 is amended by striking “(4)” in the undesignated item relating to Assistant Secretaries of Transportation and inserting “(5)”. (c) Any reference in law, regulation, judicial proceedings, or elsewhere to the Research and Innovative Technology Administration shall be deemed to be a reference to the Office of the Assistant Secretary for Research and Technology of the Department of Transportation.]

- ❖ Section 192 proposes a provision that converts the Research and Innovative Technology Administration into a newly created Office of the Assistant Secretary for Research and Technology.

GENERAL PROVISIONS—THIS ACT

[Sec. 401. Such sums as may be necessary for fiscal year 2013 pay raises for programs funded in this Act shall be absorbed within the levels appropriated in this Act or previous appropriations Acts.]

- ❖ Section 401 proposes a provision that 2013 pay raises shall be absorbed within the funding levels appropriated in this Act or previous appropriations Acts.

Sec. 402. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

- ❖ Section 402 continues the prohibition on the use of funds for pay and other expenses provided in the appropriation act for compensating non-Federal parties intervening in regulatory or adjudicatory proceedings funded by the act.

Sec. 403. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

- ❖ Section 403 continues the prohibition on obligations beyond the current fiscal year and transfers of funds to other appropriations unless expressly provided in the appropriations act.

Sec. 404. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

- ❖ Section 404 continues the limitation on expenditures for consulting service through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Sec. 405. Except as otherwise provided in this Act, none of the funds provided in this Act, provided by previous appropriations Acts to the agencies or entities funded in this Act that remain available for obligation or expenditure in fiscal year 2014, or provided from any accounts in the Treasury derived by the collection of fees and available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds that:

- (1) creates a new program;
- (2) eliminates a program, project or activity;

- (3) increases funds or personnel for any program, project, or activity for which funds have been denied or restricted by the Congress;
- (4) proposes to use funds directed for a specific activity by either the House or Senate Committees on Appropriations for a different purpose;
- (5) augments existing programs, projects, or activities in excess of \$5,000,000 or 10 percent, whichever is less;
- (6) reduces existing programs, projects, or activities by \$5,000,000 or 10 percent, whichever is less; or
- (7) creates, reorganizes, or restructures a branch, division, office, bureau, board, commission, agency, administration, or department different from the budget justifications submitted to the Committees on Appropriations or the table accompanying the explanatory statement accompanying this Act, whichever is more detailed, unless prior notice is transmitted to the House and Senate Committees on Appropriations:

Provided, That not later than 60 days after the date of enactment of this Act each agency funded by this Act shall submit a report to the Committees on Appropriations of the Senate and of the House of Representatives to establish the baseline for application of reprogramming and transfer authorities for the current fiscal year: *Provided further*, That the report shall include:

- (A) a table for each appropriation with a separate column to display the President's budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal year enacted level;
- (B) a delineation in the table for each appropriation both by object class and program, project, and activity as detailed in the budget appendix for the respective appropriation; and
- (C) an identification of items of special congressional interest: *Provided further*, That the amount appropriated or limited for salaries and expenses for an agency shall be reduced by \$100,000 per day for each day after the required date that the report has not been submitted to the Congress.

- ❖ Section 405 continues the provision that each Department provide a report to the Committees on Appropriations that establishes the baseline for application of reprogramming and transfer authorities for the current fiscal year not later than 60 days after enactment.

Sec. 406. Except as otherwise specifically provided by law, not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 2014 from appropriations made available for salaries and expenses for fiscal year 2014 in this Act, shall remain available

through September 30, 2015, for each such account for the purposes authorized: *Provided*, That a request shall be submitted to the House and Senate Committees on Appropriations prior to the expenditure of such funds: *Provided further*, That these requests shall be made in compliance with reprogramming guidelines under section 405 of this Act.

- ❖ Section 406 continues the provision providing that 50 percent of unobligated balances are available for certain purposes.

Sec. 407. No funds in this Act may be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use: *Provided*, That for purposes of this section, public use shall not be construed to include economic development that primarily benefits private entities: *Provided further*, That any use of funds for mass transit, railroad, airport, seaport or highway projects as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water-related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or Brownsfield's as defined in the Small Business Liability Relief and Brownsfield's Revitalization Act (Public Law 107-118) shall be considered a public use for purposes of eminent domain.

- ❖ Section 407 continues the provision prohibiting the use of funds for eminent domain unless such taking is employed for public use.

Sec. 408. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriations Act.

- ❖ Section 408 proposes a provision that does not allow any funds provided in the Act to be transferred to any department, Agency, or instrumentality of the U.S. Government unless transfer made by or transfer authority provided in this Act or other Appropriations Act.

Sec. 409. No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

- ❖ Section 409 prohibits the availability of funds to any person or entity that does not comply with the Buy American Act.

Sec. 410. No funds appropriated or otherwise made available under this Act shall be made available to any person or entity that has been found to violate the Buy American Act (41 U.S.C. 10a-10c).

- ❖ Section 410 prohibits the availability of funds to any person or entity that has been convicted of violating the Buy American Act.

Sec. 411. None of the funds made available in this Act may be used for first-class airline accommodations in contravention of sections 301-10.122 and 301-10.123 of title 41, Code of Federal Regulations.

- ❖ Section 411 prohibits the use of funds for the purchase of first-class airline accommodations.

Sec. 412. None of the funds made available under this Act or any prior Act may be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, or allied organizations.

- ❖ Section 412 prohibits Federal funds from being provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, or allied organizations.

Sec. 413. All agencies and departments funded by this Act shall send to Congress at the end of the fiscal year a report containing a complete inventory of the total number of vehicles owned, permanently retired, and purchased during fiscal year 2014 as well as the total cost of the vehicle fleet, including maintenance, fuel, storage, purchasing, and leasing.

- ❖ Section 413 proposes a provision that requires all agencies and departments to send Congress a report at the end of the fiscal year regarding the vehicle fleet inventory of that agency or department.

Sec. 414. None of the funds made available in this Act may be used to purchase a light bulb for an office building unless the light bulb has to the extent practicable, an Energy Star or Federal Energy Management program designation.

- ❖ Section 414 prohibits the use of funds to purchase of light bulbs for an office building unless the light bulb has, to the extent practicable, an Energy Star or Federal Energy Management Program designation.

❖

Sec. 415. The Secretaries of the Departments of Housing and Urban Development and Transportation may jointly distribute and obligate amounts made available under this Act for the Partnership for Sustainable Communities, for the planning, preparation, or design of such projects eligible for funding under this Act: Provided, That the Department contributing the majority of funding for a grant shall determine the terms and conditions of such grant: Provided further, That each Secretary may accept services from the other on a non-reimbursable basis to carry out the purposes of this section.

- ❖ Section 415 proposes a provision that allows the Secretaries of the Departments of Transportation and Housing and Urban Development to jointly distribute and obligate amounts available under this Act for the Partnership for Sustainable Communities.

EXHIBIT III-2
ANNUAL PERFORMANCE RESULTS AND TARGETS

Office of the Secretary of Transportation

The Office of the Secretary of Transportation (OST) integrates performance results into its budget request to demonstrate alignment with the Department of Transportation's Strategic Plan. OST tracks the following DOT level performance measures to demonstrate program results:

SAFETY:

DOT Goal: Safety

DOT Outcome: Improved safety experience for all road users, including motorists, pedestrians and cyclists, with a focus on children, older adults, and individuals with disabilities

Increase the number of States and localities that adopt roadway design policies that accommodate all road users (i.e., complete streets) from 22 states and one territory in 2010.	2010	2011	2012	2013	2014
State - Target	N/A	25	26	27	30
State - Actual	22	26	29		
Local – Target	N/A	220	230	240	240
Local – Actual	192	220	369		

ECONOMIC COMPETITIVENESS:**DOT Goal: Economic Competitiveness****DOT Outcome: U.S. transportation interests advanced in targeted markets around the world.**

Advance DOT goals with foreign governments through the conduct of at least 75 annual international meetings, and other events at the Secretary, Deputy Secretary, or Under Secretary Level	2010	2011	2012	2013	2014
Target	75	75	75	75	75
Actual	135	185	230		

DOT Goal: Economic Competitiveness**DOT Outcome: US transportation interests advanced in targeted markets around the world.**

Establish or participate in 14 technology transfer and capacity building programs to improve training opportunities for international transport ministries to U.S. transportation technologies.	2010	2011	2012	2013	2014
Target	N/A	N/A	14	14	14
Actual	N/A	N/A	14		

DOT Goal: Economic Competitiveness**DOT Outcome: US transportation interests advanced in targeted markets around the world.**

Reach 3 or more new bilateral and multilateral aviation agreements to remove market distorting barriers to trade transportation.	2010	2011	2012	2013	2014
Target	3	3	3	3	3
Actual	7	4	4		

DOT Goal: Economic Competitiveness**DOT Outcome: Expanded opportunities for businesses in the transportation sector, especially small, women-owned and disadvantaged businesses.**

Increase percent of total dollar value of DOT direct contracts awarded to small, disadvantaged businesses.	2010	2011	2012	2013	2014
Target	15%	15%	15%	15%	15%
Actual	14.5%	19.5	18.08%*		

*Preliminary. SBA has not verified as of publication date.

DOT Goal: Economic Competitiveness**DOT Outcome: Expanded opportunities for businesses in the transportation sector, especially small, women-owned and disadvantaged businesses.**

Increase percent of total dollar value of DOT direct contracts awarded to women owned businesses.	2010	2011	2012	2013	2014
Target	6%	6%	6%	6%	6%
Actual	7.85%	11.1%	8.818%*		

*Preliminary. SBA has not verified as of publication date.

DOT Goal: Economic Competitiveness**DOT Outcome: A competitive air transportation system responsive to consumer needs.**

Percent of consumer complaints reviewed by a transportation industry analyst within seven days of receipt, regardless of mechanism of receipt (email, phone or letter).	2010	2011	2012	2013	2014
Target	100%	100%	100%	100%	100%
Actual	100%	100%			

DOT Goal: Economic Competitiveness**DOT Outcome: A competitive air transportation system responsive to consumer needs.**

Median investigation time (days) for civil rights complaints (disability and other discrimination)	2010	2011	2012	2013	2014
Target	180	180	180	180	150
Actual	130	100			

ENVIRONMENTAL SUSTAINABILITY:**DOT Goal: Environmental Sustainability**

DOT Outcome: Increased use of environmentally sustainable practices and a reduction in pollution, energy footprint and other adverse environmental effects from DOT owned or controlled transportation services and facilities.

30 percent reduction in DOT building energy intensity use by 2015 from a FY 2005 baseline.	2010	2011	2012	2013	2014
Target	15%	18%	21%	24%	27%
Actual	20.2%	26.4%	24%		

DOT Goal: Environmental Sustainability

DOT Outcome: Increased use of environmentally sustainable practices and a reduction in pollution and other adverse environmental effects from DOT owned or controlled transportation services and facilities.

30 percent reduction in vehicle fleet petroleum use by 2020 from a FY 2005 baseline.	2010	2011	2012	2013	2014
Target	10%	12%	14%	16%	18%
Actual	5%	4.9%	14.5%		

DOT Goal: Environmental Sustainability

DOT Outcome: Increased use of environmentally sustainable practices and a reduction in pollution and other adverse environmental effects from DOT owned or controlled transportation services and facilities.

26 percent improvement in water efficiency by 2020 from a FY 2007 baseline.	2010	2011	2012	2013	2014
Target	6%	8%	10%	12%	14%
Actual	(1.2%)	(9.7%)	0.9%		

DOT Goal: Environmental Sustainability

DOT Outcome: Increased use of environmentally sustainable practices and a reduction in pollution and other adverse environmental effects from DOT owned or controlled transportation services and facilities.

50 percent recycling and waste diversion by 2015.	2010	2011	2012	2013	2014
Target	2%	4%	6%	8%	40%
Actual	*	*	11%		

*Actual data is not available for FY 2010 or FY 2011.

DOT Goal: Environmental Sustainability

DOT Outcome: Increased use of environmentally sustainable practices and a reduction in pollution and other adverse environmental effects from DOT owned or controlled transportation services and facilities.

95 percent of all applicable contracts will meet sustainability requirements by 2020.	2010	2011	2012	2013	2014
Target	95%	95%	95%	95%	95%
Actual	*	95%	95%		

*Actual data is not available for FY 2010.

DOT Goal: Environmental Sustainability

DOT Outcome: Increased use of environmentally sustainable practices and a reduction in pollution and other adverse environmental effects from DOT owned or controlled transportation services and facilities.

12.3 percent reduction in greenhouse gas emissions from facilities and fleets by 2020 from a FY 2008 baseline.	2010	2011	2012	2013	2014
Target	0%	2%	4%	6%	7%
Actual	7.9%	15.4%	29%		

DOT Goal: Environmental Sustainability

DOT Outcome: Increased use of environmentally sustainable practices and a reduction in pollution and other adverse environmental effects from DOT owned or controlled transportation services and facilities.

10.9 percent reduction in greenhouse gas emissions from employee business travel and commuting by 2020 from a FY 2008 baseline	2010	2011	2012	2013	2014
Target	0%	0%	2%	4%	5%
Actual	(4.7%)	<0.1%	14%		

ORGANIZATIONAL EXCELLENCE:**DOT Goal: Organizational Excellence****DOT Outcome: Prevent Grant and Contract Award to Organizations Identified on the Suspension and Debarment List (as documented in Excluded Parties List System (EPLS)).**

Percent of excluded party's information that is placed into EPLS within 5 business days of receiving notification from the modal administration and secretarial offices.	2010	2011	2012	2013	2014
Target	100%	100%	100%	100%	100%
Actual	100%	100%	100%		

DOT Goal: Organization Excellence**DOT Outcome: Improve the hiring process within the DOT.**

Reduce the DOT hiring benchmark of 167 days to 90 days.	2010	2011	2012	2013	2014
Target	134-142	120	100	90	90
Actual	133	118	100		

EXHIBIT III-2
ANNUAL PERFORMANCE RESULTS AND TARGETS
OFFICE OF THE SECRETARY OF TRANSPORTATION
OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY

Research and Development

The Office of the Assistant Secretary for Research and Technology integrates performance results into its budget request to demonstrate alignment with the Department of Transportation's Strategic Plan. RD&T tracks the following agency measures in support of the DOT strategic goals of Environmental Sustainability, Economic Competitiveness, and Organizational Excellence:

DOT Goal/Outcome: Safety, State of Good Repair, Economic Competitiveness, Livable Communities, Environmental Sustainability and Organizational Excellence

Research Coordination: Visits to U.S. DOT Research Hub by DOT Personnel, Oversight Agencies, Congress & Public	2009	2010	2011	2012	2013	2014
Target	---	---	Baseline	1,000	1,500	1,500
Actual	---	---	800*	---	---	---

DOT Goal/Outcome: Safety, State of Good Repair, Economic Competitiveness, Livable Communities, Environmental Sustainability and Organizational Excellence

Research Coordination: Number of DOT Funded RD&T Projects. Listed in the U.S. DOT Research Hub	2009	2010	2011	2012	2013	2014
Target	---	Baseline	3,000	4,000	---	---
Actual	---	2,047	3,109	5,191	---	---

DOT Goal/Outcome: Safety, State of Good Repair, Economic Competitiveness, Livable Communities, Environmental Sustainability and Organizational Excellence

Research Coordination: Number of DOT-Funded Research Technologies Ready For Use and/or Being Used In Our Transportation System	2009	2010	2011	2012	2013	2014
Target	---	---	Baseline	200	---	---
Actual	---	---	100	---	---	---

Note: Expect update to this metric

The Nationwide Differential Global Positioning System (NDGPS) Program uses performance results for program management purposes and to demonstrate alignment with the Department of Transportation's Strategic Plan. NDGPS tracks the following agency measures in support of the DOT strategic goal of Safety:

Section 3: FY 2014 Budget Request by Appropriation

DOT Goal/Outcome: Safety

<i>Nationwide Differential GPS:</i> System Availability (% of Broadcast GPS Corrections Available to Users; All Towers; Annualized)	2009	2010	2011	2012	2013	2014
Target	98.5%	98.5%	98.5%	98.5%	98.5%	98.5%
Actual	98.9%	98.7%	98.6%	---	---	---

** FY11 year to date observed*

DOT Goal/Outcome: Safety

<i>Nationwide Differential GPS:</i> Modernized Configuration (% of NDGPS Towers Brought to Current Coast Guard Operating Standards)	2009	2010	2011	2012	2013	2014
Target	---	---	---	10%	52%	52%
Actual	---	---	---	---	---	---

EXHIBIT III-2
ANNUAL PERFORMANCE RESULTS AND TARGETS
OFFICE OF THE SECRETARY OF TRANSPORTATION
OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY

Bureau of Transportation Statistics

The Office of the Assistant Secretary for Research and Technology - Bureau of Transportation Statistics (BTS) integrates performance results into its budget request to demonstrate alignment with the Department of Transportation's Strategic Plan. BTS tracks the following agency measures in support of the DOT strategic goals of Safety, Economic Competitiveness, Livability, Environmental Sustainability and Organizational Excellence.

DOT Goal/Outcome: Organizational Excellence

Total Congressional Offices, Federal Agencies, and State DOT Offices contacting BTS for information	2009	2010	2011	2012	2013	2014
Target	Baseline	---	---	---	---	---
Actual	1,686*	---	---	---	---	---

*This includes 852 questions to the NTL ARRA Public Response Team, which will sunset in 2010.

DOT Goal/Outcome: Safety

Number of Times Safety Data is Accessed	2009	2010	2011	2012	2013	2014
Target	---	---	---	Baseline	---	---
Actual	---	---	---	---	---	---

DOT Goal/Outcome: Economic Competitiveness

Number of Times Travel Related Data is Accessed	2009	2010	2011	2012	2013	2014
Target	---	Baseline	TBD	TBD	TBD	TBD
Actual	---	---	---	---	---	---

DOT Goal/Outcome: Economic Competitiveness

Number of Times Freight Data is Accessed	2009	2010	2011	2012	2013	2014
Target	---	Baseline	TBD	TBD	TBD	TBD
Actual	---	---	---	---	---	---

Section 3: FY 2014 Budget Request by Appropriation

DOT Goal/Outcome: Economic Competitiveness

Number of Times Transportation Economics Data (Transportation Services Index) is Accessed	2009	2010	2011	2012	2013	2014
Target	---	Baseline	TBD	TBD	TBD	
Actual	---	---	---	---	---	

DOT Goal/Outcome: Livable Communities/Safety/Environmental Sustainability

Number of Times National Transportation Atlas Database is Accessed	2009	2010	2011	2012	2013	2014
Target	---	Baseline	TBD	TBD	TBD	TBD
Actual	---	---	---	---	---	---

DOT Goal/Outcome: Economic Competitiveness

Number of Times Transportation Analysis Data (National Transportation Statistics, Key Transportation Indicators, Transportation Statistics Annual Report)	2009	2010	2011	2012	2013	2014
Target	---	Baseline	TBD	TBD	TBD	TBD
Actual	---	---	---	---	---	---

DOT Goal/Outcome: Economic Competitiveness

Average Daily Visits to National Transportation Library	2009	2010	2011	2012	2013	2014
Target	---	Baseline	TBD	TBD	TBD	TBD
Actual	---	---	---	---	---	---

DOT Goal/Outcome: Economic Competitiveness

Number of Times National Transportation Library Electronic Database is Accessed	2009	2010	2011	2012	2013	2014
Target	---	Baseline	TBD	TBD	TBD	TBD
Actual	---	---	---	---	---	---

DOT Goal/Outcome: Economic Competitiveness

Number of Times Airline Data is Accessed	2009	2010	2011	2012	2013	2014
Target	---	Baseline	TBD	TBD	TBD	TBD
Actual	---	---	---	---	---	---

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

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>CR</u> <u>Annualized</u>	<u>Request</u>
Salaries & Expenses	77,894	81,564	84,051	83,961	91,782	98,248	102,686	102,481	102,481	103,108	113,108
Trans., Plng., Res. & Dev. (TPR&D)	31,810	20,997	14,850	14,893	13,884	18,300	18,168 ^{4/}	9,799	9,000	9,055	9,750
TPR&D Cancellation of Unobligated Balances	0	0	0	0	0	0	0	0	0	0	-2,750
Office of Civil Rights	8,223	8,408	8,465	8,527	9,141	9,384	9,667	9,648	9,384	9,441	9,551
Minority Business Outreach	3,973	2,641	2,970	2,970	2,970	3,056	3,074	3,068	3,068	3,087	3,088
Minortity Business Resource Center	895	522	891	893	893	912	923	921	922	928	925
Financial Management Capital	0	0	0	0	0	5,000	5,000	4,990	4,990	5,021	10,000
Essential Air Service	[50,000] ^{1/}	[50,000] ^{2/}	[50,000] ^{2/}	[50,000] ^{2/}	[65,000] ^{3/}	[12,286] ^{5/}	[50,000] ^{2/}	[50,000] ^{2/}	[50,000] ^{2/}	[50,000] ^{2/}	[116,000] ^{2/}
Payments to Air Carriers	51,662	51,628	0	59,400	60,000	86,213	150,000	149,700	143,000	143,875	146,000
Compensation to Air Carriers	0	0	0	-50,000	-22,000	-848	0	0	0	0	0
Compensation for General Aviation Operations	0	0	16,830	0	0	0	0	0	-3,254	0	0
New Headquarters Building	0	43,355	49,500	49,500	0	0	0	0	0	0	0
Aviation Call Center	0	0	0	0	0	0	0	0	0	0	7,500
National Infrastructure Investments	0	0	0	0	0	0	600,000	526,944	500,000	503,060	500,000
ARRA - National Surface Transportation System	0	0	0	0	0	1,500,000	0	0	0	0	0
Cyber Security/IT Infrastructure	0	0	0	0	0	0	0	0	10,000	10,061	6,000
Immediate Transportation Investment	0	0	0	0	0	0	0	0	4,000,000	0	0
Research & Development	0	4,213 ^{6/}	5,716 ^{7/}	7,736 ^{8/}	12,000 ^{9/}	12,900 ^{10/}	13,007 ^{11/}	12,981 ^{12/}	15,981 ^{13/}	16,079	14,765
Bureau of Transportation Statistics	30,235 ^{14/}	30,015 ^{15/}	26,730 ^{16/}	27,562 ^{18/}	27,000 ^{9/}	27,000 ^{10/}	27,000 ^{11/}	27,000 ^{12/}	25,206 ^{13/}	26,000 ^{19/}	26,000 ^{20/}

^{1/} Unobligated balances of overflight fees

^{2/} Overflight fees collected by FAA

^{3/} Overflight fees collected by FAA (\$50m) and funds from sale of spectrum (\$15m)

^{4/} Includes \$2 million for the Mississippi-Missouri Rivers project pursuant to P.L. 111-117 Section 195.

^{5/} A total of \$50 million of overflight fees was available to the EAS program during FY 2009. \$23 million was transferred by FAA as an unobligated balance at the start of FY 2009, and an additional \$27 million of overflight fees was transferred during FY 2009. In addition, \$15 million of collections from the sale of spectrum was transferred from the Department of Commerce into the EAS account in FY 2009. The \$15 million was used to pay back funds that were borrowed in FY 2008, pursuant to P.L. 109-171; however, for the purpose of budgetary presentation, the \$15 million offsets the \$27 million of overflight fees, resulting in a net amount of new budgetary authority of \$12 million.

^{6/} Total FY 2005 enacted level for R&D was \$5,967,369; \$4,310,000 reflects the amount transferred to RITA. Previous funding for R&D appeared in the Research and Special Programs budget.

^{7/} FY 2006 reflects a 1% across the board rescission of \$58,000 as stated in P.L. 109-148, section 3801.

^{8/} FY 2007 reflects Continuing Resolution (H.J. Resolution 20) at the FY 2006 budget level of \$5,736,000 and fund to support Air Transportation Statistics program.

^{9/} FY 2008 reflects funding provided in P.L. 110-161.

^{10/} FY 2009 reflects funding provided in P.L. 111-8.

^{11/} FY 2010 reflects funding provided in P.L. 111-117.

^{12/} FY 2011 reflects funding provided in P.L. 112-10.

^{13/} FY 2012 reflects funding provided in P.L. 112-55.

^{14/} FY 2004 reflects a reduction of \$581,000 for WCF expenses (section 517) and .59% across the board rescission of \$183,000 (section 168) of P.L. 180-199.

^{15/} FY 2005 reflects a reduction of \$737,000 to WCF expenses (section 197) as stated in P.L. 108-477.

^{16/} FY 2006 reflects a 1% across the board rescission of \$270,000 as stated in P.L. 109-148, section 3801.

¹⁷ FY 2007 reflects levels under a year long CR. An increase of \$562,000 over amount is due to Revenue Aligned Budget Authority (RABA) estimates (\$462,000) and a pay increase (\$93,000)

^{18/} FY 2012 reflects funding provided in P.L. 112-55.

^{19/} FY 2013 reflects P.L. 112-75 under C.R. at FY 2012 Enacted Level.

^{20/} FY 2014 reflects MAP-21 authorized level.

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

	TASC/ Working <u>Capital Fund 1/</u>	Direct <u>Loans</u>	Guaranteed <u>Loans</u>
FY 1996	95,463	15,000	
FY 1997	114,812	15,000	
FY 1998	118,800	15,000	
FY 1999	109,124	13,775	
FY 2000	133,673	13,775	
FY 2001	126,887		13,775
FY 2002	116,023		18,367
FY 2003	118,391		18,367
FY 2004 Actual	98,899		18,367
FY 2005 Actual	94,881		18,367
FY 2006 Actual	99,006		18,367
FY 2007 Actual	118,014		18,367
FY 2008 Actual	128,094		18,367
FY 2009 Actual	128,094		18,367
FY 2010 Actual	147,596		18,367
FY 2011 Actual	147,596		18,367
FY 2012 Enacted	172,000		18,367
FY 2013 CR Annualized	173,053		18,367
FY 2014 Request	-		18,367

Notes:

- ^{1/} This account was titled "Working Capital Fund" prior to 1997, was renamed "Transportation Administrative Service Center" from 1998 through 2002, and was renamed "Working Capital Fund" in 2003.

**DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY**

FY 2014 CONGRESSIONAL JUSTIFICATION

SALARIES & EXPENSES TABLE OF CONTENTS

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GENERAL NOTES

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

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

*Immediate Office of the Secretary - (S-1)*What Is The Request and What Will We Get For the Funds?

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$2,272	\$2,288	\$2,304	\$32
Travel	\$200	\$201	\$202	\$2
Other Costs	\$146	\$145	\$146	\$0
TOTAL	<u>\$2,618</u>	<u>\$2,634</u>	<u>\$2,652</u>	<u>\$34</u>

STAFFING

Direct Positions	15	15	15	0
Direct FTEs	11.25	13	13	2
Reimbursable Positions	7	7	7	0
Reimbursable FTEs	6.81	7	7	0

The Immediate Office of the Secretary is requesting \$2.652 million and an estimated 13 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Immediate Office of the Secretary

What Is This Program/Activity?

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

Why Is This Particular Program/Activity Necessary?

The Immediate Office of the Secretary is necessary to provide executive leadership to the Department of Transportation.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's compensation, and Working Capital Fund charges as well as an estimated 13 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$2,618	11.25
Increase of .612 percent enacted in P.L. 112-175	\$16	
FY 2013 CR Annualized	\$2,634	13
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$17	
GSA Rent	\$0	
Working Capital Fund Changes	-\$1	
Inflation	\$2	
FY 2013 Adjusted Base	\$2,652	13
<u>FY 2014 Program Changes (+/-):</u>	\$0	
Total, FY 2014 Request	\$2,652	13

OFFICE OF THE SECRETARY OF TRANSPORTATION**SALARIES AND EXPENSES***Office of the Deputy Secretary - (S-2)***What Is The Request and What Will We Get For the Funds?**

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$936	\$944	\$953	\$17
Travel	\$35	\$35	\$35	\$0
Other Costs	\$13	\$11	\$11	-\$2
TOTAL	\$984	\$990	\$1,000	\$16

STAFFING

Direct Positions	7	7	7	0
Direct FTEs	5.77	7	7	1
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Office of the Deputy Secretary is requesting \$1.000 million and an estimated 7 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of the Deputy Secretary

What Is This Program/Activity?

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

Why Is This Particular Program/Activity Necessary?

The Office of the Deputy Secretary is necessary to provide leadership and administrative support to the Department of Transportation.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's compensation, and Working Capital Fund charges as well as an estimated 7 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$984	5.77
Increase of .612 percent enacted in P.L. 112-175	\$6	
FY 2013 CR Annualized	\$990	7
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$7	
GSA Rent	\$0	
Working Capital Fund Changes	\$2	
Inflation	\$0	
FY 2013 Adjusted Base	\$1,000	7
<u>FY 2014 Program Changes (+/-):</u>	\$0	
Total, FY 2014 Request	\$1,000	7

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

*Office of the Undersecretary of Transportation for Policy - (S-3)***What Is The Request and What Will We Get For the Funds?**

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$9,177	\$9,325	\$10,439	\$1,262
Travel and Transportation	\$253	\$168	\$137	-\$116
Other Costs	\$677	\$676	\$2,227	\$1,550
TOTAL	\$10,107	\$10,169	\$12,804	\$2,697

STAFFING

Direct Positions	122	85	85	-37
Direct FTEs	73.07	77	82	9
Reimbursable Positions	4	0	0	-4
Reimbursable FTEs	0.00	0	0	0

The Office of the Under Secretary for Policy is requesting \$12.804 million and an estimated 82 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow.

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

What Is This Program/Activity?

The Office of the Under Secretary oversees the development of policies and legislation across the Department from a broad, multi-modal perspective. This office is responsible for the development of the Administration's surface transportation policies, the development and implementation of the Department's strategic plan, and the implementation of the recently enacted surface transportation reauthorization bill. Within the Office of the Under Secretary are six subordinate offices: Infrastructure, Finance & Innovation, Economic & Strategic Analyses, Aviation Analysis, International Transportation & Trade, International Aviation, and Safety, Energy & the Environment. Additionally, the Office of the Under Secretary houses the Department's efforts on public engagement as well as Americans with Disabilities Act (ADA) and accessible transportation. Each of these offices works in several of the Department's strategic goals including four which primarily address the **Economic Competitiveness** strategic goals (Economic & Strategic Analyses, Aviation Analysis, International Transportation & Trade, International Aviation); one which addresses the **Safety, Livable Communities** and **Environmental Sustainability** strategic goals, (Safety, Energy & the Environment); and one which addresses **Organizational Excellence** and **Economic Competitiveness** strategic goals (Infrastructure, Finance & Innovation).

The **Office of Economic & Strategic Analysis (OESA)** analyzes the economic implications of public and private transportation policy issues. It also analyzes methods of increasing the economic efficiency of transportation, including congestion pricing, benefit-cost analysis, and accelerated deployment of transportation technologies, such as Intelligent Transportation Systems and the Next Generation Air Transportation System. This office promotes the use of these economic tools through trainings and resources and oversees the quality of benefit-cost analysis provided by applicants to the TIGER program. It also recommends improvements in freight and passenger transportation systems, and provides guidance to the operating administrations on procedures and economic assumptions to use in forecasting and economic analysis. OESA provides economic evaluation of significant regulations prepared in the Department. It also conducts economic analysis of key policy issues such as: factors affecting mode choice, external costs and benefits, interactions between transportation and land use, and financing of transportation infrastructure projects. OESA conducts or reviews analyses on the economic and financial viability of new transportation technologies and program proposals.

The **Office of Safety, Energy & Environment (OSEE)** formulates and recommends departmental policies, plans and guidelines on: safety, energy and the environment affecting all aspects of transportation. The office provides policy advice and technical expertise for the Department's legislative, regulatory, and research programs to enhance

public health and safety related to the natural and human environment but are not limited to activities on air quality and water quality; ecosystem management; greenhouse gas emission reduction; energy efficiency and reduction of petroleum consumption; climate change impacts and adaptation strategy; noise; state and local quality of life; livable communities; historic preservation; and bicycle and pedestrian transportation. The office serves as the Departmental focal point for domestic and international initiatives related to transportation safety, energy, and the environment.

The **Office of Infrastructure, Finance and Innovation (OIFI)** serves a dual role to the Secretary of Transportation as both a primary policy developer on innovative transportation finance, as well as program manager for the TIGER and National Infrastructure Investment (NII) discretionary programs. TIGER has become the Department's signature program in terms of promoting our strategic goals since its creation in the American Recovery and Reinvestment Act in 2009. As a first-of-its-kind multimodal competitive grant program, TIGER has required OIFI to develop and manage a network of experts from all of the surface transportation Operating Administrations to evaluate applications for funding as well as manage and oversee grants awarded. In addition, the office conducts research on innovative finance. This involves concepts such as public-private partnerships, private activity bonds, loan oversight process, road pricing, congestion management, and other strategies, and works with modal administrations to adopt these strategies.

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

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

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

The **Office of International Transportation and Trade (OITT)** provides Departmental leadership, direction, and coordination on international surface and inter-modal transportation and trade policies and programs, including trade facilitation, technical assistance and cooperation programs, trade promotion and advocacy, multimodal transportation issues, and international diplomatic and protocol activities. OITT also leads and coordinates Departmental representation in global transportation and trade organizations. The office's international and security activities program supports the U.S. Government's Afghanistan and Iraq reconstruction efforts, by funding full-time professional staff reassigned from DOT to the embassies to support military and civil reconstruction activities. Examples of some of OITT's responsibilities are: 1) development of DOT activities under the President's National Export Initiative, which seeks to double U.S. exports by 2014; 2) development of DOT positions on the transportation aspects of international trade agreements, such as ongoing negotiations toward a Trans-Pacific Partnership [Free Trade] Agreement and U.S.-Pakistan Bilateral Investment Treaty.

The Office of the Policy also houses the Department's efforts on public engagement as well as ADA and accessible transportation. The **public engagement** team is in charge of coordinating outreach to stakeholders and the public with regard to actions being taken; getting feedback from stakeholders and the public on actions under consideration; and getting higher level involvement in Departmental work from stakeholders and, particularly, under-represented populations. With regard to ADA and accessible transportation, the **Secretary's Senior Advisor for Accessible Transportation** coordinates the Department's work on improving access to the transportation system for people with disabilities. This includes serving on the United States Access Board, acting as liaison to the disability community, and working with the Operating Administrations to ensure that policies, guidance, and regulations developed by the Department properly consider and further the goal of universal access.

FY 2014 Anticipated Program Accomplishments:

The Office of the Under Secretary will develop and coordinate new agency positions and coordinate initiatives in the areas of environment, including climate change, freight and other intermodal transportation, value of statistical life, guidelines for preparation of benefit-cost analyses and international port and airport development. International outreach with major transport ministers will continue to develop policy positions on transport and transport related international trade matters. In addition, the Department will participate in the negotiation and implementation of trade agreements between the United States and other countries.

Performance Measures:

The performance of the Office of the Under Secretary will be evaluated against the following measures as listed in Exhibit III-2:

Economic Competitiveness

- Establish or participate in 14 technology transfer and capacity building programs to improve training opportunities for international transport ministries to U.S. transportation technologies. (OST/Aviation and International Affairs).
- Reach 3 or more new bilateral and multilateral aviation agreements to remove market distorting barriers to trade transportation. (OST/Aviation and International Affairs).
- Advance DOT goals with foreign governments through the conduct of at least 75 annual international meetings, and other events at the Secretary, Deputy Secretary, or Under Secretary Level (OST/Aviation and International Affairs).

Safety

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

Why Is This Particular Program/Activity Necessary?

The three Aviation and International Offices provide the economic regulation for air carriers; determine their fitness to operate in the United States; and negotiate government-to-government to secure access and routes for U.S. air carriers overseas, and provide leadership and direction on international transportation initiatives. The three Policy Offices develop and recommend policy positions to the Secretary; lead the development of the surface transportation reauthorization proposals and the strategic plan; represent the Department's equities in intra- and inter-agency Climate Change and environmental impact discussions; coordinate and oversee the Department's multi-modal programs, including TIGER; and provide the necessary cost-benefit, economic and financial analysis to determine if regulations, rules and projects are meritorious. Further, the Office of Policy oversees and coordinates the Department's public engagement and accessible transportation efforts.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's Compensation, and Working Capital Fund charges and an estimated 82 FTEs and associated costs.

The FY 2014 budget request also includes \$1.021 million for five FTEs associated with previously authorized positions and \$1.5 million to spearhead a joint effort to increase the sharing of best practices among agencies with enforcement responsibilities. Specifically, DOT will take the lead, in conjunction with OMB and the Department of Labor, on a series of workshops aimed at forming an Enforcement Learning Network. This network

would act as a forum for agency enforcement leadership to learn from each other, and form a virtual network of academics and agency leaders that would conduct evaluation and research on agency (and related) data sets, while also providing technical assistance to the enforcement agencies. Out of this workshop will come a better understanding of the challenges facing the agencies in their efforts to evaluate their enforcement activities and efforts to encourage voluntary compliance, along with the tools and approaches available to address these challenges.

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

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$10,107	73.07
Increase of .612 percent enacted in P.L. 112-175	\$62	
FY 2013 CR Annualized	\$10,169	77
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$69	
GSA Rent	\$0	
Working Capital Fund Changes	\$62	
Inflation	\$2	
FY 2013 Adjusted Base	\$10,302	77
<u>FY 2014 Program Changes (+/-):</u>		
Reduction in Travel	-\$31	
Program Increase:		
Personnel Compensation and Benefits - 5 FTE associated with previously authorized positions.	\$1,033	5
Contracts:	\$1,500	
In an effort to increase the sharing of best practices among agencies with enforcement responsibilities, DOT will take the lead, in conjunction with OMB and the Department of Labor, on a series of workshops aimed at forming an Enforcement Learning Network. This network would act as a forum for agency enforcement leadership to learn from each other, and form a virtual network of academics and agency leaders that would conduct evaluation and research on agency (and related) data sets, while also providing technical assistance to the enforcement agencies. Out of this workshop will come a better understanding of the challenges facing the agencies in their efforts to evaluate their enforcement activities and efforts to encourage voluntary compliance, along with the tools and approaches available to address these challenges.		
Total, FY 2014 Request	\$12,804	82

OFFICE OF THE SECRETARY OF TRANSPORTATION**SALARIES AND EXPENSES***Office of the Executive Secretariat - (S-10)***What Is The Request and What Will We Get For the Funds?**

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$1,538	\$1,550	\$1,557	\$19
Travel	\$2	\$2	\$2	\$0
Other Costs	\$55	\$52	\$155	\$100
TOTAL	\$1,595	\$1,605	\$1,714	\$119

STAFFING

Direct Positions	15	15	15	0
Direct FTEs	14.37	14	14	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Office of Executive Secretariat is requesting \$1.714 million and an estimated 14 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of the Executive Secretariat

What Is This Program/Activity?

The Office of the Executive Secretariat supports the **Organizational Excellence** strategic goal by providing organized staff services to the Secretary and Deputy Secretary to assist them in carrying out their management functions and their responsibilities for formulating, coordinating and communicating major policy decisions. This office controls and coordinates internal and external material directed to the Secretary and Deputy Secretary and ensures that their decisions and instructions are implemented.

Why Is This Particular Program/Activity Necessary?

The Office of the Executive Secretariat is necessary to provide staff support for controlling and coordinating the flow of materials to the Secretary and Deputy Secretary.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's compensation, and Working Capital Fund charges as well as an estimated 14 FTEs and associated costs. Additionally, funding is included to update the Secretary's Correspondence Control Management System to allow for electronic signature on certain documents, including regulatory documents for transmittal to congressional offices. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$1,595	14.37
Increase of .612 percent enacted in P.L. 112-175	\$10	
FY 2013 CR Annualized	\$1,605	14
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$11	
GSA Rent	\$0	
Working Capital Fund Changes	-\$4	
Inflation	\$0	
FY 2013 Adjusted Base	\$1,612	14
<u>FY 2014 Program Changes (+/-):</u>		
Program Increase:		
Contracting funds are required to make necessary enhancements to the Correspondence Control Management System (CCMS) to allow for electronic signature of documents.	\$102	
Total, FY 2014 Request	\$1,714	14

OFFICE OF THE SECRETARY OF TRANSPORTATION**SALARIES AND EXPENSES***Office of Small and Disadvantaged Business Utilization - (S-40)***What Is The Request and What Will We Get For the Funds?**

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$1,338	\$1,347	\$1,355	\$17
Travel	\$0	\$0	\$0	\$0
Other Costs	\$31	\$30	\$31	-\$1
TOTAL	\$1,369	\$1,377	\$1,386	\$17

STAFFING

Direct Positions	9	9	9	0
Direct FTEs	8.19	9	9	1
Reimbursable Positions				0
Reimbursable FTEs	0	0	0	0
	0.00	0	0	0

The Office of Small and Disadvantaged Business Utilization is requesting \$1.387 million and an estimated 9 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of Small and Disadvantaged Business Utilization

What Is This Program/Activity?

The Office of Small and Disadvantaged Business Utilization's (OSDBU) supports the **Economic Competitiveness** Strategic Goal by ensuring the small and disadvantaged business policies and programs of the Secretary of Transportation are developed and implemented throughout the Department in a fair, efficient, and effective manner to serve small and disadvantaged businesses across the country. In this capacity, OSDBU is responsible for providing policy direction for small and disadvantaged business participation in the Department's procurement and grant programs and for implementing provisions of sections 8, 15 and 31 of the Small Business Act, as amended. OSDBU also provides oversight for the programs funded by the Minority Business Outreach and Minority Business Resource Center appropriations.

In support of implementing the Department's responsibilities under sections 8 and 15 and 31 of the Small Business Act, as amended, a priority in FY 2014 will continue to be placed on ensuring that effective outreach activities are in place to broaden the small and disadvantaged business participation in DOT procurements and DOT-funded contracts and grants for transportation-related projects across the nation.

Why Is This Particular Program/Activity Necessary?

The program is necessary to facilitate economic competitiveness through a domestic and global transportation system that enables economic growth and development. Expanded opportunities for small and disadvantaged businesses serve the economic interests of the United States, both nationally and globally. In general, a Small Disadvantaged Business as defined in current government regulations is at least 51 percent owned and controlled by one or more socially and economically disadvantaged individuals and has been certified as a Small Disadvantaged Business in accordance with 13 CFR Part 124 Subpart B. Socially disadvantaged individuals include African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, and other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act.

These small and disadvantaged businesses routinely develop, manufacture and distribute quality products to the private sector, but continue to face significant hurdles participating in procurement opportunities with the Federal Government. To help these entrepreneurs have a fair opportunity to compete and overcome the barriers for success, OSDBU has established procurement goals.

Performance Measures:

The performance of OSDBU will be evaluated against the following measures as listed in Exhibit III-2:

Economic Competitiveness

- Increase percent share of total dollar value of DOT-procurement dollars (direct contracts) that are awarded to small disadvantaged businesses. The FY 2014 target is 15%.
- Increase percent share of total dollar value of DOT-procurement dollars (direct contracts) that are awarded to women-owned businesses. The FY 2014 target is 6%.

To meet these goals, DOT makes significant effort to engage the Small and Disadvantaged Business and Woman-Owned small business community by working closely with DOT prime contractors, program, and procurement officials to ensure maximum practicable opportunities for small businesses to participate in DOT contracts and subcontracts. Efforts also include providing management oversight and serving as a liaison with the Small Business Administration in administering the various programs implemented through the DOT procurement process. Outreach efforts are with small business organizations and trade associations with an emphasis on small, women owned and disadvantaged small businesses to ensure the maximum practical opportunity for small businesses.

OSDBU will also continue to chair the Disadvantaged Business Enterprise (DBE) Task Force for DOT, which is comprised of the Secretary of Transportation, the Deputy Secretary of Transportation, the modal administrators from the Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration, and Federal Transit Administration, and the heads of the Office of General Counsel, Office of Civil Rights, Office of Government Affairs, Office of Policy, and Office of Public Affairs. This body takes an active role in developing policy, training, and resource allocation for the DBE program.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's Compensation, and Working Capital Fund charges and an estimated 9 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$1,369	8.19
Increase of .612 percent enacted in P.L. 112-175	\$8	
FY 2013 CR Annualized	\$1,377	9
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$10	
GSA Rent	\$0	
Working Capital Fund Changes	-\$2	
Inflation	\$0	
FY 2013 Adjusted Base	\$1,386	9
<u>FY 2014 Program Changes (+/-):</u>	\$0	0
Total, FY 2014 Request	\$1,386	9

OFFICE OF THE SECRETARY OF TRANSPORTATION**SALARIES AND EXPENSES***Office of Intelligence, Security and Emergency Response - (S-60)***What Is The Request and What Will We Get For the Funds?**

(\$000)

<u>ITEM</u>	<u>FY 2012 Actual</u>	<u>FY 2013 CR Annualized</u>	<u>FY 2014 Request</u>	<u>Difference from FY 2012 to FY 2014</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$7,493	\$8,242	\$8,297	\$804
Travel	\$535	\$372	\$334	-\$201
Other Costs	\$2,750	\$2,230	\$2,217	-\$532
TOTAL	\$10,778	\$10,844	\$10,849	\$71

STAFFING

Direct Positions	53	53	53	0
Direct FTEs	48.05	51	51	3
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Office of Intelligence, Security, and Emergency Response is requesting \$10.849 million and an estimated 51 FTEs in FY 2014 to accomplish the mission on the pages that follow.

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

What Is This Program/Activity?

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

The Office of Intelligence, Security, and Emergency Response supports the **Organizational Excellence** goal in the Department's Strategic Plan. Specifically, that goal relates to developing a diverse and collaborative workforce that will enable the Department to advance a transportation system that serves the Nation's long-term social, economic, security, and environmental needs; and is effective when needed for Defense Mobility, Emergency Preparedness, Response, and Recovery.

The Office of Intelligence, Security, and Emergency Response is comprised of five primary areas of responsibility: Intelligence, Security Policy, Preparedness, Operations, and Protective Services. Currently, the Office of Intelligence, Security, and Emergency Response has assigned one staff member as the liaison officer to North American Aerospace Defense Command /United States Northern Command (NORAD/NORTHCOM) at Peterson Air Force Base, Colorado Springs, Colorado. Additionally, an Intelligence Staff officer is assigned to the national Counterterrorism Center to coordinate the flow of national intelligence.

Intelligence Division. The Intelligence Division provides the Secretary of Transportation and other Department principals with all-source, finished transportation-related intelligence. The intelligence addresses critical developments and longer-range regional/worldwide international terrorism trends; along with global and international issues concerning aviation, trade, transportation markets, trade agreements and a range of other international cooperation and facilitation issues; particularly as they affect United States security and international efforts. Over the past two years, the Intelligence Division has increasingly focused on cyber intelligence analysis given the numerous threats to U.S. Government networks. Most recently, however, the Intelligence Division is developing an Insider Threat Program, as mandated by the President's November 2012 Insider Threat Policy memorandum and Minimum Standards that all departments and agencies within the Federal Government must meet as they start up their Insider Threat Program. The Intelligence Division accomplishes its mission through analysis, reporting, and inter-agency coordination with Intelligence Community members and other U.S. Government organizations.

The Intelligence Division has become a key player in Intelligence Policy issues, representing the Department at National Security Staff Interagency Policy Committees (IPC) such as the Information Sharing and Access IPC and the Federal Partners Forum. In addition, the Intelligence Division works in conjunction with the National Counterterrorism Center Directorate of Strategic Operational Planning in identifying DOT components that have Counterterrorism-related programs and projects contributing to the National Counterterrorism Budget. The Intelligence Division also works closely with the Security Policy Division on security policies such as the National Strategy for Aviation Security and the Intelligence Community Exercise Forum. DOT's participation in these important efforts requires considerable effort and often results in the need to surge resources to meet inflexible deadlines.

During FY 2013, the Intelligence Division will accomplish the following:

- Analyze threats to domestic and foreign transportation infrastructure and assets and provide transportation-related intelligence to the Secretary, his principal staff, the administrators and their key staff, and all other DOT consumers of intelligence to ensure key DOT officials are apprised of specific threats to transportation and trends in terrorist tactics and capabilities;
- Provide threat briefings as part of a new Counterintelligence effort to DOT personnel that travel to overseas locations in an effort to improve their situational awareness in the overseas environment and prevent exploitation of the individual(s) by unfriendly or hostile intelligence organizations;
- Work closely with the Office of Counterintelligence Executive (ONCIX) and the National Insider Threat Task Force (NITTF) to develop an effective and efficient Insider Threat Program for DOT IAW EO 13587;
- Take specific guidance from the Senior Information Sharing and Safeguarding Steering Committee to accomplish Post-WikiLeaks activities and initiatives;
- Provide updates on international economic and diplomatic information to the Secretary, his principal staff, the administrators and their key staff and all other DOT consumers of intelligence;
- Represent the Department and its interests on the Information Sharing and Access IPC, the National Implementation Plan for the Global War on Terrorism, the Federal Partners Forum, the National Counterintelligence Working Group, the Federal Bureau of Investigation National Joint Terrorism Task Force, the National Insider Threat Task Force, the National HUMINT Committee, the Senior Stakeholders Steering Committee Forum, and other forums that address information sharing, law enforcement, and intelligence-related topics at the national level;
- Utilize a DOT Suspicious Activity Reporting (SAR) database to centrally monitor and manage suspicious activity reported DOT wide. The database allows DOT to directly interact with the National SAR Initiative Program by depositing SAR with any nexus to terrorism;
- Works closely with the Director of National Intelligence Federal Partner Forum Office on a range of topics related to agencies not established under Title 50 of the United States Code. These are generally Executive Departments and

Agencies that do not have Intelligence as their primary mission (Non-Title 50 agencies); and

- Program Manager, Information Sharing Environment (PM-ISE) and other Non-Title 50 agencies and Intelligence Community organizations to update the National Strategy for Information Sharing.

Security Policy Division. The Security Policy Division supports the Department's work concerning security policy and inter-agency coordination. DOT participates in many Interagency Policy Committees (IPC) with a broad range and scope of activities. The Secretary is a member of the Principals' Committee, which addresses the most complex issues with the greatest implications; the Deputy is a member of the Deputies' committee, which meets far more frequently (sometimes more than once a week) and adjudicates ambiguities in authorities or responsibilities concerning key policy areas. These two Committees are supported by a network of IPCs, staffed at the Assistant Secretary level, whose activities build upon work by Sub-IPCs, where DOT representation consists of staff from the Secretary's Office or Operating Administrations. Occasionally, Working Groups also undertake specific issues or projects. Coordination of DOT participation in all of these groups is done by the Security Policy Division. These activities are in direct support of various Presidential Policy Directives (PPDs), EOs, National Strategies, and Congressional mandates. To support the Secretary and Deputy Secretary, the Security Policy staff produces or coordinates in-depth studies, reports, analysis, and Departmental operational plans.

This division also coordinates DOT policy work with the Department of Homeland Security (DHS), Department of Defense, and Department of State, as well as the Department of Health and Human Services (HHS). This allows the Government to leverage the programs and funding for one program with the needs of others. For example, Presidential Policy Directive 8 (PPD-8), March 30, 2011, "National Preparedness," directs establishment of several inter-linked National Preparedness Frameworks and Interagency Operational Plans, including Prevention, Protection, Mitigation, Response, and Recovery.

During FY 2013, the Security Policy Division will accomplish the following:

- Conduct research and write policy studies supporting the Secretary and Deputy in their representation on the Principals and Deputies Committees at the White House;
- Analyze security policy related to transportation infrastructure and assets and make policy recommendations to key Departmental officials;
- Represent the Department and its interests in setting transportation security policy in Federal, state, local, tribal, and international arenas;
- Participate in interagency and White House led efforts to develop and implement National security policy related to issues such as critical infrastructure, biosurveillance, pandemic influenza, national preparedness, global supply chain security and cybersecurity;
- Serve as the Departmental lead as the co-Sector Specific Agency for Transportation. In this role DOT works alongside DHS to provide identification

- and prioritization of critical infrastructure, vulnerability assessments, analysis, and collaboration through a public-private partnership model to address physical and cyber critical infrastructure in an all hazards environment;
- Development Departmental policy for the Sensitive Security Information program; and
- Develop Departmental plans to support the Department of Defense Civil Reserve Air Fleet Program.

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

1. **The National Security Program** is responsible for continuity of essential DOT and other governmental functions. Under these programs, the office develops and maintains the Office of the Secretary of Transportation's Continuity of Operations plan and maintains alternate secure facilities in a high state of readiness for use by the Department if access to the DOT headquarters building is denied; or if DHS/Federal Emergency Management Agency has directed a heightened continuity readiness posture. Additionally, the program develops and updates departmental devolution plans, procedures, and provides DOT support to various continuity of government programs.

During FY 2013, the National Security Program will accomplish the following:

- Maintain operational Continuity of Operations sites and continue improvements to facility configuration and communications/IT capabilities – incorporating all requirements of National Communications Systems Directive (NCS D 3-10) with the exception of High Frequency-Automatic Link Establishment at DOT Headquarters;
- Manage and coordinate increased training of personnel supporting continuity programs to assure that they are ready to fulfill the tasks required of them, including training of Secretarial successors;
- Improve communications at DOT's resiliency site (the out of area devolution site) and formalize training; and
- Examine alternative Continuity of Operations sites as replacement locations for the interim site currently occupied, with the goal of providing enhanced infrastructure and reduce long-term costs.

2. **The International Civil Transportation Emergency Preparedness Program** provides representation by the United States and the Department in international organizations and groups engaged in development of civil transportation response plans in the interest of national security and disaster preparedness. Focus areas include coordinating with Transport Canada in planning for mutual support in cross border operations during security incidents and other disasters; representing the United States in the North Atlantic Treaty Organization (NATO) civil emergency planning and training to use civilian aviation resources during NATO military

operations; supporting the US State Department and Agency for International Development; working with the US Trade Development Agency; and leading the Disaster Assistance Working Group under the United States/China Transportation Forum. We also coordinate providing civil transportation support to other nations during disasters. The representatives in the international civil transportation emergency preparedness program work in coordination within DOT and with other Federal entities in planning and technical policy development concerning international civil transportation emergency response and recovery initiatives.

During FY 2013, the International Civil Transportation Emergency Preparedness Program will accomplish the following:

- Represent the United States in NATO transportation related civil emergency planning to support the NATO Military and resolve issues and planning matters related to civil aviation resources, acquisition, and deployment to support NATO operations;
- Represent the United States and the Department in the NATO Civil Emergency Planning Group for Transportation in adapting the civil aviation planning that supports the NATO Military to the NATO Strategic Concept and directions from the 2012 Chicago Summit Declaration;
- Represent the United States in eight to ten NATO planning and training events for use of civilian aviation resources, including civil aviation experts, during NATO military operations, and support to other nations during disasters;
- Provide leadership in development of training and training support programs for the NATO civil aviation experts and national planners, which include web-based training programs that will have an application format for the entire cadre of NATO civil experts from all sectors;
- Continue the work of the Safety and Disaster Assistance Working Group of the US/China Transportation forum by conducting a Steering Committee meeting and a multi-modal workshop with the Chinese Ministry of Transport to better prepare both nations to meet their disaster preparedness needs, and participating in Trade Missions to provide US companies the opportunity to sell their goods and services in support of China's transportation disaster preparedness;
- Lead a workshop conducted by the Asian Pacific Economic Cooperation (APEC) on Global Supply Chain Resilience;
- Continue work in support of and coordination with the US Department of State, US Agency for International Development, and the US Institute for Peace; and
- Represent the Department at international forums on transportation related civil emergency preparedness, response and recovery and training exercises, and provide advice in support of military operations, if appropriate.

3. **The Training and Exercise Program** is responsible for coordinating the Department's participation in National, regional, and local emergency preparedness/response exercises. The coordination ensures a high state of readiness through periodic inter- and intra-agency training and exercises. It also institutionalizes emergency management capability in the Department, helps create an

expert cadre of transportation emergency management professionals, establishes a system to adopt lessons learned, and ensures quality and performance of the emergency management training and exercise program.

During FY 2013, the Training and Exercise Program will accomplish the following:

- Conduct exercises mandated by the National Exercise Program including one full-scale exercise on an all hazard response scenario in the third quarter of FY 2013), an annual Continuity of Operations exercise (Eagle Horizon 2013 in the third quarter of FY 2013), up to four Senior Level (Cabinet) tabletop exercises (one per quarter), one National Special Security Event functional exercise (Inauguration), and two Department-wide senior leader exercises;
- Conduct National Response Framework (NRF) and National Incident Management System refresher training for DOT staff;
- Conduct hurricane season preparation training for DOT staff;
- Support Regional Emergency Support Function–1 (ESF–1) Transportation training programs and provide exercise support for other Office of Intelligence, Security, and Emergency Response training, as required;
- Support exercise development and execution for the Operating Administration’s internal exercises and preparedness seminars;
- Participate in several Department of Defense special subject tabletop exercises; and
- Participate in support of other Federal-level interagency exercises, as necessary.

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

1. **The Crisis Management Center** is an around-the-clock operations center that monitors the status of the transportation system at all times, including transportation related events and incidents overseas that have the potential to impact the domestic transportation system. The CMC also provides real-time reports to DOT leadership and Operating Administrations and the Federal Interagency to ensure prompt notification of and response to significant disruptions, incidents, or threats that may affect the transportation system. Along with monitoring the transportation system, the CMC supports the Secretary and the Department leadership by providing around-the-clock communications support at all levels of classification. This includes teleconferencing, video teleconferencing, fax, and voice communications systems. The CMC also provides access to incident information to the Department, both for unclassified and classified information. Further, the CMC conducts daily operations as well as conducting training and exercises to prepare for emergencies. The CMC houses and supports the Department’s Emergency Response Team during emergencies, both natural and man-made. During these surge operations, the CMC provides all required capabilities, communications, administrative support, etc., to conduct 24X7 emergency operations. The CMC also trains to prepare to operate at alternate locations should any incident cause the CMC primary facility not to function properly.

During FY 2013, the CMC will accomplish the following:

- Provide effective 24X7 monitoring of the National and International transportation systems. This includes sustaining/improving relationships with Federal, State, and Local emergency operations centers to make certain that maximum situational awareness and information sharing is achieved and providing immediate impact analysis of emergency incidents and initiate the appropriate response in order to ensure appropriate DOT staff have the necessary information on transportation related incidents/events;
- Implement the use of a new Emergency Notification System (ENS) to be used across the DOT enterprise;
- Maintain high level of training in the use of the CMC alternate operating facilities and improve preparedness by training and conducting drills, including the Federal Aviation Administration (FAA Washington Operation Center Complex, the FAA Atlanta Regional Operation Center, operational communications testing in support of Federal Continuity Programs per National Communications System Directive 3-10 and U.S; NORAD/NORTHCOM and other interagency partners;
- Provide ongoing secure and other vital communications links for the Secretary and other Senior Officials;
- Participate in the Federal Interagency Operations Centers Directors Working Group, the National Capitol Region Joint Federal Committee, the Federal Web Emergency Operations Center (WebEOC) crisis information management system community meetings, U.S. NORAD/NORTHCOM Joint Interagency Coordination Group meetings, the DHS Special Event Working Group meetings, and bi-monthly meetings with the DOT Operating Administration Emergency Coordinators; and
- Continue development and refining the use of IT tools into the watch practice for administrative and emergency response management. Tools include a web content management and document management system (SharePoint), an automated contact and distribution management system (Forefront Identity Management), a crisis information management system WebEOC, a software for visualizing, managing, creating, and analyzing geographic data (ArcGIS), the CSX Railroad Network Operation Workstation that monitors the CSX railroad system (CSX NOW), a storm tracking and decision assistance computer software tool (HURREVAC), and the Maritime Safety and Security Information system (MSSIS).

2. **The National Response Program** is responsible for coordinating the Department's response to disasters. This includes managing the Department's responsibilities under the NRF. Under the NRF, DOT is the coordinating and primary agency for ESF-1. ESF-1 is designed to provide transportation support to assist in domestic incident management, including: reporting status of damage to transportation infrastructure as a result of the incident; identifying temporary alternative

transportation solutions that can be implemented by others when systems or infrastructure are damaged, unavailable, or overwhelmed; coordinating the restoration and recovery of the transportation infrastructure; performing activities conducted under the direct authority of DOT elements such as air, maritime, surface, rail, and pipelines; and coordinating and supporting prevention/preparedness/mitigation among transportation infrastructure stakeholders at the state and local levels.

Additionally, the National Response Program is responsible for the management of the field components: Regional Emergency Transportation Coordinators (RETCOs), Regional Emergency Transportation Representatives (RETREPs), and Regional Emergency Transportation Cadre (RET-C) teams. These teams, which are based in ten regions across the country, coordinate Federal and State disaster planning, conduct training and exercises, and deploy to key regional, state, and local field offices during emergencies to provide critical emergency transportation services.

During FY 2013, the National Response Program will accomplish the following:

- Coordinate the Department's preparedness, response, and recovery activities in all hazards crises;
- Carry out ESF-1 response and recovery operations and serve as a supporting agency to other ESFs as identified in the NR;
- Participate with planning, preparedness, operations, exercises, training and outreach activities related to disaster response, to include annual training for NRP personnel, partner agencies, and leadership; and conduct after action reviews, including the development and implementation of corrective action plans;
- Assist in the development of national policy and procedures related to transportation elements of emergency management; and
- Assist Federal, state, local, tribal, and territorial partners through application of our technical expertise in the preparedness, response, and recovery activities in all hazards crises.

Protective Services Division provides the Secretary of Transportation highly-trained and experienced Special Agents who are deputized U.S. Marshals. The agents provide protection for the Secretary and conduct security advance work in the United States and overseas. Equipment and supply needs for the protection detail are assessed annually to ensure agents are fully equipped and have the required resources necessary to successfully operate in the United States and overseas.

The Special Agents provide personal protection for the Secretary of Transportation throughout the workday and wherever the Secretary travels, whether in the Washington, D.C. metropolitan area, to other places in the United States or to foreign countries. This protection is crucial to the Secretary's security and safety, especially in a time of increased terrorist threats or activity. These are highly trained professionals in defensive driving and protection techniques and methods.

During FY 2013, the Protective Services Division will accomplish the following:

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

NORAD/NORTHCOM Liaison Officer. The liaison officer to NORAD/NORTHCOM coordinates with staff and management officials in DOT, NORAD/NORTHCOM, and other Federal and State agencies and other organizations. This coordination is in order to obtain and exchange information, to influence their actions and views, to obtain the cooperation of other organizations in accomplishing program objectives, and to present and defend DOT positions. The liaison officer serves as a representative of DOT Operating Administrations and coordinates DOT and Operating Administrations key initiatives with NORAD/NORTHCOM and NORAD/NORTHCOM programs with DOT and Operating Administrations. This requires communication of the Operating Administrations strategies, goals, objectives, policies, and procedures to NORAD/NORTHCOM and detailing the potential impact of NORAD/NORTHCOM draft policies and programs on DOT activities.

During FY 2013, the **NORAD/NORTHCOM Liaison Officer** will accomplish the following:

- Identify “common ground” of areas of agreement to assist resolution of variant positions regarding programs, objectives, and policies;
- Educate military officers on the roles and statutory responsibilities of the Department of Transportation and its Operating Administration and how these roles and responsibilities must be fully integrated into NORAD/NORTHCOM policies and projects;
- Participate in NORAD/NORTHCOM and other DoD exercises;
- Represent US DOT interests during significant incidents and events, communicating DOT equities while supporting NORAD/NORTHCOM in the execution of their Defense Support to Civil Authorities (DSCA) mission;
- Provide near real-time reporting to NORAD/NORTHCOM of significant impacts to the transportation infrastructure, clarifying the impact of compounded multi-modal degraded transportation systems;
- Represent DOT in Interagency Working Groups and liaison with various offices within NORAD/NORTHCOM and other departments/agencies ensuring there is two way flow of information between NORAD/NORTHCOM, other departments/agencies, and DOT;
- Provide transportation expertise through first-hand knowledge and reach-back to Operating Administrations to support NORAD/NORTHCOM, making substantive input into NORAD/NORTHCOM policy, plans, and procedures to ensure congruence with multi-modal transportation regulations and policies;
- Anticipate gaps/seams that may lead to DOD mission assignments; and
- Interface with the NORAD/NORTHCOM intelligence community as appropriate to evaluate and assess classified programs and missions as they relate to the civil transportation infrastructure.

Why Is This Particular Program/Activity Necessary?

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

To accomplish these objectives, the Office of Intelligence, Security, and Emergency Response is comprised of five primary areas of responsibility: Intelligence, Security Policy, Preparedness, Operations, and Protective Services. Additional EOs, Statutes, and policies drive the activities of these areas of responsibility. The EOs, Statutes, and policies include the following:

Intelligence Division. The Department of Transportation Intelligence function was created on June 14, 1990, in response to the President’s Commission on Aviation Security and Terrorism. Workload expanded significantly under Section 1016(b) of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), Public Law 108-458. IRTPA directed that the President establish an Information Sharing Environment (ISE) for the sharing of terrorism information among all appropriate Federal, State, local, tribal entities, and the private sector through the use of policy guidelines and technologies. Most recently, EO 13587, Structural Reforms to Improve the Security of Classified Networks and the Responsible Sharing and Safeguarding of Classified Information, October 7, 2011, prompted the Intelligence Division to take the lead in coordinating with the Office of the PM- ISE and the Intelligence Community in improving ways to better protect information in DOT classified networks. This EO also directs the creation of three new entities: 1) Senior Information Sharing and Safeguarding Steering Committee; 2) Classified Information Sharing and Safeguarding Office; and 3) Insider Threat Task Force. The Intelligence Division works with all of these entities to improve the protection of information in the DOT classified networks.

Security Policy Division. Coordination of Security Policy with the DHS is driven by statute and Presidential direction that developed primarily in response to the events of 9/11. The Act Implementing the Recommendations of the 9/11 Commission set 78 tasks

involving DOT, many in cooperation or coordination with the DHS. Similarly, Section 4001 of the Intelligence Reform and Terrorism Act of 2004 requires that the Secretary of DHS “work jointly with the Secretary of Transportation in developing, revising, and updating” a National Strategy for Transportation Security and transportation modal security plans. Another set of requirements was established by Presidential Policy Directive 21, “Critical Infrastructure Security and Resilience,” February 12, 2013 which places DOT as a Sector Specific Agency over the transportation sector. In this role DOT works alongside DHS to provide identification and prioritization of critical infrastructure, vulnerability assessments, analysis, and collaboration through a public-private partnership model to address physical and cyber critical infrastructure in an all hazards environment. This requirement applies across all modes of transportation and necessitates intermodal coordination. DOT also is actively engaged in transportation issues related to implementation of PPD-8, which is aimed at strengthening the security and resilience of the United States through systematic planning for, carrying out, and measuring all-hazards preparedness. DOT continues to be extensively involved in policy related to Departmental preparedness for roles in response to pandemic influenza, biosurveillance and other public health matters.

Preparedness Division. The Preparedness Division has three primary areas of responsibility: National Security Programs, International Civil Emergency Preparedness Programs, and Training and Exercise Programs. Each is authorized by EOs, Statutes, and policies some of which are identified below.

1. **National Security Program.** These programs date back to the civil defense era of the 1950’s, and were updated via national security directives issued in 1982, 1990, 1992, 1998, and 2007. National Security Presidential Directive (NSPD)-51/Homeland Security Presidential Directive (HSPD)-20, “National Continuity Policy,” May 9, 2007, includes a requirement for each agency to develop prioritized goals and objectives, a concept of operations, performance metrics by which to measure continuity readiness, procedures for continuity and incident management activities, and clear direction to executive department and agency continuity coordinators. In February 2008, Federal Continuity Directives (FCD) 1 and 2 were published and they provide guidance for departmental continuity programs. FCD-1 provides direction to the Federal Executive Branch for developing continuity plans and programs. FCD-2 provides a Business Process Analysis and Business Impact Analysis to examine each Primary Mission Essential Function to ensure interdependencies are identified, as well as providing a process for threat and vulnerability analysis and mitigation strategies.
2. **International Civil Transportation Emergency Preparedness Program.** Responsibility for International Civil Transportation Emergency Preparedness is contained in EO 13603, which further delineated these responsibilities to include the tasking to develop “national policies, programs, procedures and systems to meet essential civil and military transportation needs...provide direction to all modes of civil transportation in national security emergencies,...and represent the United States in transportation-related international (including NATO and allied)

civil emergency preparedness planning. The Secretary of Transportation has delegated these responsibilities to the Director of the Office of Intelligence, Security and Emergency Response. The Stabilization and Reconstruction Activities are highlighted in NSPD 44, and the Disaster Assistance Working Group comes under the United States/China Transportation Forum, officially established by the DOT and the China Ministry of Transport in 2007.

3. **Training and Exercise Program.** The Training and Exercise Program is responsible for coordinating the Department's participation in National, regional, and local emergency preparedness/response exercises. These exercises are required by a number of EOs and other Directives. For example, EO 12656, "Assignment of Emergency Preparedness Responsibilities," November 18, 1988, requires the head of each Federal Agency to develop and conduct training and education programs that incorporate emergency preparedness and civil defense information necessary to ensure an effective national response. Following the events of 9/11, HSPD-8, "National Preparedness," December 17, 2003, (since revised as PPD-8, "National Preparedness", March 30, 2011) developed the National Exercise Program, which requires Departments to support strategy and policy exercises through simulation or staff participation as well as maintaining a corrective action program to generate input for and track corrective action issues and report on the effectiveness and accomplishments of training programs. Similarly, NSPD-51 /HSPD-20, "National Continuity Policy, May 9, 2007, requires testing and exercises to ensure survival of a constitutional form of government and the continuity of essential Federal functions. Further, HSPD-5, "Management of Domestic Incidents", February 28, 2003, established minimum training and exercise requirements and minimum training standards and established a certification process based on required training and requires rigorous requirements for continuous improvement for testing and conducting exercises.

Operations Division. The Operations Division has two primary areas of responsibility: the CMC and the National Response Program.

1. **Crisis Management Center.** The CMC is an around-the-clock operations center that ensures the Secretary of Transportation is able to meet his responsibilities as defined by EO 12656, "Assignment of Emergency Preparedness Responsibilities," issued on November 18, 1988. This EO requires agencies to design preparedness measures to permit a rapid and effective transition from routine to emergency operations. This includes development of a system of emergency actions that define alternatives, processes and issues to be considered during various stages of national security emergencies and identification of actions that could be taken in the early stages of a national security emergency or a pending emergency to mitigate the impact or reduce significantly the lead times associated with full emergency action implementation.
2. **National Response Program.** The primary statute that drives the National Response function is the Robert T. Stafford Disaster Relief and Emergency

Assistance Act (Stafford Act), 93 Public. Law. No. 288, 88 Stat. 143 (1974) (codified predominately at 42 U.S.C. §§ 5121-5206 (2007)). The Stafford Act establishes the programs and processes for the Federal Government to provide disaster and emergency assistance to states and local governments, tribal nations, individuals, and qualified private non-profit organizations. The provisions of the Stafford Act cover all hazards, including natural disasters and terrorist incidents. In addition, Section 301(1) Title 49 USC requires the Secretary of Transportation “under the direction of the President...to exercise leadership in transportation matters, including those matters affecting national defense and those matters involving national or regional emergencies.” The NRF further defines Departmental response requirements under ESF-1 responsibilities to provide support to the DHS by assisting federal, state, tribal, and local governmental entities, voluntary organizations, nongovernmental organizations, and the private sector in the management of transportation systems and infrastructure during domestic threats or in response to incidents. PPD-8, March 30, 2011 “National Preparedness,” requires ESF-1 to develop operational plans to implement a series of integrated national planning frameworks, covering prevention, protection, mitigation, response, and recovery. ESF-1 also participates in prevention, preparedness, response, recovery, and mitigation activities. The National Response Program also supports DHS in the implementation of the Post-Katrina Emergency Management Reform Act (Title VI of the DHS Appropriations Act, 2007, Pub. L. 109-295, 120 Stat. 1355 (2006)).

Protective Service Division (PSD). Protection of the Secretary is authorized by a variety of legal authorities. These include several Comptroller General decisions, regulations authorizing the U.S. Marshals Service to deputize other federal officers to perform the functions of a deputy U.S. Marshal, and a White house policy adopted in the early 1970s that authorized departments to provide and maintain a force to protect cabinet officials. A further basis supporting the PSD is 18 U.S.C. 351, which provides that it is a federal offense to assault, kidnap, or kill various government officials, including specified cabinet officials. Cabinet PSD roles and responsibilities are also stated in a classified National Security Presidential Directive dated 30 July, 2004.

NORAD/NORTHCOM Liaison Officer. USNORTHCOM became a joint command with NORAD on October 1, 2002, to provide command and control of DOD homeland defense and to coordinate defense support of civil authorities. NORAD/USNORTHCOM civil support mission includes domestic disaster relief operations which may arise from incidents including, but not limited to, fires, hurricanes, floods, earthquakes, and management of consequences of a terrorist incident employing a weapon of mass destruction. NORAD/USNORTHCOM provides assistance to a Primary Federal Agency when requested by that Agency and as directed by DOD. In 2002, the Secretary of Defense approved an initiative to form a Joint Interagency Coordination Group (JIACG) at selected DOD Combatant Commands (COCOMs) in order to enhance coordination between DOD and civilian agencies of the Federal government with national security responsibilities. The Chairman of the Joint Chiefs of Staff has approved the concept of making JIACGs permanent at each COCOM.

The NORAD/USNORTHCOM Interagency Directorate's mission is to facilitate the integration and synchronization of interagency activities to ensure mutual understanding, unity of effort, and full spectrum support to and from NORAD/USNORTHCOM during emergencies. In addition to the Department of Transportation, Federal agencies with personnel currently assigned to NORAD/USNORTHCOM include the Department of Homeland Security, the Federal Emergency Management Agency, Department of State, Department of Health and Human Services, and the Transportation Security Administration. In addition, the American Red Cross and other non-governmental and private sector organizations provide personnel to NORAD/USNORTHCOM during contingency operations and exercises.

Program Benefits

Through the activities of the above described Divisions, the Office of Intelligence, Security, and Emergency Response performs activity that is critical to the Department in meeting its Defense mobility and emergency preparedness responsibility as identified in the Organizational Excellence goal in the Department's Strategic Plan. The Department's Strategic Plan includes the following activities as critical in ensuring the availability of transportation services after natural disasters and in times of national emergency:

- Develop a security policy framework that will ensure preparedness, mitigate the consequences of transportation sector emergencies, and support DOT's mission;
- Assure continuity of operations, support continuity of government, and maintain emergency operations surge staffing and response capabilities to respond effectively to incidents and fulfill our commitments under Presidential Directives and the NRF;
- Develop and maintain plans, procedures, training, and exercises that prepare the Department to meet Federal emergency preparedness, response and recovery policies, strategies, and other requirements;
- Communicate timely, relevant and expert intelligence analysis that focuses on preparedness efforts, supports operational response, and international programs, and fulfills technical requests from the Intelligence and Law Enforcement Communities;
- Document and report on behavior that may be indicative of intelligence gathering or pre-operational planning related to terrorism, criminal, or other illicit intention;
- Issue advisory messages as necessary to Federal, State, local, tribal, and foreign governments as well as the private sector that provide immediate or urgent information on time sensitive threats or situations that may impact local security environments and may require responsive activity;
- Implement the Controlled Unclassified Information Framework and monitor compliance with policy, standards, and markings;
- Fulfill DOT commitments to international partners and agreements, such as the Security and Prosperity Partnership for North America, and the NATO; and
- Ensures security for the Secretary by using best practices, standards, and assessments.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an estimated .5 percent inflation increase; (4) adjustments in Worker's Compensation and Working Capital Fund charges; and (5) reduction in travel and contracts. The FY 2014 request will also fund an estimated 51 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class by Office exhibit.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$10,778	48.05
Increase of .612 percent enacted in P.L. 112-175	\$66	
FY 2013 CR Annualized	\$10,844	51
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$60	
GSA Rent	\$0	
Working Capital Fund Changes	-\$21	
Inflation	\$13	
FY 2013 Adjusted Base	\$10,896	51
<u>FY 2014 Program Changes (+/-):</u>		
Reduction in Travel	-\$40	
Reduction in Contracts	-\$7	
Total, FY 2014 Request	\$10,849	51

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

*Office of the Chief Information Officer - (S-80)***What Is The Request and What Will We Get For the Funds?**

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$3,917	\$5,464	\$5,499	\$1,582
Travel	\$10	\$15	\$15	\$5
Other Costs	\$11,061	\$9,601	\$11,062	\$1
TOTAL	\$14,988	\$15,080	\$16,576	\$1,588

STAFFING

Direct Positions	35	35	35	0
Direct FTEs	26.35	33	33	7
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Office of the Chief Information Officer is requesting \$16.576 million and an estimated 33 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of the Chief Information Officer

What Is This Program/Activity?

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT), cyber security, privacy, and records management advisor to the Secretary. The Office of the Chief Information Officer (OCIO) supports the **Organizational Excellence** Strategic Goal by providing leadership on all matters associated with the Department's \$3.5 billion IT portfolio. This includes security, privacy, investment management, and improvements in the delivery of services to the American taxpayer through electronic government initiatives.

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

The DOT CIO delivers IT services to DOT customers through the operation of an IT infrastructure that includes e-mail services, a backbone network, and help desk support. Operating Administrations (OAs) contract with the CIO for services and reimburse the CIO for the cost of those services through the WCF. The WCF budget (including the CIO component) is provided as a separate part of the OST budget submission.

Anticipated FY 2013 Accomplishments:

In FY 2013, OCIO will continue to modernize DOT's current technology environment and will build upon the IT and business infrastructure to match customer demands and advancements in technology. Work to enhance the overall technology at DOT will be focused in three areas: IT Alignment and Value Services, a Modernized IT Environment, and Information Assurance and Privacy. These enhancements are described below by focus area.

IT Alignment and Value Services. In FY 2013, the Office of the CIO will provide IT alignment and business value by addressing business needs of the enterprise; refining and communicating robust and disciplined policies, guidelines, and processes that include a revamping enterprise architecture; implementing a robust governance program to ensure alignment of IT investments with the DOT mission and support business needs; achieving common IT leadership and 'best practices' in IT portfolio management; ensuring the Department continues to institutionalize a transparent, collaborative, and communicative environment, as detailed in the Open Government Plan. The DOT OCIO will ensure updated processes and policies are implemented while managing risks and adopt a systematic and professional approach to the management of IT services at the enterprise level. Specific IT alignment and value services include:

- **Understanding Business Needs** -- The OCIO will continue to develop IT as a strategic enabler by leveraging secure and efficient capabilities to store and exchange critical information, and responding to the Administration's initiatives. OCIO will continue to manage IT as a corporate strategic resource subject to the rigors of planning, and budgeting, including establishing IT portfolios, enterprise-wide IT platforms, and a set of strategies to increase productivity and reduce costs.
- **Enterprise Architecture and Value Engineering** -- The OCIO will begin to evolve the technology processes to be more closely aligned to the DOT Segment Architecture. Contractor resources will be allocated to develop a more robust IT investment valuation model. The model will create guidance for properly evaluating and quantifying the economic impacts of IT investments.
- **Capital Investment Planning** -- The OCIO will continue a Capital Planning and Investment Control (CPIC) program that manages the agency IT portfolio using program performance metrics.
- **Portfolio Management** -- The OCIO will continue to develop tools that help ensure a standardized data baseline for systems by identifying stakeholders, defining the system's business case, revealing any relevant historical data, specifying the project's business value, detailing the project vision, reviewing the project's strategic focus, outlining the project's enterprise architecture, and explaining how projects align with the DOT's overall modernization and value optimization goals in plain language.
- **Enterprise-Level Records Management Program** -- The OCIO will work to outline requirements for the enterprise-wide Records Management Program based on the Managing Government Records Directive.

Modernized IT Environment. DOT will continue to implement a Modernized IT Environment strategy in FY 2013 that will proactively address current and future requirements. DOT will continue its move toward adopting an agile and innovative technology platform approach to bridge the current technology gap and to institutionalize the ongoing infrastructure replenishment lifecycle:

- **Updated Transparency and Public Engagement** – In FY 2013, OCIO will continue to create strategies and guidance for increased transparency in IT solutions based on customer needs and research. Activities will include best practices, toolkits, and technology roadmaps.
- **Web Strategy** –In FY 2013, OCIO will build on the redesign of the deployed DOT.gov site. The OCIO will create a strategic roadmap for the Departmental Web solution and identify standards for Web development in support of the Federal Digital Government Strategy. The OCIO will also create a governance structure that is focused on ensuring DOT Web activities align to the strategic goals of the Department. The governance body will be made up of Public Affairs and Information Technology professionals from around the Department.

Information Assurance and Privacy. In FY 2013, the OCIO will continue to enforce the business strategy to make targeted investments in policy, people, processes, and technology that will rapidly strengthen the Department's ability to ensure the confidentiality, integrity, and availability of its vital data and assets. Priority Information Assurance and Privacy activities in 2013 will include: Education, Training, and Awareness (ETA); Requirements, Standards,

Policies, and Directives; Situational Awareness and Incident Response; Independent Verification and Validation; Certification and Accreditation (C&A); and Privacy.

Why Is This Particular Program/Activity Necessary?

There continues to be a steady increase in the number, timing, depth, and complexity of IT infrastructure and services in the last five years. In response to the ever-changing environment, OCIO must maintain an agile, reliable and scalable IT environment and business services across DOT. Not doing this in a planned manner may mean ad hoc emergencies, disruptions and costly remediation later. The OCIO has identified a strategy to ensure project management is planned, processed and delivered in a standardized manner across the Department. Processes and procedures must be developed to reduce inefficiency and ineffectiveness in performance. The OCIO is also working to develop business processes to improve compliance with Federal mandates. OMB continues to develop reporting mechanisms to track progress, putting agencies that cannot support the updated IT directive at risk.

Real-time technology demands have grown in size, scope, depth, and sophistication and have become a mission-critical utility. The programs and activities funded through the OCIO are necessary to maintain an enterprise perspective while ensuring the development of mission critical technology services that fully support the Secretary's vision, mission, goals, and operational expectations of "technology on demand."

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's compensation, and Working Capital Fund charges as well as an estimated 33 FTEs and associated costs. An overall program increase of \$1.307 million is requested for:

- **Enterprise Architecture** – The OCIO is making substantive changes to the enterprise architecture (EA) program in conjunction with ongoing enhancements in the areas of Capital Planning & Investment Control (CPIC), and IT Governance. This renewed focus is intended to provide compliance with the new EA direction OMB is proposing and to address the issues identified in the OIG draft report. The OCIO requests \$279 thousand to (a) purchase an EA tool to develop or update current and future architectures and transition plans, and (b) develop and implement a DOT-wide data management practice.
- **Records Management** – DOT OCIO is responsible for establishing policy and procedure for records management activities throughout the Department. FY 2014 will place significant focus on the transition to full electronic records management in compliance with Office of Management and Budget (OMB) and National Archives and Records Administration (NARA) directives, including the August 24, 2012 Managing Government Records Directive. The OCIO requests \$514 thousand for contractor support for the review of records collection, development of records schedules,

coordinating ascension with NARA, and development of policy, and procedures to support all records management officers across DOT.

- **Privacy** – The DOT OCIO Chief Privacy Officer (CPO) is responsible for providing privacy risk analysis and management services to all DOT Operating Administrations and Secretarial Offices for all rulemakings, programs, and technology initiatives. DOT CPO reviews and adjudicates 500+ privacy threshold assessments, 50+ privacy impact assessments, and 20+ system of records notices on an annual basis. The OCIO requests \$514 thousand for contractor support to identify technologies and processes that do not conform to DOT policy, including support for the analysis of websites, public facing applications, and implementation of data loss prevention activities.

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

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$14,988	26.35
Increase of .612 percent enacted in P.L. 112-175	\$92	
FY 2013 CR Annualized	\$15,080	33
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$40	
GSA Rent	\$0	
Working Capital Fund Changes	\$130	
Inflation	\$18	
FY 2013 Adjusted Base	\$15,268	33
<u>FY 2014 Program Changes (+/-):</u>		
Redirection of Resources:		
Personnel Compensation and Benefits		
Other Services		
Program Increase:		
Funds are necessary to address substantive changes needed in the enterprise architecture (EA) program (\$279K); contractor support for the review of records collection and the development of policy and procedures in the records management program (\$514K); contractor support to identify technologies and processes that do not conform to policy in the privacy area (\$514K).	\$1,307	
Total, FY 2014 Request	\$16,576	33

OFFICE OF THE SECRETARY OF TRANSPORTATION**SALARIES AND EXPENSES***Office of Public Affairs - (A)***What Is The Request and What Will We Get For the Funds?**

(\$000)

<u>ITEM</u>	<u>FY 2012 Actual</u>	<u>FY 2013 CR Annualized</u>	<u>FY 2014 Request</u>	<u>Difference from FY 2012 to FY 2014</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$1,774	\$1,788	\$1,958	\$183
Travel	\$50	\$50	\$51	\$1
Other Costs	\$196	\$194	\$195	-\$1
TOTAL	<u>\$2,020</u>	<u>\$2,032</u>	<u>\$2,203</u>	<u>\$183</u>

STAFFING

Direct Positions	19	17	17	-2
Direct FTEs	15.08	15	16	1
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Office of Public Affairs is requesting \$2.203 million and an estimated 16 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of Public Affairs

What Is This Program/Activity?

The Director of Public Affairs is the principal advisor to the Secretary and other senior Department officials and news media on public affairs questions. The Office of Public Affairs prepares news releases and supporting media materials, articles, facts sheets, briefing materials, publications, audiovisual materials and maintains a new media presence. In addition, the Office prepares speeches and talking points for the Secretary and Deputy Secretary. It also provides information to the Secretary on opinions and reactions of the public and news media on programs and transportation issues. It arranges news conferences and provides speeches, talking points and byline articles for the Secretary and other senior Department officials.

The Office of Public Affairs supports the **Organizational Excellence** strategic goal by developing a diverse, effective and collaborative workforce that will enable the Department to advance a transportation system that serves the Nation's long-term social, economic, security, and environmental needs. The Office of Public Affairs will make available to the public information on the Department's efforts to improve transportation safety, maintain transportation infrastructure in a state of good repair, promote transportation investments that bring lasting benefits to the Nation, foster livable communities and advance environmentally sustainable transportation policies.

The Office of Public Affairs will continue to focus on the progress in upgrading the transportation infrastructure and will use video and satellite feeds, the internet and other means to share information about how these projects are creating jobs and improving the economy. In addition, the Department is aggressively pursuing a campaign to end distracted driving. The Office of Public Affairs has organized a national summit on this issue and will continue to promote the campaign through events and speeches, news releases and articles and new media opportunities.

Why Is This Particular Program/Activity Necessary?

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

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's compensation, and Working Capital Fund charges as well as an estimated 16 FTEs and associated costs.

The Office of Public Affairs also requests a program increase of \$152 thousand to fund an additional FTE for a previously authorized position. The new FTE will be for a Senior Speechwriter to assist with writing speeches for all senior Departmental officials (i.e. Secretary, Deputy Secretary, Assistant Secretaries and Administrators). This position will be used to supervise existing entry level staff writers in order to meet the numerous short deadlines required by Departmental officials. Funding at the requested level is necessary for the Office of Public Affairs to continue to show how transportation infrastructure dollars are being spent and to continue to promote the Department's efforts to end distracted driving, an undertaking begun in September 2009. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$2,020	15.08
Increase of .612 percent enacted in P.L. 112-175	\$12	
FY 2013 CR Annualized	\$2,032	15
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$13	
GSA Rent	\$0	
Working Capital Fund Changes	\$4	
Inflation	\$1	
FY 2013 Adjusted Base	\$2,050	15
<u>FY 2014 Program Changes (+/-):</u>		
Program Increase:		
1 FTE associated with a previously authorized position. The FTE will be for a Senior Speechwriter to oversee speechwriting for all senior Departmental officials.	\$152	1
Total, FY 2014 Request	\$2,203	16

OFFICE OF THE SECRETARY OF TRANSPORTATION
SALARIES AND EXPENSES

Office of the Assistant Secretary for Budget and Programs/CFO - (B)

What Is The Request and What Will We Get For the Funds?

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$8,534	\$8,576	\$9,306	\$772
Travel	\$15	\$15	\$20	\$5
Other Costs	\$1,989	\$2,011	\$4,000	\$2,010
TOTAL	<u>\$10,538</u>	<u>\$10,602</u>	<u>\$13,326</u>	<u>\$2,788</u>

STAFFING

Direct Positions	56	56	65	9
Direct FTEs	48.15	52	57	9
Reimbursable Positions	1	2	2	1
Reimbursable FTEs	1.00	2	2	1

The Office of the Assistant Secretary for Budget and Programs, and (CFO) is requesting \$13.326 million and an estimated 57 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow.

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

What Is This Program/Activity?

The Office of the Assistant Secretary for Budget and Programs, and CFO supports the **Organizational Excellence** strategic goal by assisting the Secretary with budget and financial matters.

Why is This Particular Function Necessary?

The Assistant Secretary for Budget and Programs, and CFO is the principal budget and financial advisor to the Secretary and serves as the CFO for the Department of Transportation (DOT). In addition, the Office of the Assistant Secretary for Budget and Programs, and CFO is responsible for enforcing financial and budgetary statutory authorities and provides administrative guidance to all the DOT Operating Administrations on all budget, finance, and accounting matters. In addition, the CFO also oversees the Transportation Infrastructure Finance and Innovation Act (TIFIA) and the TIFIA Joint Program Office on behalf of the Secretary, including the evaluation of individual projects, and provides overall policy direction and program decisions for the TIFIA program. Finally, the OCFO serves as the Vice Chairman of the Department's Credit Council which oversees the Department's more than \$10 billion loan portfolio. To carry out its many mandates and responsibilities, the Office of the CFO (OST-B) includes five Offices: (1) Office of Budget and Program Performance; (2) Office of the Chief Financial Officer for the Office of the Secretary; (3) Office of Finance Management; (4) Credit Oversight Office (established in FY 2013), and (5) Office of Transportation Infrastructure Finance and Innovation Act. The responsibilities of each of these offices are as follows:

Office of Budget and Program Performance (B-10)

B-10 is responsible for ensuring effective preparation and presentation of sound and adequate budget estimates for the Department. Its functions and oversight responsibilities include:

- overseeing all appropriations matters related to DOT's budget;
- fostering effective use of resources;
- providing guidance to budget offices of each Operating Administration and OST;
- ensuring that financial plans are consistent with approved plans and programs;
- regularly briefing and providing information to the White House, Congress, Congressional Staff, Office of Management & Budget (OMB), and others;
- championing DOT's budget and performance integration initiatives, and developing and providing guidance on the application of Departmental performance policies and procedures; and,
- preparing the Department's annual Performance and Accountability Report.

Office of the Chief Financial Officer for the Office of the Secretary (B-20)

B-20 is responsible for budget formulation and execution, performance management, financial management, and internal controls for the Office of the Secretary. Its functions and responsibilities include:

- formulating and justifying budget requests for OST offices and programs to the Departmental Budget Office, OMB, and Congress;

- executing enacted appropriations, including apportioning and allotting funds and monitoring spending to ensure expenditures do not exceed enacted amounts;
- performing the full-range of financial management functions, including financial statement review, preparation and/or review of all deliverables for the annual financial audit, accounts payable and accounts receivable oversight, cash management, reimbursable agreement monitoring and reconciliation, and oversight of the integrity of all transactions in the accounting system;
- managing OST's Federal Managers Financial Integrity Act (FMFIA) and A-123 Internal Control programs, including preparing entity level internal control assessments, documenting OST's major financial business processes, responding to the testing requirements of the internal control auditors, developing risk profiles and risk management plans for OST programs; and,
- developing performance measures under the Department's strategic goals, tracking actual outcomes against those measures, and justifying the OST budget request based on stated strategic goals and performance measures.

Office of Financial Management (B-30)

B-30 is responsible for the financial management leadership of DOT. Its primary duty is to uphold strong financial management and accountability while providing timely, accurate, and reliable financial information and enhancing internal controls. Its functions and oversight responsibilities include:

- providing direction and guidance to the finance offices of all DOT Operating Administrations (OA's) and OST;
- coordinating audits with the Inspector General and contract auditors and managing the resolution of material weaknesses;
- ensuring timely and accurate submission of DOT consolidated financial statements to OMB and OIG;
- meeting all other OMB, Treasury, and other centralized reporting requirements;
- managing DOT's FMFIA Program and Internal Control program, including compliance with Appendix A-123 Internal Control Program and Appendix B -Travel Card Program;
- managing DOT's Erroneous Payment and Recovery Audit Programs;
- managing DOT's Improper Payments Information Act Program and coordinating its reporting requirements;
- on behalf of the CFO, serving as system owner to Delphi, DOT's core financial management system;
- providing management direction and oversight to the Enterprise Service Center (ESC) in Oklahoma City, which runs Delphi and provides accounting services to all DOT agencies;
- directing the Department's Financial Systems Modernization (FSM) initiative, the multi-year effort to transform and streamline DOT's financial management policies, processes, and systems;
- serving as system owner to CASTLE, the DOT-wide Consolidated Automated System for Time and Labor Entry;
- serving as liaison to the National Business Center, DOT's payroll provider;
- establishing Departmental travel policy and guidance;
- managing DOT's Travel Credit Card Program;
- managing travel management contract services throughout DOT; and,
- serving as liaison to GSA on GovTrip, the Travel Reservation & Vouchering System used throughout the Department.

Credit Oversight Office (CO)

With the growing demand for credit assistance at DOT in FHWA, FRA, and MARAD, the Office of the Assistant Secretary for Budget and Programs requests \$2.3 million to establish a Credit Oversight office. This Office would assist with the financial review and monitoring of DOT's credit programs. Further, this office will oversee and coordinate all the credit reform requirements with the Office of Management and Budget. Staff in the CO Office will support the work of the DOT Credit Council and the Deputy Secretary and Assistant Secretary for Budget and Programs and Chief Financial Officer. The Credit Council meets at least monthly, and each meeting requires extensive preparation. This Office will lead the Credit Council Working Group, which is comprised of the DOT credit program managers and staff to the Credit Council members. Staff from this newly created office will oversee each of the credit programs at DOT: the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, the Railroad Rehabilitation and Improvement Financing Program (RRIF), and MARAD's Title IX office. With additional staff, the Credit Office will be able to directly support the credit programs in the respective operating administration. The staff will have credit modeling experience and be able to assist the DOT credit programs in maintaining and enhancing their credit subsidy methodology and re-estimate processes.

Office of Transportation Infrastructure Finance and Innovation Act (TIFIA)

The Department's CFO oversees the TIFIA program and the TIFIA Joint Program Office on behalf of the Secretary, including the evaluation of individual projects, and provides overall policy direction and program decisions as well as personnel decisions for the TIFIA program. TIFIA support will advance projects that could not have moved forward in FY 2014 without Federal financing, thereby accelerating the economic, safety, environmental, and mobility benefits these projects will provide. What's more, TIFIA funding will leverage Federal dollars, so that a relatively small Federal commitment will stimulate a large amount of the State, local and private investment. The TIFIA Office oversees an active portfolio of \$8.9 million and 26 projects. These projects and the office are funded from the Highway Account of the Highway Trust Fund. In addition, the TIFIA Office reviews potential project applications from project sponsors interested in entering the TIFIA program.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an estimated .5 percent inflation increase; (4) adjustments in Worker's Compensation and Working Capital Fund charges; and (5) a reduction in travel. The request funds an estimated 57 FTEs and associated costs. Included in the request is a program increase of \$2.3 million for the Credit Oversight Office. The growth of the DOT credit programs in both volume and complexity requires a coordinated effort by the Department to maintain the proper oversight and review of credit transactions. The heightened awareness of federal lending in the public domain further justifies the need for the Department to ensure that proper financial

analysis, due diligence and credit monitoring are taking place in each of the DOT credit programs. The request also includes a \$340 thousand to improve processes and internal controls to support the ever-increasing and increasingly complex budget and financial workload.

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

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$10,538	48.15
Increase of .612 percent enacted in P.L. 112-175	\$64	
FY 2013 CR Annualized	\$10,602	52
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$62	
GSA Rent	\$0	
Working Capital Fund Changes	\$6	
Inflation	\$10	
FY 2013 Adjusted Base	\$10,681	52
<u>FY 2014 Program Changes (+/-):</u>		
Reduction in Travel	-\$5	
Program Increase:		
Contract support to improve processes and internal controls and to meet ever-increasing, increasingly complex budget and financial workload.	\$350	
Total, FY 2014 Request	\$11,026	52

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$0	0.00
Increase of .612 percent enacted in P.L. 112-175	\$0	
FY 2013 CR Annualized	\$0	0
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$0	
GSA Rent	\$0	
Working Capital Fund Changes	\$0	
Inflation	\$0	
FY 2013 Adjusted Base	\$0	0
<u>FY 2014 Program Changes (+/-):</u>	\$2,300	5
Total, FY 2014 Request	\$2,300	5

OFFICE OF THE SECRETARY OF TRANSPORTATION**SALARIES AND EXPENSES***Office of the General Counsel - C***What Is The Request and What Will We Get For the Funds?**

(\$000)				
ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$16,922	\$17,407	\$18,043	\$1,120
Travel	\$372	\$394	\$384	\$12
Other Costs	\$2,221	\$1,833	\$2,077	-\$143
TOTAL	\$19,515	\$19,634	\$20,504	\$989

STAFFING

Direct Positions	113	113	120	7
Direct FTEs	105.45	109	112	7
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Office of the General Counsel is requesting \$20.504 million and an estimated 112 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow. This includes \$.502 million and an estimated 3 FTEs for enhanced aviation enforcement and consumer protection activities resulting from new requirements pursuant to the FAA Modernization and Reform Act.

Detailed Justification for the Office of the General Counsel

What is this Program/Activity?

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

The Office of the General Counsel is comprised of seven offices (and the Center for Alternate Dispute Resolution) to carry out these functions: (1) the Office of General Law, (2) the Office of International Law, (3) the Office of Litigation, (4) the Office of Legislation, (5) the Office of Regulation and Enforcement, (6) the Office of Operations, and (7) the Office of Aviation Enforcement and Proceedings.

The **Office of General Law** provides legal advice, counsel, and representation that reflects a problem-solving approach to achieving national transportation policy goals and the efficient operations of DOT in the following areas: appropriations, fiscal law and financial management; acquisitions, acquisition planning, and financial assistance; innovative financing; real property, facilities, and asset management; information technology investment and management, and capital planning; employee ethical conduct, conflicts of interest, and political activities; equal employment opportunity and other civil rights matters; and Federal personnel and employment. The legal questions that arise in these areas are often complex and involve issues of first impression. The Office provides legal sufficiency reviews on over 100 acquisition related documents every year. The Office also provides legal sufficiency reviews on over 30 loan actions every year and over 100 financial assistance documents every year. The Office oversees the ethics programs across DOT and reviews over 125 public financial disclosure statements and over 200 confidential financial disclosure statements to provide assurance that reporting individuals are in compliance with applicable ethics laws and regulations, as well as providing an annual ethics training program to over 325 reporting individuals.

Anticipated FY 2013 Accomplishments:

- Continue to ensure that every Federal dollar is well spent and that program operations and processes are efficient and streamlined, by providing legal advice and representation on financial, budget, and contractual matters including the headquarters building, Working Capital Fund (WCF) operations, OST major acquisitions, Office of Small and Disadvantaged Business Utilization's (OSDBU) loan guarantee program, innovative surface transportation financing programs, such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) and the Railroad Rehabilitation and Improvement Financing (RRIF) program, DOT's \$15 billion Private Activity Bond Program, and DOT's Investment Review Board overseeing over \$3 billion in information technology investments.
- Continue to promote an ethical workplace by providing ethics training, counseling, and financial disclosure programs, for approximately 1,000 employees (including Working Capital Fund) in

OST. Continue to oversee the ethics programs of ten DOT OAs including their ethics training, counseling, and financial disclosure programs and implementing program enhancements in response to a program review by the Office of Government Ethics.

- Continue to sustain a work environment free from discrimination, by providing on-going legal advice to the Departmental Office of Civil Rights (DOCR) and other DOT offices, and assist DOT in being an employer of choice by providing advice, counsel, and representation on a variety of personnel matters.
- Continue to oversee DOT's response to Office of Special Counsel whistleblower disclosure referrals of violations of law, rule, or regulation; gross mismanagement; a gross waste of funds; an abuse of authority; or a substantial and specific danger to public health or safety.
- Continue to advise on Open Government initiatives including challenges and competitions, web policy, and social media policy.

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

Anticipated FY 2013 Accomplishments:

- Process over 300 international work items, including safety, security, science and technology agreements, administrative adjudication of requests for antitrust immunity, and approximately 20 rounds of international negotiations.
- Provide legal advice to other DOT Offices and review and write over 50 international documents and agreements. This Office's input often results in an innovative legal solution that helps lead to a negotiation's closure; it also ensures efficient and judicious completion of 200 administrative matters. This Office's work on international agreements helps to remove distortions in international markets and achieve more liberal economic regimes, which benefits consumers, industry, and labor.

The **Office of Litigation** provides legal advice and support in defense of DOT's programs when they are challenged in judicial proceedings. In any given year, DOT and its Operating Administrations (OAs) are parties in over 100 new cases challenging DOT's decisions, regulations, orders and policies. The Office seeks to achieve successful results in each of these matters, and those efforts are critical to achieving the strategic goal of Organizational Excellence. These matters include cases challenging the decisions of the Secretary, cases of particular importance to the Secretary involving the OAs, bankruptcy cases, and cases involving cross-modal issues. Additionally, all Supreme Court cases are handled directly by the Office. The Office further supports and facilitates DOT's program goals by supervising the preparation of all regulatory filings and participating on behalf of DOT in proceedings in which DOT has an interest before various independent regulatory agencies. Approximately 15 to 20 such filings are prepared in any given year, and the Office participates in 2 to 4 hearings before such agencies per year.

Anticipated FY 2013 Accomplishments:

- Achieve successful outcome in numerous matters of importance to the Department including litigation related to the preemptive effect of the laws administered by the Department, the economic regulation of air carriers, the regulation of motor carrier safety, the defense of environmental challenges to the Department's actions, the defense of the Department's Disadvantaged Business Enterprise programs, and the recoupment of government monies under the False Claims Act and other statutes.
- Improve, in conjunction with the OCIO and the modal administrations, the Department's readiness to respond to requests for electronic documents in litigation and in Congressional and OIG investigations.

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

One of the most sensitive responsibilities of the office is the preparation, coordination and processing of Enrolled Bill Letters, in which the General Counsel or other designated political official advises OMB and the President whether an enrolled bill should be signed into law.

Anticipated FY 2013 Accomplishments:

- Implement in legislative language the FY2013 Budget Request proposals necessitating statutory changes.
- Provide Departmental and Administration-wide clearance of approximately 60 items of Congressional testimony by DOT witnesses, and follow-up transcript review and responses to Questions for the Record.
- Conduct Department-wide clearance of approximately 700 policy documents (Administration bills, testimony, views letters, reports and Statements of Administration Policy) circulated to us by the Office of Management and Budget on behalf of the White House, including approximately 60 Presidential items (Executive Orders, Memoranda, and Proclamations).
- Draft needed nomination materials, proposed legislation, amendments, views reports, testimony, and enrolled bill letters on demand.
- Undertake the preparation, clearance and transmittal to Congress of multi-year transportation legislation, such as aviation, rail, surface transportation, hazardous materials, pipeline and maritime authorizations for DOT OAs, as well as Presidential priorities.

The **Office of Regulation and Enforcement** provides legal support to achieve DOT program goals by applying statutes, Executive Orders and Presidential directives. The Office supports program offices in

their preparation of rules that will meet substantive, procedural, and Administration policy requirements. The Office's management support also includes the tracking and review of all significant DOT rulemaking documents as well as non-significant Office of the Secretary of Transportation (OST) rulemakings. In a typical year, DOT is engaged in 100-125 significant rulemaking projects. The Office is the principal liaison with OMB on rulemaking matters, and coordinates important cross-cutting substantive rules that affect multiple OAs.

Anticipated FY 2013 Accomplishments:

- Oversee the rulemaking process by engaging in 100-125 significant rulemaking projects.

The **Office of Operations** provides legal support on a broad range of operational issues related to DOT's programs and strategic objectives including: transportation security and emergency response, environmental law; information management; privacy; disclosure; economic matters related to airports and air carriers; maritime law; the Essential Air Service (EAS) program; the Small Community Air Service Development Program (SCASDP); Native American sovereignty and jurisdiction; and other issues across all modes of transportation.

The Office oversees DOT's Freedom of Information Act (FOIA) Office, which each year processes hundreds of FOIA requests that are submitted to OST and also coordinates the work of the FOIA Offices throughout DOT. Because many of the Office's practice areas involve issues affecting all modes of transportation, such as environmental law and FOIA, the Office works closely not only with clients in OST, but also with the OA's Chief Counsel Offices to support all of DOT's programs and ensure consistent legal interpretations on recurring and novel issues. The Office maintains continuous readiness to provide legal support for emergency response activities, which include regular exercises and 8-10 annual activations of the U.S. Government's Emergency Support Function No. 1 (Transportation), led by DOT. The Office reviews a steady stream of environmental documents, proposed EAS Orders, SCASDP grants, airport competition plans, Privacy Impact Assessments, security-related directives, and other documents.

Anticipated FY 2013 Accomplishments:

- Counsel clients on a number of high-priority items for DOT, including (a) environmental matters, such as project reviews, coordination of DOT's environmental work to speed project delivery, climate change adaptation and mitigation, sustainability, and environmental justice; (b) security/emergency response activities, such as the 2013 Eagle Horizon and National Level Exercises, DOT emergency response operations, and implementation of the Transportation Priorities and Allocations System; and (c) reviews of a number of applications for airport privatization under the Airport Privatization Pilot Program.
- Continue to implement a 10% reduction in DOT's FOIA backlog, pursuant to the President's direction to Federal agencies.
- Continue to address major privacy and information sharing concerns related to anti-terrorist and cyber-security programs.
- Continue to advise on airport economic issues, including airport competition plans, alleged airport revenue diversion, and airport rates and charges.

The **Office of Aviation Enforcement and Proceedings (AEP)** functions in four general areas that support DOT's strategic goals of economic competitiveness by: (1) enforcing air travel consumer

protection and civil rights requirements and aviation economic licensing rules; (2) providing legal guidance to DOT program offices, including review of air carrier fitness decisions; (3) serving as Public Counsel in hearing cases involving fitness and international carrier selection proceedings; and (4) prosecuting cases conducted under the Program Fraud Civil Remedies Act to obtain penalties for false statements or false claims made to OST.

Of major importance is AEP's work to enforce DOT's rules regarding: the civil rights of air travelers with disabilities and other protected groups; air fare advertising; on-time performance and code share disclosure; unrealistic scheduling; denied boarding compensation; tarmac delays; ticket refunds; baggage liability; public charters; and aviation economic licensing requirements for both direct and indirect, foreign and domestic air carriers. Also of particular importance is AEP's support of DOT's domestic air carrier economic licensing program by providing extensive legal review of air carrier fitness decisions. In addition, the Aviation Consumer Protection Division (ACPD), which is an office within AEP, plays an important role in assisting, educating, and protecting aviation consumers. ACPD undertakes a wide variety of tasks, such as handling consumer complaints about air travel (8,000-20,000 per year), responding to Congressional inquiries regarding constituent travel problems (400-700 per year) and conducting investigations of airlines for violations of DOT rules. ACPD also publishes the monthly *Air Travel Consumer Report* (ATCR), which summarizes data on flight delays, mishandled baggage, denied boardings, and passenger complaints. It is in a format that is useful to both consumers when making their transportation decisions and carriers when advertising their service. Together, AEP's enforcement activities and support of DOT program offices contribute to a competitive air transportation system that is responsive to consumer needs, thereby enhancing the economic competitiveness of our nation as a whole. AEP's work protecting the civil rights of travelers with disabilities improves their access to the air transportation system.

Performance Measures:

The performance of the AEP's work will be evaluated against the following measures as listed in Exhibit III-2:

Economic Competitiveness

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

Anticipated FY 2013 Accomplishments:

- Continue to review each of the thousands of aviation consumer complaints received by the Department during FY 2013.
- Maintain a median investigation time for civil rights complaints (disability and other discrimination) during FY 2013 of 180 days.
- Handle between 150 and 250 items involving carrier economic authority received by the Department during FY 2013, including ensuring that those matters involving new entrant and currently operating carriers meet requisite standards for obtaining or retaining economic authority.
- Continue to improve the air travel environment for persons with disabilities by issuing regulations that contain standards for improving access to facilities and services, and issuing guidance on existing requirements; for example, those associated with DOT's new disability

regulations applicable to wheelchair seat-strapping, the use of airport kiosks, accessible airline websites, and service animals.

- Continue rulemaking actions as a supplement to and improvement upon the comprehensive consumer protection rulemakings that were completed in FY 2010 through FY 2012.
- Conduct investigations to ensure that consumers are properly cared for during extended tarmac delays.
- Conduct on-site and other investigations of U.S. and foreign air carriers regarding compliance with consumer protection requirements, including those instituted as part of comprehensive consumer protection rulemakings completed in FY 2010 through FY 2012 that cover, among other things, deceptive advertising, denied boarding compensation, baggage and optional fee disclosure, consumer complaint handling, and unrealistic and deceptive scheduling.

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

Anticipated FY 2013 Accomplishments:

- Provide conflict management-related training skills training to nearly 200 DOT employees through 10 specialized training courses in several DOT operating administrations, and 5 open-enrollment courses.
- Provide conflict coaching and mediation of 23 two-party cases and two large group cases.

Why Is This Particular Program Necessary?

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

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

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

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; (4) adjustments in GSA Rent, Worker's compensation, and Working Capital Fund charges as well as an estimated 112 FTEs and associated costs and (5) a travel decrease.

The FY 2014 budget request includes \$502 thousand to fund 3 FTEs associated with 7 new positions to conduct additional significant consumer protection work required by the FAA Modernization and Reform Act. This work includes: (1) amending the Department's smoking rules to prohibit smoking on certain charter flights; (2) promulgating rules regarding transport of musical instruments; (3) participating as needed in the required DOT Inspector General study of flight delays, cancellations and their associated causes and impacts; (4) participating as needed in the required GAO study on delayed baggage and the appropriateness of minimum compensation standards when baggage delays occur; (5) supporting an Advisory Committee for Aviation Consumer Protection; (6) reviewing and approving tarmac delay contingency plans for new airlines and new airports every 3 and 5 years thereafter, respectively; and (7) promulgating a rulemaking addressing, among other things, airline passenger cabins sprayed with insecticides, consumer complaints, and tarmac delay plans.

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

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$17,015	91.37
Increase of .612 percent enacted in P.L. 112-175	\$104	
FY 2013 CR Annualized	\$17,119	94
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$114	
GSA Rent	\$0	
Working Capital Fund Changes	\$244	
Inflation	\$6	
FY 2013 Adjusted Base	\$17,483	94
<u>FY 2014 Program Changes (+/-):</u>		
Reduction in Travel	-\$11	
Total, FY 2014 Request	\$17,471	94

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$2,500	14.08
Increase of .612 percent enacted in P.L. 112-175	\$15	
FY 2013 CR Annualized	\$2,515	15
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$12	
GSA Rent	\$0	
Working Capital Fund Changes	\$0	
Inflation	\$3	
FY 2013 Adjusted Base	\$2,531	15
<u>FY 2014 Base Offsets (+/-):</u>		
Funds in the amount of \$502 thousand are necessary to conduct additional consumer protection work required by the FAA Modernization and Reform Act. These are 8 positions funded at half a year.	\$502	3
Total, FY 2014 Request	\$3,033	18

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

*Office of the Assistant Secretary for Governmental Affairs - (I)*What Is The Request and What Will We Get For the Funds?

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$2,229	\$2,276	\$2,295	\$66
Travel	\$100	\$63	\$64	-\$36
Other Costs	\$171	\$176	\$269	\$98
TOTAL	<u>\$2,500</u>	<u>\$2,515</u>	<u>\$2,627</u>	<u>\$127</u>

STAFFING

Direct Positions	24	18	18	-6
Direct FTEs	15.20	17	17	2
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Office of Governmental Affairs is requesting \$2.627 million and an estimated 17 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow.

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

What Is This Program/Activity?

The Office of Governmental Affairs supports the **Organizational Excellence** strategic goal by serving as the primary point of contact for Congressional offices, as well as other state and locally elected officials. This office works with other offices within the Department to ensure that Congressional mandates are fully implemented by the Department.

The Office of Governmental Affairs works with the White House, other Federal agencies, and Congress in order to fulfill the Secretary's and Administration's legislative priorities. This includes, among other things, working with Congress on Departmental priorities within the annual appropriations bills and continuing to work on significant legislative reauthorization bills, such as the Surface Transportation Reauthorization bill and the Federal Aviation Administration reauthorization bill. In addition, the office works with the modal administrations to coordinate Congressional outreach activities related to Secretarial initiatives and programs.

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

The Office of Governmental Affairs will work to attain Organizational Excellence by developing a diverse and collaborative workforce that will enable the Department to advance a transportation system that serves the Nation's long-term social, economic, security, and environmental needs.

Why Is This Particular Program/Activity Necessary?

The Office of Governmental Affairs acts as the liaison between the Department of Transportation and Congress and State, local, and tribal governmental entities.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's compensation, and Working Capital Fund charges as well as an estimated 17 FTEs and associated costs. The Office of Governmental Affairs requests a program increase of \$88 thousand in contract funds in FY 2014 to support a Federal security compliance mandate enacted by the Federal Information Security Management Act of 2002 (FISMA). This law requires that system security assessment and authorization activities be executed yearly on an information system that supports organizational mission /business functions across the Federal Government. In order to continue to meet this requirement, upgraded hardware and security assessment and authorization activities

are needed to ensure secure mission system support to the Office of Governmental Affairs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$2,500	15.20
Increase of .612 percent enacted in P.L. 112-175	\$15	
FY 2013 CR Annualized	\$2,515	17
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$16	
GSA Rent	\$0	
Working Capital Fund Changes	\$7	
Inflation	\$1	
FY 2013 Adjusted Base	\$2,540	17
<u>FY 2014 Program Changes (+/-):</u>		
Contract funds are required to perform evaluations of technical and non-technical security controls for our information system and upgrading of associated hardware devices.	\$88	
Total, FY 2014 Request	\$2,627	17

OFFICE OF THE SECRETARY OF TRANSPORTATION**SALARIES AND EXPENSES***Office of the Assistant Secretary for Administration - (M)***What Is The Request and What Will We Get For the Funds?**

(\$000)

<u>ITEM</u>	<u>FY 2012 Actual</u>	<u>FY 2013 CR Annualized</u>	<u>FY 2014 Request</u>	<u>Difference from FY 2012 to FY 2014</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$7,865	\$7,583	\$7,951	\$86
Travel	\$25	\$25	\$17	-\$8
Other Costs	\$17,579	\$18,017	\$19,500	\$1,921
TOTAL	<u>\$25,469</u>	<u>\$25,625</u>	<u>\$27,468</u>	<u>\$1,999</u>

STAFFING

Direct Positions	66	59	59	-7
Direct FTEs	48.69	50	52	3
Reimbursable Positions	10	9	9	-1
Reimbursable FTEs	10.30	8	8	-2

The Office of the Assistant Secretary for Administration is requesting \$27.468 million and an estimated 52 FTEs in FY 2014 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Office of the Assistant Secretary for Administration

What Is This Program/Activity?

The Office of the Assistant Secretary for Administration's Salaries and Expense appropriation supports the **Environmental Sustainability** and **Organizational Excellence** Departmental Strategic goals.

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

As the Chief Acquisition Officer for DOT, OASA formulates departmental policy, controls, and standards to ensure that procurement and financial assistance programs are in accord with applicable laws, regulations, and best business practices. Under the authority delegated by the Secretary, the Assistant Secretary carries out the responsibilities of the Competitive Sourcing Officer as specified in OMB Circular A-76, Performance of Commercial Activities.

The Assistant Secretary is also the senior security executive for the department and provides leadership and direction to departmental organizations to ensure the safety, security, and protection of DOT personnel, information, facilities, and other assets. Through the Office of Security, policies and procedures are issued and oversight reviews are performed to maintain an effective program of coordinators in each of the Operating Administrations (OAs) and Secretarial offices.

The OASA leads the Department's implementation of Executive Orders (EO) 13514, 13423 and the Department's comprehensive Strategic Sustainability Performance Plan (SSPP). The SSPP, which began in FY 2010, is a 10-year strategy for achieving a range of goals focusing on integrating sustainability with the agency missions while minimizing implementation costs. A significant ramping up of supporting activities is necessary to meet the long-term goals in the SSPP.

As the Department's Chief Human Capital Officer (CHCO), the OASA is responsible for implementation of the DOT hiring reform initiative to maintain the DOT hiring process of 90 days in FY 2014. DOT will continue to focus on three key objectives to further reform the hiring process: (1) a vigorous Government-wide recruiting effort that makes it easier to apply for DOT jobs while also raising the bar on candidate quality; (2) giving managers and supervisors a greater leadership role in recruiting and selecting candidates with support from the agency human resources offices; and (3) monitoring agency efforts to improve the speed and quality of hiring and the satisfaction of managers and applicants with the hiring experience.

FY 2013 Anticipated Accomplishments

The Sustainability Office is expected to complete the following accomplishments in fiscal year 2013:

- Using the *Greenhouse Gas and Sustainability Data Report* template developed by the Department of Energy, the Department will submit its Greenhouse Gas (GHG) inventory to the Department of Energy for review and comment. Additionally, the information within the Department's GHG inventory will be used to measure performance in meeting the reduction requirements of EO 13514 on the OMB Sustainability/Energy Scorecard.
- The information within the Department's SSPP will be used to measure its performance in meeting the energy, renewable energy, water, solid waste, acquisition, electronic stewardship, and building improvement requirements of EO 13514.
- The Department will revise and update its Sustainability/Energy Scorecard which includes seven performance measures for meeting the requirements of EO 13514. The scorecard is evaluated by OMB and represents the Department's official measure of environmental and sustainability performance.
- OST will provide ongoing technical support and guidance to each of the 10 Operating Administrations within the Department whose leadership routinely meets with the Deputy Secretary to provide updates on their environmental and sustainability activities. This process has created a culture of accountability at the highest level of the organization and has significantly increased sustainability awareness of employees.
- OST will update the Department's Energy, High Performance Sustainable Buildings, Performance-based Contracts, Water, and Fleet Management policies to ensure each meet the latest regulatory and legislative requirements. Additionally, OST will create guidance manual(s) for each of the Department's field offices for implementing the above referenced policies.
- OST will update the Department's Superfund Amendments and Reauthorization Act (SARA) report which provides the status of each of DOT's contaminated sites and the status of their remediation (assessing the remediation required, ongoing remediation, or remediation completed). This action is required under Section 120(a) of the Act and must be signed by the Secretary before being transmitted to Congress and the Governors of the states that contain DOT's SARA sites.
- OST will complete a Department-wide survey of its employees' commuting habits. The data gathered from the survey is an integral piece of the Department's comprehensive greenhouse gas inventory.

The Departmental Office of Human Resource Management's focus will be on acquisition human capital initiatives and closing competency gaps in the Department's mission critical occupations and improving hiring times through use of electronic systems and efficient use of human resources. In addition, training will continue on the OA's use of the Civilian Forecasting System, which provides forward-looking analytical data and seven-year projections based on five years of historical data. The forecasting tool includes personnel target data, projections for accession requirements and separations (by type), and optimizes to target levels. As a workforce-planning tool, the OAs can determine projected vacancies by occupation, grade, organizational unit, and geographic location. The office will maintain and institutionalize

ongoing Human Capital programs while integrating Human Capital practices, technologies, and programs to contribute to organizational mission accomplishment. It also will continue to play a key role in addressing issues identified in the Annual Employee Viewpoint Survey to strengthen employee engagement throughout DOT.

In addition to hiring reforms, the Departmental Office of Human Resources will update the DOT succession plan for mission critical occupations and expand the roles and responsibilities of the DOT Labor-Management Forum. Having already established the foundation for collaborative labor/management relationships, the DOT Labor-Management Forum will address cross-cutting Departmental issues and provide the leadership to the OA labor/management forums to achieve mission-linked improvement goals; oversee the development of OA action plans resulting from the labor relations climate survey; and monitor improvements in relationships, productivity and other areas of importance. Specific targeted accomplishments include:

- Maintain DOT's hiring process reforms at the 90-day time-to-hire target.
- Standardize hiring packages for mission critical occupations that will allow hiring managers to select already developed position descriptions, job announcements and questionnaires.
- Create a performance culture where DOT's Operating Administrations have performance appraisal and awards systems which are linked to agency mission, goals and outcomes and where fairness and equity is the perception of employees; train human resource personnel on workforce and succession planning to analyze demographic data and forecast future trends and needs that improve the linkage between the corporate recruitment program and projected workforce needs; and strengthen the Department's workers compensation program by adopting cost avoidance measures.
- Continue to provide policy leadership to the Office of the Secretary and departmental elements on laws, regulations, government wide policies, and executive direction related to achieving efficiencies in resource utilization and ensuring full compliance with legal and regulatory requirements.
- Continue to support efficient, cost-effective, standardized and interoperable HR solutions to provide common, core functionality to support the strategic management of human capital in addressing duplicative and redundant HR systems and processes.

The Office of the Senior Procurement Executive will continue to provide expert advice and direction to the OAs, ensuring that taxpayer dollars achieve the performance outcomes required to accomplish DOT's mission while emphasizing performance, integrity and public policy requirements. Specifically, the OSPE will:

- Initiate an update of the Department's Transportation Acquisition Regulations and Transportation Acquisition Manual. The effort includes a comprehensive review and update of foundational acquisition policy documents to reflect Government and Department-wide changes in acquisition programs, policies, and procedures. The updates will strengthen Departmental guidance in the areas of acquisition planning and management and oversight of high risk contracts. The updated guidance, when complete, will support improved acquisition program stewardship and effectiveness.
- Initiate and complete a review and validation of the data supporting the Department's Acquisition Workforce Certification programs. This effort includes a Department-wide

deployment of an on-line acquisition workforce certification program through the adoption of the Federal Acquisition Institute Training System (FAITAS).

- Initiate Phase Two of the Strategic Sourcing Charter approved by the SPE and Deputy Secretary of DOT. Phase Two, when complete, will incorporate Management Support Services, Furniture, Cellular Services, and Software/Maintenance into the Departmental strategic sourcing plan.
- Participate in planning for and review of acquisition assessments conducted under OMB Circular A-123 for three operating administrations.

Following U.S. Government requirements, the Office of Security will continue the initiative begun in FY 2011 to transition from using the phrase “FOR OFFICIAL USE ONLY (FOUO)” to the phrase “CONTROLLED UNCLASSIFIED INFORMATION (CUI)” to identify sensitive but unclassified information, as directed by Executive Order 13556. Requirements for the investigation and adjudication of Federal employees and contractors are also being reviewed and changed at the national level -- the Office of Security will participate in national discussions and draft a new personnel security order once new Federal guidance is promulgated. The Interagency Security Committee (ISC) has issued new guidance for the protection of Federal facilities -- the Office of Security will publish new physical security directives to incorporate the ISC guidance as a continuation of the initiative conducted throughout FY 2012 and FY 2013. The Office of Security will also:

- Continue to review aging DOT security orders and update them as necessary.
- Provide support to DOT components on establishing both permanent and temporary Sensitive Compartmented Information Facilities (SCIFs).
- Provide support to DOT components on establishing secure facilities and interpreting standards for the processing, discussion and storage of classified national security information.
- Represent the Department at meetings on interagency committees and working groups that develop national policy and procedures for security programs.

Why Is This Particular Program Necessary?

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

In addition, the OSPE serves as the Executive Secretariat for the Strategic Sourcing Executive Steering Committee within the department. This on-going function includes efforts to charter, staff, and oversee cross-agency spend analysis teams; comparing and analyzing (\$5.6 billion in FY 2011) baseline outlays. The Executive Steering Committee analyzes data, evaluates the results, and implements strategic sourcing solutions in areas that generate Department-wide savings. DOT will be continuing a strong focus on strengthening the acquisition workforce consistent with the agency acquisition human capital plan, to include increasing capabilities to improve acquisition management and performance outcomes.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's Compensation, and Working Capital Fund charges. The FY 2014 request will also fund an estimated 52 FTEs and associated costs. A more detailed breakdown of this request can be found in the Object Class by Office exhibit.

This request also includes a \$306 thousand program increase for 2 additional FTEs associated with previously authorized FTP positions in the Departmental Office of the Senior Procurement Executive and a \$1.675 million program increase as follows:

Contract support in the amount of \$150 thousand is requested to implement the Diversity and Inclusion Strategic Plan in accordance with Executive Order (E.O.)13583. Diversity and Inclusion training and development will equip leaders and employees to be viewed as diversity role models not only in their active involvement in diversity initiatives but also in their daily on-the-job behavior. DOT's Diversity Strategic Plan commits the Department to developing a Diversity Training program. The training will include modules, reading materials, and online training.

A new on-boarding program will also be implemented to meet the "Workplace Inclusion" goal as noted in Executive Order 13583. The program will include information about training and development, Wellness Programs, and reasonable accommodations for employees with disabilities. The focus will be to share and create new knowledge to advance a domain of professional practices.

Contract support in the amount of \$901 thousand is requested to complete Phase II of the DOT Strategic Sourcing Plan, implement Acquisition Program Management Reviews (PMR), and provide acquisition training for acquisition professionals. This request is to fund Support Services necessary to conduct complex strategic sourcing spend analysis efforts across ten Operating Administrations within the Department of Transportation – resulting in significant savings opportunities.

The Department has launched a formal agency-wide strategic sourcing effort to critically analyze current spending and develop more effective and efficient future buying strategies, through cross-agency collaboration. Significant savings opportunities (estimated between \$9M to \$15M)

have been identified in areas such as engineering services, program management support services, administrative services, and custodial services. The OSPE will complete Phase Two of the Strategic Sourcing Charter approved by the SPE and Deputy Secretary of DOT. Phase Two will incorporate Management Support Services, Furniture, Cellular Services, and Software/Maintenance into the Departmental strategic sourcing plan.

Efforts to fully pursue these savings and engage the full range of Departmental stakeholders requires an extensive spend analysis effort through a process of aggregating, classifying, and leveraging spend data for the purpose of cost reduction, performance improvement, and greater compliance

The request will also provide contract support to conduct procurement management reviews (PMR). The purpose of the PMR is to review OA policies and procedures to ensure harmony with both Federal and Departmental policies. The outcome of the PMR will identify strengths and opportunities for improvement at the OA level. A PMR program will enable OSPE to systematically assess the effectiveness of the Department's acquisition program in terms of compliance with Federal and Departmental acquisition programs and policies, support the evaluation of the Department's acquisition program's risk management strategies, and the identification best practices that can be shared among the operating administrations. The PMR program will also support the identification of acquisition workforce training needs and opportunities for improved program guidance, and will improve the overall effectiveness and efficiency of the Department's acquisition program delivery.

The request will also provide the necessary funding to provide acquisition training for over 200 acquisition professionals in week-long training sessions on the proper administration of performance based acquisitions. An in-house training program for performance based acquisitions will also be developed as funding permits.

Contract support in the amount of \$579 thousand is requested to help the Department meet executive order and legislative energy, environmental and sustainability requirements. Existing legislative and Executive Order energy, environmental and sustainability requirements are complex and require policy, guidance manuals, and implementation support. Original and updated policies are needed by the Department, on an annual basis to keep up with new and changing sustainability requirements. Policy implementation and program development will support realization of environmental sustainability requirements and goals.

By developing and utilizing uniform and comprehensive data collection and measurement methods, DOT is identifying methods for reducing energy and water consumption, as well as better waste management. The Department will continue to utilize appropriated funds or performance-based contracts for building portfolio upgrades and modernizations, achieving both a return on investment and improved building assets value. With this program, the Department will achieve significant return on investment, when no capital improvement budget is available, by utilizing energy savings performance contracts (ESPCs) as authorized and encouraged in statute. These efforts also support the Administrative Efficiencies EO.

Executive Order 13423 and 13514 require detailed data collection to support the development of a comprehensive, Department-level Greenhouse Gas Inventory. Contract support to deploy and analyze an annual commuter choice survey which directly feeds into calculating Scope 3

greenhouse gas values and technical support to assemble the full inventory including new annual requirements is critical to meeting these requirements.

Moreover, the Sustainability Office will develop a culture of sustainability by providing training and outreach activities that promote sustainability goals such as sustainable acquisition and bio-preferred purchasing, reducing waste, recycling, using technology alternatives in place of travel, etc.

A critical element of sustainability is Safety Management and Policy. As such, the Safety Program Office will update as well as develop new Occupational Safety and Health Policies/DOT Orders. Additionally, each of the safety policies will need to be consolidated into an OSH Manual where new orders can be added and revised as necessary. Finally, this manual will be posted on DOTnet and Sharepoint for easy access by all DOT personnel.

Finally, the OST Sustainability office will continue to work with the operating administrations to further progress in achieving sustainable buildings, energy and water conservation, exploring use of renewable energy and move forward on meeting the greenhouse gas emissions requirements in the EO 13514 and the SSPP. This includes achieving the following in 2014:

- 27 of the 30 percent reduction target in DOT building energy intensity use.
- 16 of the 30 percent reduction target in vehicle fleet petroleum use.
- 14 of the 26 percent improvement target in water efficiency.
- 40 of the 50 percent recycling and waste diversion target.
- 7 of the 12.3 percent reduction target in greenhouse gas emissions from facilities and fleets.
- 5 of the 10.9 percent reduction target in greenhouse gas emissions from employee business travel and commuting.
- 95% of sampled contracts will meet sustainable acquisition goals.

Contract support in the amount of \$44.7 thousand is requested to support the increases in centrally funded services. Security background investigations, administrative law judge services, and USA Jobs advertisements are centrally funded for OST within the OASA.

FY 2014 Oversight and Policy

\$ 8.921 million

Departmental Office of Human Resource Management:

In FY 2014, the Office of Human Resource Management will Focus on strengthening and promoting work/life strategies to attract and retain talent to include increasing participation in telework and alternative work schedules. The results of the Employee Viewpoint Survey will be used to develop action plans to strengthen employee engagement. A 90-day time-to-hire target will be maintained while improving the quality of hires through outreach, targeted recruitment and the involvement of hiring managers in conjunction with DOT's Diversity and Inclusion Plan. Workforce planning will be integrated with barrier analysis to ensure improved recruitment and retention of a highly skilled workforce in support of DOT's national transportation objectives.

The DOT Labor-Management Forum will continue to address cross-cutting Departmental issues and provide the leadership to the OA labor/management forums to work collaboratively to create positive working conditions where our current and potential employees consider DOT the *Best Place to Work* in the Federal government; to work to improve employee satisfaction, reduce turnover, and attract a high-performance workforce; and to monitor improvements in relationships, productivity and other areas of importance through collaborative methods.

Performance Measure:

Performance metrics will be evaluated against the following measures:

- Maintain DOT's established hiring target of 90 days or less;
- Exceed the Government-wide 2-year new hire retention rate;
- Improve manager satisfaction scores of the hiring process; and
- Increase Employee Viewpoint Survey scores by 5% in leadership and Performance Culture over 2012 scores.

Departmental Office of the Senior Procurement Executive

In FY 2014, the OSPE will provide expert advice and direction to OAs to ensure taxpayer dollars achieve the performance outcomes required to accomplish DOT's mission. The focus will be on key areas to include requirements and funding for: contractor support costs to collect data and provide training to the workforce; business process reengineering; organizational development; and innovative acquisition approaches that benefit the Department's acquisition workforce efforts. This request includes \$306 thousand for FTE support in these areas. The OSPE is responsible for ensuring a balanced approach to managing DOT's business processes which emphasizes performance, integrity and public policy requirements. In addition, after a decade of reforms which encouraged the acquisition community to be creative, both the Government Accountability Office and the DOT Office of the Inspector General (IG) are more focused on acquisition oversight than ever before. This is evident in the Office of Federal Procurement Policy's (OFPP's) mandate for each agency to perform an assessment of the acquisition function, the IG's focus on the need to improve acquisition and contracting in their *Top Ten Management Challenges* and the many on-going audit engagements in the Department that focus on acquisition and grants management (e.g., oversight of cost type contracts, use of award fee contracts, use of DCAA audit services). These mandates have required increased due diligence by agency Chief Acquisition Officers. In particular, the OSPE will:

- Implement risk management strategies throughout the Department.
- Broaden the development of enhanced capabilities to collect, review and analyze procurement and grant data.
- Continue to develop and implement OMB initiatives such as performance based acquisition, enhanced competition, and improve internal controls through evaluation of agency acquisitions functions using the GAO framework.
- Improve departmental acquisition processes and performance outcomes on DOT's major acquisition programs.
- Strengthen audit oversight and tracking to ensure audits (pre award, cost incurred and close-out) are being obtained when needed, that a departmental audit plan is negotiated

with the OA's annually, and that responses to audit findings are prepared in a timely manner.

- Further the development of work with the OAs to establish enterprise-wide contracts based on current spend analyses. Contractor support will work with commodity councils to ensure the success of DOT Strategic Sourcing Program.

Office of Security:

Office of Security Policy will continue to participate in the national Controlled Unclassified Information (CUI) Working Group meetings chaired by the National Archives, to draft national policy regarding the administration of CUI. In conjunction with this effort, the Office of Security will continue chairing a Department-wide CUI Working Group to ensure that the issues of all DOT modal administrations are considered for the national policy. If national guidance is promulgated before or during FY 2014, the Office of Security will lead policy development for the Department (which may continue through FY 2015); publish an order and manual; develop and implement an educational program for the entire DOT population including all employees and contractors; provide guidance to modify information technology (IT) systems; and implement a DOT-wide self-inspection program.

National level working groups are evaluating the types of investigations and the varying adjudication standards among the Federal agencies that are used to screen potential government and contractors for positions of varying degrees of trust, including classified national security positions. The goal is to achieve standard requirements and investigations throughout the Government. We expect that national working groups will have completed their work by FY 2014 so that the Office of Security may begin to adjust Departmental standards and publish a new DOT order on personnel security.

Also in FY 2014, the Office of Security will publish and implement a Department-wide physical security program based upon a new DOT Order 1600.26B drafted and staffed in FY 2013. The program will implement the standards issued by the Interagency Security Committee (ISC) in FY 2012, and will incorporate any additional standards published by the ISC in the interim. The new order will apply to all DOT administrative facilities, exclusive of FAA. The Office of Security will work closely with designated officials from each DOT component to identify and comply with new requirements of the order. Additionally, the Office of Security will provide Department-wide technical assistance and support; and provide outreach and oversight for our Operating Administrations' physical security programs.

The Office of Security will continue its effort to revise and reissue outdated security orders and memoranda. Among the directives to be updated in FY 2014 are:

- A new order on Classified Information Spillage based upon the Committee on National Security Systems (CNSS) Policy Number 18, National Policy on Classified Information Spillage. The Office of Security will work with the CIO, S-60, FAA and MARAD to develop the order.
- A new Technical Surveillance Countermeasures order (DOT Order 1650.1A) that is being developed in FY 2013 to implement the new national Intelligence Community Directives.

Additionally, the Office of Security will represent the Department at numerous meetings on interagency policy led by the National Security Agency, National Archives, the Central Intelligence Agency, Department of State, General Services Administration and others tasked with developing national security program policies and procedures. Examples include the Overseas Security Policy Board, the Interagency Security Committee, the Suitability and Security Clearance Performance Accountability Council, the External Referral Working Group, the Interagency Committee on Security Equipment, and the Classified Management Working Group, as well as subcommittees and working groups of these ongoing committees.

Continue to provide annual security education and training for all DOT employees who are granted access to Classified National Security Information (CNSI). Training will commence in June of each calendar year for approximately 1,000 cleared employees (excluding FAA), to include Derivative Classifiers, and for DOT officials who have Original Classification Authority. Training throughout DOT is projected to be completed within 120 days of commencement.

FY 2014 Environmental Sustainability

\$1.404 million

On October 5, 2009, President Obama signed EO 13514 titled, “Federal Leadership in Environment, Energy and Economic Performance”. EO 13514 dramatically expanded the sustainability obligations of all federal agencies which can only be achieved through significant investments. This EO establishes the policy of the United States for all Federal agencies in many areas including the following:

- Reduce petroleum consumption and increase use of alternative fuels and vehicles.
- Design, construct, maintain, and operate high performance sustainable buildings in sustainable locations.
- Increase energy efficiency.
- Measure, report and reduce greenhouse gas emissions from direct and indirect activities.
- Conserve and protect water resources through efficiency, reuse, and storm water management.
- Eliminate waste, recycle, and prevent pollution.
- Leverage agency acquisitions to foster markets for sustainable technologies and environmentally preferable materials, products, and services.

Not only are these Sustainability programs specified by the EO, but many of these requirements related to areas such as energy, greenhouse gases, fleet, Environmental Management Systems, and water are also specified by law under the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007. DOT is committed to meet these mandated goals under these environmental laws and executive orders but requires significant resources to do so.

It is important to note that these funds enable the prioritization and pursuit of sustainability initiatives with a return on investment. Specifically, for FY 2014, we will focus the requested resources on implementing the following eleven initiatives:

- Sustainable buildings Performance-based contracting support
- Annual Commuter Choice Survey and Analysis

- Waste Management and Data Collection
- Sustainability and Environmental External Web Development and Outreach
- High Performance Sustainable Buildings Site Visits and participation in White House-sponsored Green Gov Symposium
- Annual Greenhouse Gas Inventory Data Collection and Quality Control
- Require Annual Sustainable Acquisition Training
- Fleet Fuel Management and Tracking
- Sustainability Policy Manual Development and Dissemination
- Departmental Safety Policy Development

DOT's OASA Office of Facilities, Information, and Asset Management Office of Administration Policy (APO) is responsible for the above initiatives as well as updating and implementing the DOT Strategic Sustainability Performance Plan, as required by EO 13514. As the implementing office for EO 13514 and the statutes identified above, significant resources are required within OST and appropriately throughout the Department. APO requires internal and external support and subject matter expertise in the development, management, and oversight of the national strategic sustainability initiatives necessary for meeting the requirements of Executive Orders 13423 (now statute) and 13514, the Energy Independence and Security Act of 2007, and the Energy Policy Act of 2005.

This comprehensive and collaborative over-arching initiative requires not only the communication and cultural change efforts identified through policies and handbooks, but also in-depth technical expertise on energy, environmental, and sustainability improvement projects. The depth of technical expertise required will vary as APO accomplishes and rolls out our sustainability initiatives. Solid, predictable, and continuous resources are necessary to make progression and achieve these critical efforts.

FY 2014 Administration

\$17.143 million

OST Payment to the Working Capital Fund

Payments for centralized administrative and support services for all OST offices will total \$8.210 million in FY 2014. Technical and administrative services include building security, personnel operations, facilities management, parking management, printing and graphics, mail operation and dockets management operations, building security, utilities and building maintenance, voice, cable and wireless communications, Disability Resource Center, substance abuse awareness and testing, and procurement and acquisition services. This consolidation of services allows OST to achieve economies of scale and critical safety and health operation for OST employees.

Rental Payments to GSA

Consolidated payments for GSA rental expenses for all OST offices will total \$8.933 million in FY 2014. In addition to the rented space, OST will pay for and occupy the Southeast Federal Center headquarters building. The following table details FY 2014 rental expenses:

Section 3 – FY 2014 Budget Request by Appropriation

Rental Locations	FY 2014		
	FY 2013 Rental Payments	Rental Payments	Net Increase/Decrease
Southeast Federal Center, WDC	\$ 8,957,567	\$ 8,756,827	\$ (200,740)
San Francisco, CA	\$ 13,918	\$ 13,918	\$ -
College Park, GA	\$ -	\$ 54,000	\$ 54,000
Des Plaines, IL	\$ -	\$ 62,363	\$ 62,363
Operations and Maintenance	\$ 45,617	\$ 45,617	\$ -
Total:	\$ 9,017,102	\$ 8,932,725	\$ (84,377)

Note: College Park, GA and Des Plaines, IL are not new rental spaces. These spaces are a part of the exiting footprint that were inadvertently omitted in the FY 2013 submission.

OFFICE OF THE SECRETARY OF TRANSPORTATION

SALARIES AND EXPENSES

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

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$25,469	48.69
Increase of .612 percent enacted in P.L. 112-175	\$156	
FY 2013 CR Annualized	\$25,625	50
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	
FY 2014 Pay Raise	\$55	
GSA Rent	-\$84	
Working Capital Fund Changes	-\$155	
Inflation	\$45	
FY 2013 Adjusted Base	\$25,486	50
<u>FY 2014 Program Changes (+/-):</u>		
Reduction in Travel	-\$8	
Program Increase:		
Personnel Compensation and Benefits - 2 FTEs	\$306	2
Funds in the amount of \$150 thousand will support implementation of the Department's Diversity and Inclusion Strategic Plan as required by E.O. 13583.	\$1,675	
Funds in the amount of \$901 thousand are requested for complex strategic sourcing spend analysis efforts across ten operating administrations within DOT; to conduct performance management reviews of OA policy and procedures to ensure harmony with Federal and Departmental policies and identify strengths and opportunities to improve the effectiveness and efficiency of the Department's acquisition program delivery; and to train over 200 acquisition professionals in week-long training sessions. Funds in the amount of \$579 thousand are requested for contractor support to help the Department meet executive order and legislative energy, environmental and sustainability requirements. Funds will support development of a Greenhouse Gas Inventory and a comprehensive data collection and measurement system for energy and water consumption as well as better waste management, annual commuter choice survey, and assist in the development of an occupational health and safety management system. Also, \$45 thousand will support increases associated with security background investigations, administrative law judge services and USA Jobs announcements.		
Total, FY 2014 Request	\$27,468	52

**SALARIES AND EXPENSE APPROPRIATION
FY 2013 REQUEST
OBJECT CLASS DETAIL BY OFFICE**

(In thousands of dollars)

	OFFICE OF THE SECRETARY (S-1)	OFFICE OF THE DEP. SEC. (S-2)	UNDER SEC OF TRANSP. POLICY (S-3)	OFFICE OF THE EX SEC. (S-10)	OFFICE OF SDBU (S-40)	OFFICE OF THE RESPONSE (S-60)	OFFICE OF THE C/O (S-80)	OFFICE OF PUBLIC AFFAIRS (A)	ASSIST SEC FOR BUDGET (B)	GENERAL COUNSEL (C)	ASSIST SEC FOR GOVT AFFRS (I)	ASSIST SEC FOR ADMIN (M)	TOTAL
a. PC&B COSTS													
PERSONNEL COMP. & BENEFITS													
(1) FTP COSTS	976	371	7,211	1,204	1,039	5,851	4,229	857	6,314	13,269	1,046	5,585	47,953
(2) OTFTP COSTS	804	362	0	7	0	103	96	526	349	165	697	11	3,120
(3) OTHER COMPENSATION	5	2	99	5	30	454	56	11	200	374	16	77	1,330
SUBTOTAL COMPENSATION	1,785	735	7,310	1,216	1,069	6,408	4,381	1,394	6,863	13,808	1,759	5,673	52,402
b. PERSONNEL BENEFITS	503	209	2,015	334	278	1,834	1,083	394	1,712	3,599	517	1,910	14,387
SUBTOTAL, PC&B	2,288	944	9,325	1,550	1,347	8,242	5,464	1,788	8,576	17,407	2,276	7,583	66,789
2. TRAVEL & TRANS. OF PERS.	201	35	165	2	0	372	15	50	15	394	63	25	1,339
3. TRANSPORTATION	0	0	3	0	0	0	0	0	0	0	0	0	3
4. RENTAL PAYMENTS TO GSA	0	0	0	0	0	0	0	0	0	0	0	9,017	9,017
5. COMM., UTIL., & MISC.	0	0	65	3	0	55	1	0	0	63	0	0	187
6. PRINTING & REPRODUCTION	0	0	0	0	0	0	0	0	0	298	0	0	298
7. OTHER SERVICES	112	11	588	49	30	2,170	9,580	194	1,966	1,381	156	8,990	25,227
8. SUPPLIES & MATERIALS	33	0	20	1	0	5	10	0	45	91	20	10	235
9. EQUIPMENT	0	0	3	0	0	0	10	0	0	0	0	0	13
SUBTOTAL, OTHER COSTS	346	46	844	54	30	2,602	9,616	244	2,027	2,227	239	18,042	36,319
TOTAL	2,634	990	10,169	1,605	1,377	10,844	15,080	2,032	10,602	19,634	2,515	25,625	103,108

STAFFING

DIRECT													
POSITIONS	15	7	85	15	9	53	35	17	56	113	18	59	482
FTE	13.00	7.00	77.00	14.00	9.00	51.00	33.00	15.00	52.00	109.00	17.00	50.00	447.00
REIMBURSABLE													
POSITIONS	7	0	0	0	0	0	0	0	2	0	0	9	18
FTE	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00	0.00	8.00	17.00

Section 3 - FY 2014 Budget Request by Appropriation

**SALARIES AND EXPENSE APPROPRIATION
FY 2014 REQUEST
OBJECT CLASS DETAIL BY OFFICE**

(In thousands of dollars)

	OFFICE OF THE SECRETARY (S-1)	OFFICE OF THE DEP. SEC. (S-2)	UNDER SEC POLICY (S-3)	OFFICE OF THE EX SEC (S-10)	OFFICE OF SDBU (S-40)	OFFICE OF INTELL., SEC., AND EMERG. RESPONSE (S-60)	OFFICE OF THE CJO (S-80)	OFFICE OF PUBLIC AFFAIRS (A)	ASSIST SEC FOR BUDGET (B)	GENERAL COUNSEL (C)	ASSIST SEC FOR GOVT AFFRS (I)	ASSIST SEC FOR ADMIN (M)	TOTAL
a. PC&B COSTS													
PERSONNEL COMP. & BENEFITS													
(1) FTP COSTS	983	374	7,586	1,213	1,047	5,894	4,261	986	6,915	13,771	1,054	5,863	49,948
(2) OTFTP COSTS	810	364	514	7	0	103	96	530	352	165	702	11	3,655
(3) OTHER COMPENSATION	5	2	100	5	30	457	56	11	200	374	16	77	1,333
SUBTOTAL COMPENSATION	1,798	740	8,199	1,226	1,077	6,455	4,413	1,526	7,467	14,310	1,772	5,952	54,936
b. PERSONNEL BENEFITS	506	213	2,240	331	278	1,843	1,085	431	1,839	3,732	523	1,999	15,020
SUBTOTAL, PC&B	2,304	953	10,439	1,557	1,355	8,297	5,499	1,958	9,306	18,043	2,295	7,951	69,956
2. TRAVEL & TRANS. OF PERS.	202	35	134	2	0	334	15	51	20	384	64	17	1,259
3. TRANSPORTATION	0	0	3	0	0	0	0	0	0	0	0	0	3
4. RENTAL PAYMENTS TO GSA	0	0	0	0	0	0	0	0	0	0	0	8,933	8,933
5. COMM., UTIL., & MISC.	0	0	65	3	0	56	1	0	0	63	0	0	188
6. PRINTING & REPRODUCTION	0	0	0	0	0	0	0	0	0	300	0	0	300
7. OTHER SERVICES	113	11	2,139	151	31	2,157	11,041	195	3,936	1,623	249	10,557	32,202
8. SUPPLIES & MATERIALS	33	0	20	1	0	5	10	0	50	91	20	10	241
9. EQUIPMENT	0	0	3	0	0	0	10	0	14	0	0	0	27
SUBTOTAL, OTHER COSTS	348	47	2,365	157	31	2,552	11,077	245	4,020	2,462	332	19,517	43,152
TOTAL	2,652	1,000	12,804	1,714	1,386	10,849	16,576	2,203	13,326	20,504	2,627	27,468	113,108

STAFFING													
DIRECT													
POSITIONS	15	7	85	15	9	53	35	17	65	120	18	59	498
FTE	13.00	7.00	82.00	14.00	9.00	51.00	33.00	16.00	57.00	112.00	17.00	52.00	463.00
REIMBURSABLE													
POSITIONS	7	0	0	0	0	0	0	0	0	2	9	0	18
FTE	7.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	8.00	0.00	17.00

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES & EXPENSES

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
69-0102-0-1-407			
Obligations by program activity:			
0.01 General Administration	98,117	105,360	115,360
0.02 SCASDP Grants	5,892	0	0
0.91 Direct program activities, subtotal	104,009	105,360	115,360
8.01 Reimbursable program	8,976	7,328	7,638
9.00 Total new obligations	112,985	112,688	122,998
Budgetary Resources:			
10.00 Unobligated balance brought forward, Oct 1	4,044	8,117	13,117
10.10 Unobligated balance transferred to other accounts	-603	0	0
10.21 Resources available from recoveries of prior year obligations	4,653	0	0
10.50 Unobligated balance (total)	8,094	8,117	13,117
Budget Authority: appropriations, discretionary			
11.00 Appropriation	102,481	103,108	113,108
11.30 Appropriations permanently reduced (disc)	0	0	0
11.60 Appropriations, discretionary (Total)	102,481	103,108	113,108
Spending authority from offsetting collections, discretionary:			
17.00 Collected	16,022	14,580	8,890
17.01 Change in uncollected payments, Federal sources	-54	0	0
17.50 Total Spending authority	15,968	14,580	8,890
19.00 Budget Authority (Total)	118,449	117,688	121,998
19.30 Total Budgetary Resources Available	126,543	125,805	135,115
Memorandum (non-add) entries:			
19.40 Unobligated Balance Expiring	-5,442	0	0
19.41 Unexpired unobligated balance, end of year	8,117	13,117	12,117
Change in obligated balance:			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	47,683	42,210	-2,806
30.10 Obligations incurred, unexpired accounts	112,985	112,688	122,998
30.11 Obligations incurred, expired accounts	2,269	0	0
30.20 Obligated balance, Outlays (gross)	-112,001	-157,704	-120,998
30.40 Recoveries of prior year unpaid obligations, unexpired	-4,653	0	0
30.41 Recoveries of prior year unpaid obligations, expired	-4,073	0	0
30.50 Unpaid obligations, end of year	42,210	-2,806	-806
Uncollected payments:			
30.60 Uncollected pymts, Fed sources, brought forward Oct 1	667	590	590
30.70 Change in uncollected pymts, Fed sources, unexpired	54	0	0
30.71 Change in uncollected pymts, Fed sources, expired	-131	0	0
30.90 Uncollected pymts, Fed sources, end of year	590	590	590
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	48,350	42,800	-2,806
32.00 Obligated balance, end of year	42,800	-2,806	-806
Budget Authority and outlays, net:			
40.00 Budget authority, gross	118,449	117,688	121,998
Outlays, gross:			
40.10 Outlays from new discretionary authority	94,225	107,377	110,687
40.11 Outlays from discretionary balances	17,776	50,327	10,311
40.20 Outlays, gross (Total)	112,001	157,704	120,998
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.30 Federal sources	-15,576	-13,328	-7,638
40.33 Non-Federal sources	-993	-1,252	-1,252
40.40 Total offsetting collection (cash)	-16,569	-14,580	-8,890
Additional offsets against gross budget authority only:			
40.50 Chg in Uncollected pymts, Fed Sources (unexpired)	54	0	0
40.51 Chg in Uncollected pymts, Fed Sources (expired)	0	0	0
40.52 Offsetting collections credited to expired accounts	547	0	0
40.60 Additional offsets against budget authority only (total)	601	0	0
41.80 Budget authority, net (disc. and mand.)	102,481	103,108	113,108
41.90 Outlays, net (disc. and mand.)	0	143,124	112,108

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

SALARIES & EXPENSES

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code		FY 2012	FY 2013 CR	FY 2014
69-0102-0-1-407		ACTUAL	ANNUALIZED	REQUEST
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	41,365	47,953	49,948
11.3	Other than full-time permanent	4,804	3,120	3,655
11.5	Other personnel compensation	<u>1,082</u>	<u>1,330</u>	<u>1,333</u>
11.9	Total personnel compensation	47,251	52,402	54,936
12.1	Civilian personnel benefits	12,418	14,387	15,020
21.0	Travel and transportation of persons	1,292	1,342	1,262
23.1	Rent	8,855	9,017	8,933
23.3	Communications, utilities and misc.	200	187	188
24.0	Printing	297	298	300
25.2	Other services	28,120	26,479	33,454
26.0	Supplies and materials	351	235	241
31.0	Equipment	33	13	27
41.00	Grants, subsidies and contributions	5,162	0	0
42.00	Insurance claims & Indemnity	<u>30</u>	<u>0</u>	<u>0</u>
99.0	Subtotal, direct obligations	104,009	104,360	114,360
99.0	Reimbursable obligations	<u>8,976</u>	<u>7,328</u>	<u>7,636</u>
99.9	Total obligations	112,985	111,688	121,997

PERSONNEL SUMMARY

Identification Code		FY 2012	FY 2013 CR	FY 2014
69-0102-0-1-407		ACTUAL	ANNUALIZED	REQUEST
1001	Total compensable workyears:			
	Full-time equivalent employment	423.56	451.00	467.00
2001	Reimbursable workyears:			
	Full-time equivalent employment	18.11	17.00	17.00

OFFICE OF THE SECRETARY OF TRANSPORTATION

FINANCIAL MANAGEMENT CAPITAL

What Is The Request and What Will We Get For the Funds?

(\$000)				
ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Other Costs	\$0	\$0	\$0	\$0
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

STAFFING

Direct Positions	0	0	0	0
Direct FTEs	0.00	0	0	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

Financial Management Capital is requesting \$10 million in FY 2014 to continue the mission outlined on the following pages. An additional \$4 million will be contributed by the DOT Operating Administrations (OAs) as the project sponsors and beneficiaries. This contribution will directly support critical system activities.

Detailed Justification for Financial Management Capital

What Is This Program/Activity?

Purpose, Goals, Beneficiaries, and Description of Activity. The Department of Transportation (DOT) continues to forge ahead with a major financial management improvement and modernization effort, called the Financial Systems Modernization (FSM) initiative. This multi-year project, begun in FY 2009, supports the **Organizational Excellence** strategic goal. DOT is modernizing its financial management system to improve financial data management, better meet financial system standards and system security requirements, and improved functionality provided by the next Oracle Core Financials release.

The FSM initiative is led by the Office of the Assistant Secretary for Budget and Programs, and CFO and includes full participation and support from each Operating Administration (OA) to ensure success of the project.

FY 2013 Project Update. In November 2012, Oracle announced it was extending support on Oracle's E-Business Suite version 11.5.10 for a limited number of critical items including regulatory and security updates through December 2014. This enabled the Department to shift project tasks into FY 2014 with a go-live date in May 2014, instead of December 2013 as originally planned, thereby better aligning with the post-sequester Continuing Resolution funding level that will be available in FY 2013.

The following milestones are anticipated to be completed during FY 2013:

- The migration of all required custom solutions and code to the next version of Oracle Federal Financials, Release 12. This activity includes analyzing the changes between the current version of Oracle Federal Financials and Release 12 and modifying the existing code based on changes to the table structures in Release 12.
- Configuration and testing of sub-ledger accounting functionality, a new feature of Oracle Federal Financials, Release 12. Transaction codes have been replaced with sub-ledger accounting, using business events to generate standard general ledger accounts.
- Performing the last 3 out of 4 iterations of system integration testing.

FY 2014 Base Budget and Anticipated Accomplishments. In addition to FY 2014 appropriation request for this initiative, DOT Operating Administrations, which are project sponsors and beneficiaries, will contribute an additional \$4 million will be contributed from the DOT Operating Administrations (OAs) as shown in the table below.

FAA	\$ 2,167,038		WCF	\$ 107,464		PHMSA	\$ 47,999
FHWA	\$ 817,394		FRA	\$ 81,908		RITA	\$ 40,057
FTA	\$ 183,290		MARAD	\$ 77,670		OIG	\$ 30,275
FMCSA	\$ 165,688		NHTSA	\$ 74,186		STB	\$ 12,140
VOLPE	\$ 134,942		OST	\$ 59,949		Total	\$ 4,000,000

Anticipated accomplishments during FY 2014 will be:

- Completion of end user testing;
- Complete change management activities, training, and end-user documentation; and
- Deployment of Oracle Federal Financials Release 12.

Why Is This Particular Program Necessary?

Purpose and Benefits of FSM. The FSM initiative is a priority for DOT because it will provide a financial management infrastructure (procedures, systems, and reporting capabilities) that will assist the Department in meeting complex financial management stewardship responsibilities and to comply with internal and external requirements.

Timeframe for Key Outcomes. The first phase of the FSM initiative was a global grants payment solution rolled-out in mid-2012. The transition to the Oracle Core Financials Release 12 is scheduled for FY 2014. An improved reporting solution will be developed in FY 2014.

Result of Program Not Being Funded. DOT has demonstrated strong financial management discipline, processes, and systems in the past, and the FSM is how DOT will systematically modernize or improve and transition to the Oracle Core Financials Release 12 product. Should FSM funding be reduced or eliminated, the Department will face:

- The inability to upgrade systems and processes, which are needed to comply with Federal laws, regulations and standards, including: the Federal Financial Management Integrity Act (FFMIA), the Federal Managers' Financial Integrity Act (FMFIA), the Federal Information Security Management Act (FISMA), OMB requirements, and the Government Accountability Office (GAO) standards for internal control in the Federal Government;
- The inability to upgrade systems and processes, necessary to effectively manage long-standing financial management challenges, including addressing the core causes of significant deficiencies in internal controls over funds status monitoring and reporting, overreliance on journal entries for financial reporting, and timely addressing of obligated but not disbursed amounts;
- The inability to meet requirements for enhanced information security; and,
- Additional license and related expenses for extended support of the current version of Oracle Core Financials.

How Do You Know The Program Works?

The success of the FSM effort is contingent on securing the right mix of people, funding, acquisitions, collaboration, innovation, and project management discipline over the course of the entire project. During the last three years, the FSM leadership has put the foundation in place to attain the FSM vision. Our senior governance body – the Executive Leadership Council – has provided regular positive feedback on the initiative’s progress and direction, and teams are reporting success on project plan activities and tasks on an on-going basis.

The FSM long-term strategy is predicated on continual process and system improvement and modernization with milestone expectations throughout the project lifecycle. The initiative is monitored by the project teams, a Project Management Office (PMO), FSM leadership, and governance bodies (beneficiaries) on an on-going basis to ensure that the program is working to achieve all intended modernization, standardization, and improvement results.

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

\$10 million is requested for Financial Management Capital for FY 2014. This funding is needed to complete the upgrade to Release 12 and to implement improvements to the Department’s reporting capabilities.

The \$10 million request in FY 2014 includes changes from FY 2012 for an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175) and an estimated .5 percent inflation increase. The request also includes a \$4.954 million program increase. The additional funds are needed to transition from our current reporting tool to a new reporting tool that will be supported by a vendor long term. DOT currently uses Oracle’s Discoverer reporting tool which is no longer a product Oracle is investing in. In order to meet increasing reporting demands, DOT needs to enhance its reporting capabilities. Should DOT not receive the additional funding in FY 2014, the Department will continue to report on a tool that will incur additional support costs beginning in June 2014 and will no longer receive important security and regulatory updates beginning in June 2017.

OFFICE OF THE SECRETARY OF TRANSPORTATION

FINANCIAL MANAGEMENT CAPITAL

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$4,990	
Increase of .612 percent enacted in P.L. 112-175	-\$4,990	
FY 2013 CR Annualized	\$0	0.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$0	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	\$0	0.00
Inflation	\$0	0.00
FY 2013 Adjusted Base	\$0	0.00
<u>FY 2014 Program Changes (+/-):</u>		
Program increase to complete the upgrade to Release 12.	\$0	0.00
Total, FY 2014 Request	\$0	0.00

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

PROGRAM AND FINANCING
(In thousands of dollars)

Identification code	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
69-0116-0-1-407			
Obligations by program activity:			
00.01 Financial Management Capital	2,919	17,339	10,000
09.00 Total new obligations (object class 25.2)	2,919	17,339	10,000
Budgetary resources available for obligation			
10.00 Unobligated balance available, Oct 1	10,159	12,318	0
10.21 Recoveries of prior year unpaid obligations	88	0	0
10.50 Unobligated balance (total)	10,248	12,318	0
Budget Authority: Appropriations, discretionary:			
11.00 Appropriation	4,990	5,021	10,000
11.30 Appropriation permanently reduced	0	0	0
11.60 Appropriation, discretionary (Total)	4,990	5,021	10,000
19.00 Budget Authority	4,990	5,021	10,000
19.30 Total Budgetary Resources Available	15,238	17,339	10,000
Memorandum (non-add) entries:			
19.40 Unobligated Balance Expiring	0	0	0
19.41 Unexpired unobligated balance, end of year	12,318	0	0
Change in obligated balance:			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	323	495	1,004
30.10 Obligations incurred, unexpired accounts	2,919	17,339	10,000
30.20 Outlays (gross)	-2,659	-16,829	-9,004
30.40 Recoveries of prior year unpaid obligations, unexpired	-88	0	0
30.50 Unpaid obligations, end of year (gross)	495	1,004	2,000
31.00 Obligated balance, start of year (net)	323	495	1,004
32.00 Obligated balance, end of year (net)	495	1,004	2,000
Budget Authority and outlays, net:			
40.00 Budget authority, gross	4,990	5,021	10,000
Outlays, gross:			
40.10 Outlays from new discretionary authority	1,773	4,016	8,000
40.11 Outlays from discretionary balances	886	12,813	1,004
40.20 Outlays, gross (total)	2,659	16,829	9,004
41.80 Budget authority, net (total)	4,990	5,021	10,000
41.90 Outlays, net (total)	2,659	16,829	9,004

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2012	FY 2013 CR	FY 2014
69-0116-0-1-407	ACTUAL	ANNUALIZED	REQUEST
Direct obligations:			
25.2 Other services	2,919	17,339	10,000

PERSONNEL SUMMARY

Identification Code	FY 2012	FY 2013 CR	FY 2014
69-0116-0-1-407	ACTUAL	ANNUALIZED	REQUEST
Total compensable workyears:			
1001 Full-time equivalent employment	0	0	0

OFFICE OF THE SECRETARY OF TRANSPORTATION**OFFICE OF CIVIL RIGHTS****What Is The Request and What Will We Get For the Funds?**

(\$000)				
ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$6,980	\$6,863	\$6,908	-\$72
Travel	\$66	\$66	\$48	-\$17
Other Costs	\$2,339	\$2,513	\$2,595	\$256
TOTAL	<u>\$9,384</u>	<u>\$9,441</u>	<u>\$9,551</u>	<u>\$167</u>

STAFFING

Direct Positions	64	55	55	-9
Direct FTEs	40.86	53	53	12
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0	0	0	0

The Departmental Office of Civil Rights is requesting \$9.551 million and an estimated 53 FTEs in FY 2014 to accomplish the mission on the pages that follow.

Detailed Justification for the Office of Civil Rights

What Is This Program/Activity?

The Departmental Office of Civil Rights (DOCR) supports the **Organizational Excellence** strategic goal. DOCR is responsible for advising the Secretary and Departmental Executive Management on equity issues in transportation and enforcing laws and regulations that prohibit discrimination in federally operated and assisted transportation programs.

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

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

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

Why Is This Particular Program/Activity Necessary?

Equal Employment Opportunity Programs. DOCR by virtue of the Civil Rights Act of 1964, maintains an affirmative employment program to address the low participation rates of minorities and women in the federal workforce. DOCR also establishes internal civil rights policies, provides guidance and oversees merit principles governing the fair and equitable treatment of DOT employees.

DOCR provides guidance and direction for federally regulated special emphasis programs that include the National Federal Women's, Persons with Disabilities, and Hispanic Employment programs. It also oversees a formal program for Asian Pacific Islanders that enhance opportunities within the Department. DOCR offers guidance and direction to the Department's Operating Administrations regarding the implementation of programs that ensure the observance of other minority interests and support for equal opportunity in employment activities. All of these programs promote diversity and help to eliminate barriers, raise awareness for employment opportunities, and aid in fostering an appreciation for social and cultural similarities and differences within the Department.

Through its Equal Employment Opportunity Program, DOCR also provides training to DOT employees that raise awareness about key Federal and Departmental civil rights issues, requirements, and initiatives. This program also provides oversight and guidance for the DOT Civil Rights Scorecard. This scorecard complies with Federal requirements for implementing internal review and evaluation processes and practices. It is used by the Office of the Secretary and the DOT OAs to review and measure progress for civil rights initiatives.

The U.S. Equal Employment Opportunity Commission (EEOC) monitors Federal agencies to ensure that the Government implements civil rights laws and equal access to the benefits and privileges of employment and access to all programs. In its annual report to Congress, EEOC reviews all agencies and their progress toward meeting this goal. Agencies must ensure that their employees have equal opportunities to build successful careers and actively engage in leadership training, career planning, and other initiatives to incorporate these employees into their organizations. Consequently, the DOT EEO Program is vital to the Department in monitoring the agency's progress in reaching its diversity goal and devising strategies to maintain the agency's position as a model employer.

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

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

DOCR is directly responsible for designing, implementing and maintaining a comprehensive system of quality control composed of many important aspects. This include the design and documentation of formal communication and the monitoring and reporting on policy compliance assuring civil rights policies, procedures, and guidance implemented by the Department adheres to federal laws, statues, and regulations. Failure to adhere to these standards could subject the Department to significant liability. In addition, the division develops and implements policy that is designed to assure the Department's compliance with civil rights laws and regulations.

Education. DOCR will institute and manage a Department-wide internal and external civil rights education program; establish appropriate internal and external civil rights curriculum and/or guidance for DOT employees, recipients of DOT financial assistance, contractors, and stakeholders; and conduct evaluations of education efforts. The overarching goal of the DOCR Education Program is to identify core requirements, develop curriculum consistency and knowledge sharing across Operating Administrations, and enhance access to Civil Rights materials for all internal and external patrons to facilitate administration of an effective Civil Rights Program.

External Civil Rights Programs. DOT, through assigned Civil Rights personnel in each DOT Operating Administration, is responsible for enforcing civil rights laws prohibiting discrimination by DOT federally-assisted and federally-conducted programs and activities against members of the public and DOT employees who file complaints pursuant to sections 504 and 508 of the Rehabilitation Act of 1973, as amended (External Discrimination). The Department's enforcement activities with respect to this program include: documenting, investigating, and responding to external civil rights complaints and inquiries and conducting reviews of DOT federally-funded recipients to assess their compliance with civil rights laws.

DOCR is delegated the responsibility for adjudicating and issuing written decisions on administrative appeals filed with DOT/DOCR by small businesses that have been denied certification, or decertified as a "Disadvantaged Business Enterprise" (DBE) or "Airport Concession Disadvantaged Business Enterprise" (ACDBE) by a highway, transit, or aviation recipient. Resources to support the DBE program are a Department-wide priority. Many of the appeals received by DOCR are filed by small businesses. During a three year period (FYs 2010, 2011, and 2012), appeals filed by DBE's have increased exponentially due in large part to the increased transportation funding extended to recipients through the American Recovery and Reinvestment Act and other transportation infrastructure projects.

DOCR also continues to deliver policy advice, guidance and training to recipients of DOT funds and the employees of the Department's various Operating Administrations in the following areas: Disadvantaged Business Enterprise Program, Environmental Justice, Limited English Proficiency, and External Discrimination complaint processing.

Compliance Operations. DOCR ensures appropriate and expeditious processing of formal Federal Sector Equal Employment Opportunity (EEO) complaints and provides a platform for employees and applicants of the Department of Transportation to have their civil rights complaints against the Department heard. DOCR has been able to achieve this goal through ongoing training of its investigators in current EEO laws and guidance to ensure appropriate investigation of EEO complaints. It has cultivated a cadre of contractors to augment DOCR's internal staff of EEO investigators. DOCR instituted electronic systems to aid in the tracking of cases and ultimately in the filing of EEO complaints electronically. These actions have reduced the overall processing time on formal complaints filed by DOT employees, former employees and applicants for employment. The average processing time for formal EEO complaints filed against the DOT is 140 days, which is well below the 180 day regulatory timeframe.

The Department must maintain compliance with the governing regulations 29 C.F.R. § 1614 to ensure that applicants and current and former employees of the Department of Transportation have access to a neutral venue to have their complaints of alleged discrimination addressed. If the program is not funded at the requested level, current and former employees and applicants alleging discrimination will see a significant increase in the time frame for processing their complaints.

Complaints Adjudication & Program Evaluation. DOCR issues Final Agency Decisions (FADs) in employment discrimination complaints filed against DOT. The FAD program function is required by regulation, 29 C.F.R. § 1614, which ensures that employees' rights under federal civil rights laws are protected. Discrimination complaint files are reviewed and analyzed to prepare written decisions based on EEOC case law. FADs must be issued within timeframes established in 29 C.F.R. § 1614. Without these funds, regulatory requirement to issue FADs within specified timeframes cannot be achieved.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an estimated .5 percent inflation increase; and (4) adjustments in Working Capital Fund charges. The FY 2014 request will also fund an estimated 53 FTEs and associated costs. Included in this request is a program increase of \$9 thousand for contract services to support civil rights program evaluation services. A breakout of the activities that will be funded within the FY 2014 request is as follows:

- **\$148 thousand** for licensed certified public accountant services. DOCR will continue to use contracted certified public accounting services to provide ongoing advice and counsel (on an as-needed basis) regarding accounting, tax, and personal net worth Airport Concession Disadvantaged Business Enterprise/ Disadvantaged Business Enterprise (ACDBE/DBE) appeal certification requirements. By regulation, DOCR processes appeals filed by businesses that were denied certification or decertified as a DBE by a highway, transit, aviation recipients, or other departmental entities. Only socially and economically disadvantaged persons having a personal net worth (PNW) of less than \$1.32 million can potentially qualify for the program. In determining a firm's eligibility for the program, recipients analyze tax returns, personal net worth statements of assets and liabilities, financial account statements and documents, and other material submitted by the applicant. This includes information concerning the applicants assets, personal property, trusts, retirement investments, stocks and bonds, real estate holdings and mortgages, business interests and debts, insurance policies, and other financial documentation to support their PNW calculation. Persons with high personal net worth who wish to enter or continue in the DBE program are using various arrangements to remain within the \$1.32 million threshold. The calculations resulting from these arrangements may not reflect a true and accurate picture of the person's net worth, even though they may be consistent with the Internal Revenue Service (IRS) guidelines. The contractor will research issues and questions provided by DOCR after reviewing applicable DBE appeal records, tax laws, and Federal regulations and offer recommendations and guidance to DOCR that can be used to appropriately make a decision on the appeal.

The certified public accountant will also review the firm's business size in order to ascertain whether the firm meets the business size standards specified by Small Business Administration (SBA) North American Industrial Classification Standards Code (NAICS).

- **\$500 thousand** for equal employment opportunity counseling, investigations and final agency decision contractual services. These essential services will enable DOCR to utilize contract civil rights experts to assist the organization with reducing EEO complaint processing times by maintaining an EEO complaint processing steady state consistent with the timeline established in 29 C.F.R. §1614. DOT's emphasis is placed on the EEO processing stages that support the issuance of timely reports of investigations, hearing records, and appeals. DOCR also has the responsibility for providing EEO counseling services to the Office of the Secretary. Periodically, DOCR augments staff resources by providing contractual counseling services. In addition, DOCR reviews, analyzes, and prepares FADs in discrimination complaints filed against DOT. Increased caseload, along with the reduction of full-time adjudicators results in increasing FAD processing times that exceed the regulatory timeframes. Use of contract services to supplement in-house adjudicators will enable DOCR to reduce average FAD processing times to within the regulatory timeframes.
- **\$38 thousand** for alternative dispute resolution (ADR) and related services. ADR services will be provided for internal and external customers seeking to prevent or resolve conflicts. ADR services currently provide customers with additional methods for addressing personal and professional differences that hinder the organization's ability to provide and oversee its transportation related mission and programs. The ADR services are integral to effective conflict management, reducing formal internal and external complaints filed against the Department.
- **\$125 thousand** for civil rights related education, compliance and oversight services. Civil rights education and training standards will be developed as technical assistance for DOT employees and key stakeholders responsible for administering DOT's civil rights programs and employees who oversee federally funded transportation and emergency preparedness related programs and services. Federal law requires training for EEO personnel responsible for issuing reports of investigations. DOCR is also responsible for overseeing implementation of DOT's No FEAR training program for all employees to ensure compliance. DOCR will secure necessary expertise to support these initiatives.
- **\$865 thousand** to reimburse WCF for business operation services. The WCF enables DOCR to purchase shared goods and services (fee-for-service components and administrative support), i.e., building security, copy centers, the Disability Resource Center, DOT's work life/wellness initiatives, and other proportional charges that are expended for common services.
- **\$75 thousand** for civil rights program evaluations. The Federal Code of Regulations, Title 49, Volume 1, §1.70 delegates to DOCR the responsibility for assessing, evaluating, and measuring the effectiveness of DOT's civil rights programs, which are decentralized throughout DOT operating administrations and regional offices.

- **\$302 thousand** for intra agency service agreements and contracts. DOCR uses reimbursable agreements and contracts to support the organization's national infrastructure. DOCR provides physical and virtual facilities to regional employees located throughout the country that are consistent with the facilities provided to employees in its headquarters location. These financial agreements enable the organization to maintain services such as telecommunications, IT and administrative support, procurement support, mail collection, monitoring and delivery, physical and cyber security and employee transit benefits. This also includes the costs of supplies, equipment, and printing for all civil rights programs.

DOCR also uses these agreements to maintain the framework for its records management and records retention program (Federal Records Act of 1950), adhere to federal limited English proficiency requirements for physical and electronic content (Executive Order 13166), and maintain an extensive knowledge management program that supports knowledge sharing and reduces the impact of employee attrition.

- **\$455 thousand** for IT national and regional infrastructure, applications and databases supporting its automated business environments. The funding also supports annual reporting requirements supporting the Civil Rights Act (1964) e.g. EEOC Form 462 and MD-715, DOJ 12250 and the No FEAR Act.

The funding identified specifically supports maintenance costs directly associated with tracking systems that ensure allegations of discrimination or requests for accommodations made by DOT's current employees, former employees, applicants for employment, individuals and organizations receiving federal transportation funding are addressed in a timely and lawful manner. It supports internal and external websites and dashboards that provide its leaders with information that may be used to address concerns not easily identifiable in its annual reports.

Civil rights partners, stakeholders and customers rely on the organization's ability to provide timely, quality and accurate products and services. These automated enterprise products and services have an impact on the organization's ability to adhere to Federal processing and timeline requirements. The products and services identify potential discriminatory risks that immediately raise the level of attention required by DOT Civil Rights leaders and program managers.

- **\$79 thousand** to implement and maintain secure and comprehensive electronic civil rights records. DOCR captures, stores and organizes physical and unstructured electronic civil rights information. Electronic records make information more accessible to the organization's customer base and allow it to be utilized to support more informed and timely decision making. Legal and compliance issues drive the need for a comprehensive records management strategy. Federal and state requirements have become more stringent with respect to Federal information. Federal Rules of Civil Procedure (FRCP), Sarbanes-Oxley, and other recent regulations mandate resource intensive processes for administering electronically stored information (ESI) that includes contracts, spreadsheets. These various types of information are frequently produced for the courts when required.

OFFICE OF THE SECRETARY OF TRANSPORTATION

OFFICE OF CIVIL RIGHTS

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$9,384	
Increase of .612 percent enacted in P.L. 112-175	\$57	
FY 2013 CR Annualized	\$9,441	53.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$51	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	\$37	0.00
Inflation	\$13	0.00
FY 2013 Adjusted Base	\$9,543	53.00
<u>FY 2014 Program Changes (+/-):</u>		
Program increase in contract services to support civil rights program evaluation services.	\$9	0.00
Total, FY 2014 Request	\$9,551	53.00

Section 3 - FY 2014 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
69-0118-0-1-407			
Obligations by program activity:			
00.01 Office of Civil Rights	8,602	9,441	9,551
09.00 Total new obligations	8,602	9,441	9,551
Budget Authority:			
Appropriations, discretionary:			
11.00 Appropriation	9,384	9,441	9,551
11.30 Appropriation permanently reduced	0	0	0
11.60 Appropriation, discretionary (Total)	9,384	9,441	9,551
19.00 Budget Authority (total)	9,384	9,441	9,551
19.30 Total Budgetary Resources Available	9,384	9,441	9,551
Memorandum (non-add) entries:			
19.40 Unobligated Balance Expiring	-782	0	0
19.41 Unexpired unobligated balance, end of year	0	0	0
Change in obligated balance:			
Obligated balance, start of year (net)			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	2,398	2,311	944
30.10 Obligations incurred, unexpired accounts	8,602	9,441	9,551
30.11 Obligations incurred, expired accounts	42	0	0
30.20 Outlays (gross)	-8,293	-10,808	-9,540
30.41 Recoveries of prior year unpaid obligations, expired	-439	0	0
30.50 Unpaid obligations, end of year (gross)	2,311	944	955
Uncollected payments:			
30.60 Uncollected cust pymts, brought forward Oct. 1	5	25	25
30.71 Change in uncollected cust pymts, Fed sources, expired	20	0	0
30.90 Change in uncollected pymts, Fed sources, unexpired	25	25	25
31.00 Obligated balance, start of year (net)	2,403	2,336	969
32.00 Obligated balance, end of year (net)	2,336	969	980
Budget Authority and outlays, net:			
40.00 Budget authority, gross	9,384	9,441	9,551

Section 3 - FY 2014 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code 69-0118-0-1-407		FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	3,893	5,128	5,166
11.3	Other than full-time permanent	124	76	76
11.5	Other personnel compensation	48	0	0
11.9	Total personnel compensation	4,065	5,204	5,243
12.1	Civilian personnel benefits	1,017	1,659	1,665
21.0	Travel and transportation of persons	77	66	48
22.0	Transportation of things	0	0	0
23.1	Rent Payments to GSA	0	0	0
23.3	Communications, utilities and misc.	14	29	29
24.0	Printing	0	11	11
25.0	Other contractual services	17	0	0
25.1	Advisory and assistance	527	0	686
25.2	Other services	437	398	200
25.3	Other goods and services from Federal source	1,812	1,230	1,034
25.7	Operation and maintenance of equipment	477	745	534
26.0	Supplies and materials	21	50	51
31.0	Equipment	115	50	51
42.0	Insurance claims and indemnities	23	0	0
99.9	Total obligations	8,602	9,441	9,551

PERSONNEL SUMMARY

Identification Code 69-0118-0-1-407		FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
1001	Total compensable workyears:			
	Full-time equivalent employment	40.86	53	53

OFFICE OF THE SECRETARY OF TRANSPORTATION**MINORITY BUSINESS OUTREACH****What Is The Request and What Will We Get For the Funds?**

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ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$288	\$538	\$543	\$255
Travel	\$128	\$40	\$40	-\$88
Other Costs	\$2,651	\$2,508	\$2,504	-\$147
TOTAL	<u>\$3,068</u>	<u>\$3,087</u>	<u>\$3,088</u>	<u>\$20</u>

STAFFING

Direct Positions	4	4	4	0
Direct FTEs	0.52	4	4	3
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Minority Business Outreach (MBO) program is requesting \$3.088 million and an estimated 4 FTEs in FY 2014 to accomplish the mission outlined in the pages to follow.

Detailed Justification for the Minority Business Outreach

What Is This Program?

The Minority Business Outreach (MBO) supports the **Economic Competitiveness** Strategic Goal by working to ensure targeted contractual levels are met by the small, minority, women-owned and disadvantaged business enterprises (DBEs). The program is largely implemented through Small Business Transportation Resource Centers (SBTRCs), which are managed by the Office of Small and Disadvantaged Business Utilization's (OSDBU) Regional Partnership Division (RPD). OSDBU is authorized under Title 49, subtitle 1, chapter 3, subchapter II, Sec. 332 to operate the RPD.

The RPD is responsible for increasing the number of small businesses that are prepared to compete for, and enter into, transportation-related prime and subcontract opportunities with DOT and DOT-funded contracts or grants for transportation-related projects throughout the country.

SBTRCs are the primary mechanism for reaching small businesses. They provide a comprehensive delivery system of business training and counseling, technical assistance, and the dissemination of information to transportation-related DBEs within their regions. SBTRCs are established on a region-wide basis, through OSDBU Cooperative Agreements with (1) business-centered community-based organizations, (2) trade associations, (3) colleges and universities, (4) and chambers of commerce. These partnerships are established to create a delivery system that targets all small businesses, including DBEs and women-owned businesses, to enable them to become competitive in the government procurement marketplace.

Services provided by the SBTRCs include:

- Conducting an assessment of small businesses in the SBTRC region, to determine their business, financial, training and technical assistance needs, that can be used to structure programs and services that will enable them to become better prepared to compete for and receive transportation-related contract awards.
- Coordinating with other Federal, State, and local governmental agencies (e.g., SBA; State and local highway departments; State and local airport authorities; and transit authorities) to identify relevant and current information that may support the needs assessment of the regions' small business transportation community.
- Conducting outreach efforts and disseminating information to small businesses at regional transportation-related conferences, seminars, and workshops.
- Supporting the Short Term Lending Program (STLP), including working with Participating Lenders, banks and other lending institutions, to deliver seminars and workshops on DOT's financial assistance program for small businesses.
- Targeting services to small businesses that are currently, or have the potential for, doing business with public and private entities in the transportation industry.
- Participating in local, state and federal conferences and events that are sponsored by members of Congress in their districts.
- Delivering business counseling to small businesses.

- Providing technical assistance to small businesses for loans and surety bonds as well as implementing the Bonding Education Program in their region.

In addition to the SBTRCs, OSDBU operates the National Information Clearinghouse (NIC). The NIC publishes and distributes information on: (1) DOT contracting opportunities, its procurement practices, and how to market to DOT; (2) DOT-assisted contracting opportunities, through contracts and grants, to state and local transportation projects; (3) DOT financial assistance programs; and (4) market research through print media, the OSDBU web-site and toll-free number. The NIC also provides statistical and program feedback on OSDBU lending, technical assistance and procurement programs.

Why Is This Particular Program Necessary?

MBO is necessary to facilitate economic competitiveness through a domestic and global transportation system that enables economic growth and development through the expansion of opportunities for small and disadvantaged businesses. These small businesses routinely develop, manufacture and distribute quality products to the private sector, but continue to face significant hurdles participating in procurement opportunities with the Federal Government. To help these entrepreneurs have a fair opportunity to compete, procurement targets have been established for the Federal Government to help overcome the barriers to success for women-owned businesses and DBEs.

The MBO funds many of the major initiatives OSDBU operates to help small and disadvantaged businesses. In addition to the RPD and NIC, the MBO finances several additional programs and efforts critical to the OSDBU mission. The programs, added since 2009, include the Bonding Education Program (BEP), DBE Task Force, Women and Girls Internship Program, and Small Business Days. By continuing to fund the MBO, OSDBU can build upon the momentum of the past several years and further expand and create programs to help small businesses compete and win transportation related contracts. OSDBU serves as the Department's chief advocate for small and disadvantaged businesses. The MBO is at the core of OSDBU's mission, which has taken on even greater significance due to the country's economic situation over the past three years. The MBO is vital to achieving the goals for small business contracting set by Congress and the SBA. Without a well funded MBO, OSDBU would not be able to satisfactorily serve the nation's transportation related small businesses, which play a key role in both building and maintaining the country's infrastructure as well as contributing mightily to the economic recovery.

OSDBU supports the Economic Competitiveness Strategic Goal and the following two (2) performance measures:

Performance Measures:

The performance of the Minority Business Outreach will be evaluated against the following measures as listed in Ex. III-2:

Economic Competitiveness:

Increase percent of total dollar value of DOT direct contracts awarded to small disadvantaged businesses. The FY 2014 target is 15%. The actual for FY 2012 was 18.08%

Increase percent of total dollar value of DOT direct contracts awarded to women-owned businesses. The FY 2014 target is 6%. The actual for FY 2012 was 8.818%.

How Do You Know The Program Works?

The SBTRC Program provides an array of services and information regarding DOT to the small business communities in order to notify them of procurement opportunities that are available within all modes under the DOT. The SBTRCs serve as OSDBU's outreach arm and provide information and technical assistance to ensure that small, women-owned and DBEs participate in DOT funded and DOT assisted contracts and subcontracts. The "Scope of Work" outlined in the Cooperative Agreements and the activities listed below are examples how the program works.

Outreach/Conference Participation:

February 2012:

- Mid South Atlantic Region SBTRC staff participated in the DBE Supportive Services State Conference, with the theme of "Blueprint for Success", in Savannah, GA. The SBTRC Project Director gave a presentation on the STLP and the BEP. The SBTRC provided one-on-one counseling sessions with eight (8) small businesses. A Networking Opportunity Session was provided as a venue for distributing business cards, capability statements to Federal, State and local buyers at the conference.

March 2012:

- The Northeast Region SBTRC Project Director participated as an exhibitor and workshop facilitator at the First Annual Women's Business Symposium. The Northeast Region SBTRC distributed DOT information and materials and provided one-on-one counseling to 11 small businesses in attendance of the symposium. They are now working with the SBTRC to participate in DOT's Short Term Lending Program and identify procurement opportunities.
- The Northeast Region SBTRC Project Director participated as an exhibitor and workshop facilitator in an event entitled, "White House Business Council, New York Puerto Rican Matchmaking Forum", in New York City. Discussions were held on current and future infrastructure and transportation projects in New York City and throughout the state, and focused on economic inclusion and job creation for women and minorities in that region. The SBTRC conducted two workshops, 1) Doing Business with DOT, which included programs and services available to small businesses from DOT, and 2) STLP workshop in which 44 small businesses were in attendance. As a result of this conference, the Northeast Region SBTRC assisted 15 of the DBEs that attended the conference by providing technical assistance, and counseling on obtaining financing and bonding, providing "matchmaking" opportunities with prime contractors, and submitted two (2) completed loan applications to a Participating Lender for financing.

The Great Lakes Region SBTRC Project Director participated as a workshop presenter at the 32nd Annual Michigan Department of Transportation (MDOT) DBE Small Business Conference, in Pontiac, MI. The SBTRC Project Director presented the STLP during the

“Obtaining Bonding and Financing” workshop with approximately 65 attendees. The staff of the SBTRC was invited to participate in a roundtable with MDOT pertaining to bonding and financing in which the SBTRC was asked to bring the USDOT BEP to Michigan. As a result of this request, the Michigan Stakeholders for the USDOT BEP was held in August 2012. A surety bond is a risk management tool that ensures contract completion in the event of a contractor default. The USDOT BEP prepares small and disadvantaged businesses to obtain bonding by offering specific training on contract readiness assistance, specialized accounting, capacity building resources, managing growth, and access to bonding, surety industry professionals, and procurement opportunities.

The data that follows was collected from the SBTRCs’ October, 2011 through March, 2012 monthly reports and demonstrates the commitment to ensuring the small business community is provided adequate support. These activities contribute to OSDBUGs ability to meet or exceed the two performance measure targets.

SBTRC Quarterly Reporting Totals

QUARTER:	Oct – Dec 2011	Jan – March 2012	Totals
COUNSELING ACTIVITY:			
New Appointments	508	377	885
Follow-up Appointments	738	521	1259
Phone Inquiries	318	403	721
E-Mail Inquiries	1371	871	2242
Counseling Hours	1152	1058	2210
Total	4087	3230	7317
BUSINESSES SERVED:			
DBE	1090	705	1795
8a	136	83	219
WOB	235	137	372
HubZone	74	27	101
SDB	118	96	214
SDVOB	92	18	110
Non-Certified Business	400	331	731
Total	2145	1397	3542
MARKETING:			
Events Attended:	59	48	107
As an attendee	66	35	101
As an exhibitor	58	29	87
As a panelist/presenter	39	31	70
Email Blast	4	1	5
Total	239	148	387
MEETINGS:			
With DOT reps (state)	37	25	62
With DOT reps (regional)	32	18	50
With Other Agencies	12	30	42
Total	81	73	154
EVENTS HOSTED:			
DBE Workshop	23	11	34
STLP Workshop	20	11	31
One-on-One Matchmaking	7	5	12
Other Workshops	27	30	57
Total	77	57	134
Bonding Education Program (BEP)			
Participants	72	81	153
Bonding Capacity Obtained by Participants	\$9.3 million	\$14.27 million	\$23.6 million
Short Term Lending Program (STLP)			
Loans Approved/Activated	5	1	6
Total Loan Amount	\$750,000	\$250,000	\$1million

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's Compensation, and Working Capital Fund charges and an estimated 4 FTEs and associated costs.

In FY 2014, the SBTRCs program continues to assist the small business community through an array of services that include:

Cooperative Agreements: OSDBU will continue its Cooperative Agreements with 11 Regional SBTRCs. The basic services to small businesses will continue to include business counseling, business analysis, workshops, seminars and conference participation, and will increase the involvement of the SBTRC's Regional Planning Committees to work more closely with the SBTRCs.

Technical Assistance: OSDBU will continue providing technical assistance to assist small businesses with certifications, such as DBE, 8(a), HUBZone, women-owned small businesses and service disabled veteran-owned small businesses. The SBTRC program will plan and present Short Term Lending Program workshops for small businesses, to provide opportunities to obtain short-term working capital at reasonable interest rates for DOT and DOT-funded transportation-related contracts, and have local bank participation in the sessions.

Training and Orientation: During FY 2014, OSDBU will hold two training and orientation sessions. The first two day training and orientation session will be held for all SBTRCs and is designed to exchange ideas and program initiatives between the Regional Centers. It will be held in Washington, DC so that DOT officials can participate and give their input to the program. The second training and orientation session will occur later in the year to ensure the SBTRCs have the most current information available for their regions, and for OSDBU to receive feedback from the field.

DBE Task Force: OSDBU has organized a first of its kind internal DBE Task Force comprised of all offices and operating administrations within DOT that affect the DBE Program. Comprised of the top officials in each office or operating administration, the Task Force works to ensure that all Federal, State, and local policies are consistent and are being uniformly implemented. The Task Force has covered enforcement, outreach, stakeholder involvement, regulations, and data collection/analysis. The Task Force's major achievement to date has been the DBE Program Rule Changes. The new rulemaking requires greater accountability from state and local transportation agencies for including disadvantaged businesses in their spend plans. In addition, the final rule adjusts the personal net worth limit for DBE owners for inflation from the present \$750,000 to \$1.32 million. The current limit was set in 1989 and has not been adjusted since. Another major change reduces burdens on small businesses seeking DBE certification in more than one state. The most significant aspect of the Task Force is the active participation of the

Secretary of Transportation, the Deputy Secretary of Transportation, the modal administrators from Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration, and Federal Transit Administration, and the heads of the Office of General Counsel, Office of Civil Rights, Office of Government Affairs, Office of Policy, and Office of Public Affairs. With the decision makers meeting regularly, the Task Force is able to efficiently take action and address DBE issues in a manner that matches the high priority in which the Secretary holds the program.

DOT OSDBU is also part of the Executive Committee of the White House Interagency Task Force on Federal Contracting Opportunities for Small Businesses. The OSDBU Director co-chairs the working group entitled, “Enabling Small Business Contracting through Training, Outreach, Bonding, and Access to Capital.” The DBE Coordinator hired in FY 2012 will be OSDBU’s main point of contact for all aspects of the DBE Program and advise the OSDBU Director on DBE issues.

Bonding Education Program: In FY 2010, OSDBU launched a Pilot BEP. The BEP is a partnership with the Surety and Fidelity Association of America (SFAA) to get small businesses bond ready. Access to bonding capacity is a major challenge for many small and disadvantaged businesses, but often a necessary step to grow and succeed. The program consists of a 10-week curriculum where participants attend class one night per week and are simultaneously paired with a local surety bond professional who will work with them one-on-one. The BEP has been offered at least once in each of the SBTRC regions in FY 2012 and will follow the same schedule in FYs 2013 and 2014. The Bonding Education Coordinator hired in FY 2012 will continue to further expand the BEP nationally as well as monitor the bonding challenges facing small businesses.

Women and Girls Internship Program: The Women and Girls Internship Program began as a partnership between OSDBU and Spelman College in Atlanta, Georgia as part of a broader effort, led by the White House, to ensure that Federal programs and policies take into account the distinct needs and concerns of women and girls.

During FY 2013, OSDBU and Minority Business Outreach program will spend \$124,000 to continue the Entrepreneurial Training and Technical Assistance Women and Girls Program. This program encourages girls to pursue careers in science, engineering, and technology and help women in the field to achieve their goals. DOT Women’s Internship Program has expanded from one school to a national program, enabling young women from colleges and universities across the country to participate. Administered through the SBTRC program, each SBTRC will be responsible for placing qualified female college students in transportation related internships throughout their regions with state DOTs, transit and airport authorities, small businesses, lending and financial institutions, and technical assistance providers. Each region will provide approximately 20 internships for the fall and spring academic semesters. In 2014 the Women and Girls Program will be expanded to include high school aged girls. The expansion will encourage high school aged girls to pursue careers in science, engineering, and technology during the summer semester only. The Women and Girls Coordinator who was brought on-board in the third quarter of FY 2012, focuses on the expanded Women’s Internship Program and is the OSDBU’s point of contact for issues relating to the White House Council on Women and Girls.

Small Business Days: OSDBU has a series of Small Business Days across the country to highlight DOT opportunities for small businesses to gain access to capital, and how to do business with the government. The purpose of these events is to connect small businesses with federal, state, and local government contracting opportunities, while educating small business owners on the resources available to help their business grow. Small business representatives are provided the opportunity to meet with representatives from the Federal government, various State agencies, and small business resource centers. In addition to informational exhibits, DOT-OSDBU presents workshops on Access to Capital and How to Contract with the Government, and has successfully completed eight Small Business Days: Chicago; Baltimore; Prince George's County, MD; Pine City, MN; Honolulu; Minneapolis, Houston, TX; and Pontiac, MI. Small Business Days will continue as an essential part of the office's outreach activities during FY 2014.

Small Business Vendor Days: OSDBU will also host Small Business Vendor Days at DOT Headquarters that are focused on Disabled Veteran and Women-Owned Small Businesses. These annual events, hosted by the Secretary, provide an opportunity for small business owners to interact with contracting offices, as well as participate in workshops with senior government officials and top business leaders from across the country.

OFFICE OF THE SECRETARY OF TRANSPORTATION

MINORITY BUSINESS OUTREACH

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$3,068	
Increase of .612 percent enacted in P.L. 112-175	\$19	
FY 2013 CR Annualized	\$3,087	4.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$5	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	-\$6	0.00
Inflation	\$3	0.00
FY 2013 Adjusted Base	\$3,088	4.00
<u>FY 2014 Program Changes (+/-):</u>	\$0	0.00
Reduction in contractual funding.		
Total, FY 2014 Request	\$3,088	4.00

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS OUTREACH

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2012	FY 2013	FY 2014
	ACTUAL	CR ANNUALIZED	REQUEST
69-0119-0-1-407			
Obligations by program activity:			
0001 Minority business outreach	2,474	3,940	3,088
0002 Bonding Assistance	200	6,187	0
0900 Total new obligations	2,674	10,127	3,088
Budgetary resources available for obligation:			
1000 Unobligated balance brought forward, Oct. 1	6,643	7,041	0
1021 Recoveries from prior year unpaid obligations	28	0	0
1050 Unobligated balance (total)	6,671	7,041	0
Budget authority:			
<i>Appropriation, discretionary:</i>			
1100 Appropriation	3,068	3,086	3,088
1130 Appropriations permanently reduced (disc) (-)	0	0	0
1160 Appropriation discretionary (total)	3,068	3,086	3,088
1910 Total budgetary resources available	9,739	10,127	3,088
Memorandum (non-add) entries:			
1940 Unobligated Balance Expiring (SF-133 Line 2201)	-24	0	0
1941 Unexpired unobligated balance, end of year	7,041	0	0
Change in obligated balances:			
3000 Unpaid obligations brought forward Oct 1 (gross)	5,768	3,667	284
3060 Uncollected pymts, Fed sources, brought forward, Oct 1	0	0	0
3100 Obligated balance, start of year (net)	5,768	3,667	284
3010 Obligations incurred, unexpired accounts	2,674	10,127	3,088
3011 Obligations incurred, expired accounts	0	0	0
3020 Total outlays (gross)	-3,961	-13,510	-3,088
Obligated balance, end of year (net)			
3050 Unpaid obligations, end of year (gross)	3,667	284	284
3200 Obligated balance end of year	3,667	284	284
Budget authority and outlays, net:			
Discretionary:			
4000 Budget Authority, gross	3,068	3,086	3,088
Outlays (gross), detail:			
4010 Outlays from new discretionary authority	669	2,777	2,779
4011 Outlays from discretionary balances	3,292	10,733	309
4020 Total outlays (gross)	3,961	13,510	3,088
4180 Budget Authority, net (total)	3,068	3,086	3,088
4190 Outlays, net (total)	3,961	13,510	3,088

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
MINORITY BUSINESS OUTREACH

OBJECT CLASSIFICATION
(In Thousands)

Identification Code		FY 2012	FY 2013 CR	FY 2014
69-0119-0-1-407		ACTUAL	ANNUALIZED	REQUEST
Direct obligations:				
11.0	Personnel compensation	229	440	443
12.1	Civilian benefits	51	99	100
21.0	Travel and transportation of persons	128	40	40
22.0	Transportation of Things	0	0	0
23.0	Rent, Communications & Utilities	86	0	1
24.0	Printing	0	3	3
25.2	Other Services	468	940	519
26.0	Supplies & Materials	5	21	22
41.0	Grants, subsidies and contributions	1,706	8,584	1,961
42.0	Insurance claims and indemnities	0	0	0
99.9	Total obligations	2,674	10,127	3,088

PERSONNEL SUMMARY

Identification Code		FY 2012	FY 2013 CR	FY 2014
69-0119-0-1-407		ACTUAL	ANNUALIZED	REQUEST
Direct:				
1001	Total compensable workyears: Full-time equivalent employment	0.52	4	4

OFFICE OF THE SECRETARY OF TRANSPORTATION

TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

What Is The Request and What Will We Get For the Funds?

(\$000)				
ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$5,491	\$5,529	\$6,206	\$715
Travel	\$152	\$153	\$153	\$2
Other Costs	\$3,357	\$3,373	\$3,391	\$34
TOTAL	<u>\$9,000</u>	<u>\$9,055</u>	<u>\$9,750</u>	<u>\$750</u>
FY 2014 CANCELLATION OF UNOBLIGATED BALANCES	<u>\$0</u>	<u>\$0</u>	<u>-\$2,750</u>	<u>-\$2,750</u>
<u>STAFFING</u>				
Direct Positions	33	33	40	7
Direct FTEs	28.29	32	36	8
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Transportation Planning, Research and Development (TPR&D) program request is for \$9.750 million and an estimated 36 FTEs in FY 2014 to accomplish the mission outlined in the pages to follow.

Detailed Justification for Transportation Planning, Research and Development

What Is This Program/Activity?

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

In FY 2014, TPR&D will support the **Economic Competitiveness, Livable Communities and Environmental Sustainability** Strategic Goals. The activities will support the development of transportation policy; coordination of national and international transportation planning; analysis of methods of increasing the economic efficiency of transportation; development and coordination of intermodal and multi-modal issues that are not the responsibility of any one modal agency; regulatory modernization; energy conservation; freight movement; and environmental impacts of transportation; aviation economic policy; sustainable transportation; and international transportation issues.

Economic Competitiveness: The Office of Aviation Analysis (OAA) is an independent source of analyses for the Department's aviation and international affairs policy making function; exercises the Department's economic oversight of the domestic and international aviation industries; and researches and establishes international and Alaskan mail rates as required by law. OAA has the responsibility to provide and analyze the research necessary to support the Department's decision makers on major airline issues, including airline mergers and acquisitions, domestic and international code-share alliances, immunized international alliances between U.S. and foreign carriers, airline distribution practices, airline strike and bankruptcy issues, and airline service at rural communities.

The Office of International Aviation (OIA) develops and implements the Department's international aviation policy. OIA is responsible not only for negotiating, in partnership with the Department of State, agreements to remove legal barriers to the operation of international air services, but also for monitoring compliance with those agreements and fostering an environment that allows operators to exercise available service opportunities without unnecessary regulatory delay or constraints. OIA also works to facilitate the access of general aviation operations to the global market.

The Office of Economic & Strategic Analysis (OESA) researches and analyzes methods of increasing the economic efficiency of all modes of transportation, including benefit-cost analysis, pricing mechanisms, and accelerated deployment of transportation technologies such as Intelligent Transportation Systems and the Next Generation Air Transportation System. It provides guidance to the Operating Administrations (OA) on procedures and economic assumptions to use in forecasting and economic analysis; develops recommendations for the Office of General Counsel regarding the economic evaluation of significant regulations prepared in the Department; provides analysis of issues involving the financing of transportation

infrastructure projects, including new institutional or financial arrangements; conducts or reviews analyses on the economic and financial viability of new transportation technologies and program proposals; and reviews the adequacy of data available for economic analysis of transportation. The Office will also play a critical role in staffing the Department's multimodal Freight Policy Council and implementing the multimodal freight planning requirements of the MAP-21 surface transportation bill.

The Office of International Transportation and Trade (OITT) analyzes and develops international surface and inter-modal transportation and trade policies and programs, including trade facilitation, technical assistance and cooperation programs, trade promotion and advocacy, multimodal transportation issues, and international diplomatic and protocol activities to lead and coordinate Departmental representation in global transportation and trade organizations. It leads the Department in implementation of Administration initiatives that require both intra USG and DOT agency participation.

Environmental Sustainability: The Office of Safety, Energy & Environment (OSEE) conducts research in environmental sustainability. This Office formulates and recommends departmental policies, plans and guidelines related to the natural and human environment, including, but not limited to, policy advice and activities on air quality, water quality, ecosystem management, noise, state and local quality of life, historic preservation and bicycle and pedestrian transportation. The Office also formulates and recommends departmental policies, plans and guidelines related to energy, energy transportation interactions, and greenhouse gas emission reduction. The Office also implements environmental streamlining policies Department wide, including the activities associated with the Presidential Memorandum and Executive Order on improving performance of federal permitting and review of infrastructure projects.

FY 2013 Anticipated Program Accomplishments:

- The Office of Aviation Analysis within the Office of Aviation and International Affairs led the development and implementation of major initiatives to implement the Secretary's strategic objectives to the aviation sector during this past fiscal year. The Office implemented the Secretary's objectives to promote economic competitiveness in aviation transportation policies and investments that bring lasting and equitable economic benefits to the Nation.
- The Office of Economic and Strategic Analysis will complete an ongoing research project initiated in FY2012 on improving the methodology of transportation benefit-cost analysis. This research project focuses primarily on livability-related benefits of transportation investments. We will incorporate the results of this research into the Department's guidance for the conduct of infrastructure-related benefit-cost analysis. We will also complete a research project initiated in FY2012 to analyze likely future U.S. exports and the transportation network required to move those exports. This research will identify highway bottlenecks that impede export flows. We will initiate research focusing on export flows and bottlenecks in other transportation modes, including rail, ports, water, and air.
- The Office of International Transportation and Trade will advance the Department's and Administration's goals through developing and implementing initiatives with foreign governments at the highest diplomatic/transportation levels and executed by direct interaction

requiring an estimated 75 annual international trips, meetings, and other events at the Secretary, Deputy Secretary, Under Secretary, or Assistant Secretary level and any ancillary support-level activity. We will also establish at least 14 capacity-building programs to train International transportation counterparts to orient them to U.S. standards and technology, thus heightening the competitiveness of U.S. transportation companies in international trade. We anticipate implementing special programs featuring technical exchange with China, Brazil, India and other National Export Initiative countries, including special technical exchange mission with U.S. companies. We will advance critical transportation support for the President's U.S. Strategy Toward Sub-Saharan Africa. We expect to implement a special program supporting women in transportation in the Asia-Pacific Region. We also expect to continue our technical cooperation under the International Transport Forum and our involvement in Asia-Pacific Economic Cooperation (APEC) and the African Growth and Opportunity Forum (AGOA).

Performance Measures:

The performance of the TPR&D appropriation will be evaluated against the following measures as listed in Exhibit III-2:

Economic Competitiveness

- Establish or participate in 14 technology transfer and capacity building programs to improve training opportunities for international transport ministries to U.S. transportation standards and technologies.
- Reach three (3) or more new bilateral and multilateral aviation agreements to remove market distorting barriers to trade transportation (OST/Aviation and International Affairs).
- Advance DOT goals with foreign governments through the conduct of at least 75 annual international meetings, conferences, and other events at the Secretary, Deputy Secretary, Under Secretary Level, or Assistant Secretary level (OST/Aviation and International).

Why Is This Particular Program/Activity Necessary?

TPR&D research, analysis and project development serves a variety of functions. One function is to provide the data and assessment tools necessary to determine how key programs, and transportation communities, are performing. The second function is to develop recommendations about how transportation policy should change to shape, or adjust to, a changing world. A third is to support Administration and Departmental priorities that advance the economic competitiveness of U.S. companies.

How Do You Know The Program Works?

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

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

OST Policy drafted a scientific assessment of national scale effects of climate change on the U.S. transportation system. This report was part of the National Climate Assessment, a quadrennial Statutory Federal program to report on change impacts in the U.S. OST Policy also has supported the multimodal Climate Center Phase 2 study of climate impacts in the central Gulf Coast region.

Phase 1, completed in 2008, identified how likely changes in temperature, precipitation, sea level and tropical storms could impact transportation systems. Phase 2, to be completed in 2013, will enhance the ability of regional transportation officials to understand these potential impacts on critical transportation infrastructure and evaluate options for protecting critical transportation systems and assets.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's Compensation, and Working Capital Fund charges and an estimated and an estimated 33 FTEs and associated costs.

This includes funding for four additional FTEs associated with 7 new positions to strengthen the in-house capacity to conduct research and analysis that historically have been done by contract researchers. In addition to performing in-house policy support, this small cadre of in-house, intermodal experts will look at policy areas across the Department. Evolving away from heavy reliance of contract researchers will facilitate a more nimble and responsive research and analysis capability, allowing for additional flexibilities as the Department's priorities shift.

Economic Competitiveness Strategic Goal: (\$2,213,098 in contract/project development research)

Aviation Data Modernization: \$533,405

The Aviation Data Modernization Program will continue to provide the appropriate data required to administer statutorily mandated aviation programs. An updated methodology will enable analytical alignment with proposed reporting requirements under the Aviation Data Modernization program and the initiation of a la carte pricing by many carriers.

The program seeks to reduce the reporting burden on the airline industry (which also uses this data intensively in planning its business) while enhancing the quality, utility, and accessibility of the data. The collection of accurate data that is uniform for all markets is necessary in order to perform the cost/benefit analysis that is vital for wise spending of tax dollars.

The Department relies upon these data for its mandated responsibilities, including the review of antitrust immunity applications, airline mergers, Essential Air Services carrier selection orders, airline congestion claims, Small Community Air Service Development Program grant awards, and slot transfers.

The current system dates largely from the 1970s and needs to be updated to better address contemporary needs. The Department also conducted a detailed review of stakeholders' data needs through an Advance Notice of Proposed Rulemaking, subsequent research and dialogue with industry stakeholders, and a Notice of Proposed Rulemaking, which confirmed the importance of the Department's data modernization initiative.

Profit Essentials Software Support: \$73,730

Consulting & Analysis Support (*optional*) \$7,800

Profit Essentials combines airline schedule data, airline demand data, and a series of historical statistical relationships on passenger choice to model airline services. Profit Essentials' numerous data inputs are not static; they necessarily change as the airline industry changes and as updated demand data becomes available. Profit Essentials uses numerous data files that must be updated regularly by Sabre to ensure that the model's parameters keep up with changes in the airline industry. Airline schedule data is updated monthly. Demand data (containing price and quantity information) is updated quarterly. The model's factors (the statistical relationships used to determine how airline traffic is distributed across numerous competing alternatives) are also updated quarterly. Other essential support tables (e.g. the aircraft capacity table and minimum connecting times) are also updated on a recurring basis. We run Profit Essentials via a remote server hosted by Sabre. We also rely on Sabre for support when we are modeling novel scenarios.

The Office of Aviation Analysis relies extensively on the Profit Essentials Airline Network Analysis Model to evaluate airline schedule issues and to analyze airline codeshare and alliance agreements. Profit Essentials is mission-critical to the work of X-50. The model has a broad range of applications for providing critical assessments of the evolving competitiveness of domestic and international aviation markets, rational economic bases for carrier selection decisions, and forecasts on the effects on competition of proposed mergers and alliances. Use of this model is critical to analysis required to support the Department's strategic policy to enhance competition and growth in domestic and international aviation. It is used for support in all divisions of The Office of Aviation Analysis (Essential Air Service and Small Community Air Service Development Programs, Competition and Policy Analysis, and the Air Carrier Fitness Division).

Consulting and Analysis support is an optional allocation for DOT to utilize Sabre delivery and consulting resources to assist in larger analysis and/or to provide guidance on specific business cases or projects being accomplished by the DOT. *If the DOT does not request the optional service, we will not be billed for the service.*

International Regulatory Cooperation and Research: \$125,000

This program continues prior outreach efforts to (a) unlock economic opportunities made possible by open-skies regimes to facilitate greater air service and (b) provide more effective access to global markets by U.S. airlines, passengers, and shippers. It will also foster a market- and commercial-oriented approach to the economic oversight activities of foreign aviation and competition authorities in countries critical to U.S. economic interests.

The Department also continues its ongoing economic dialogue (“ED”) with the General Administration of Civil Aviation of China (“CAAC”). The ED, which began in 2007, consists of a series of meetings and information exchanges. Because CAAC does not participate in the Transportation Forum, the ED offers a direct connection to aviation policymakers and an opportunity for the Department to share important aviation competition tenets with those policymakers. In addition, the meetings provide a unique opportunity to receive briefings from Chinese regulators to better understand the existing and potential environment in which U.S. carriers compete.

The Department’s request for FY 2014 would be used to continue the existing programs with India and China and initiate additional regulatory cooperation programs with two additional countries (one “mature” and one “emerging”) that the Department and industry view as critical to the future of our country’s global competitiveness.

Airline Alliance and Joint Venture Competition Research: \$110,000

In 2008, DOT and the European Commission (DG Competition) launched a new joint research project aimed at deepening their understanding of how alliances have affected competition in transatlantic markets and the potential impact of the new U.S.-EU Air Transport Open Skies Agreement that began in March 2008. This agreement, which, for the first time, allows EU and U.S. airlines to serve any route between Europe and the United States, calls for developing a common understanding of trends in the airline industry in order to promote compatible regulatory approaches in competition policy.

Air Carrier Fitness Case Management System: \$50,000

The Air Carrier Fitness Division (Fitness Division) analyzes and evaluates all applications for new economic authority to determine if applicants are “fit, willing, and able” to conduct commercial airline operations and are U.S. citizens as defined by statute. This involves analysis of the applicants’ managerial capabilities and experience, the financial resources available for the proposed operations, its service plan, and the ability

of the management personnel to comply with U.S. laws, as well as the ownership of the applicant.

The Fitness Division also monitors on a regular basis the operations and financial conditions of all licensed U.S. airlines to ensure that they continue to be fit to hold their operating authority and to serve the U.S. public. The Fitness Division analysts work closely with the Department's Office of Consumer Affairs which is responsible for monitoring compliance with the Department's aviation economic, consumer protection, and civil rights requirements and the Federal Aviation Administration which is responsible for the safety oversight and licensing of U.S. airlines.

Currently, most case activities related to air carrier fitness are managed using Microsoft applications such as Word and Excel. The current volume of data maintained electronically is the equivalent to a text export of 1.3 gigabytes. Further, the Fitness Division continues to archive a large volume of historical data in hard copy form.

A case management system has broad uses for analysis and support for the Essential Air Service and Competition and Policy Analysis.

Women in Transportation: \$50,000

The project will (1) collect data to measure progress related to gender policy; (2) create a compendium of best practices so each Economy can learn and improve from each other (3) institutionalize regular dialogue in APEC on Women in Transportation in the Transportation Working Group of APEC; (4) hold a workshop to develop ways to mentor and educate young women (from the public and private sectors). While APEC will serve as the initial region of focus, if successful, it is anticipated this project will be replicated over various regions at a minimal incremental cost to the Department.

National Export Initiative: \$538,163

The Secretary of Transportation is a member of the Export Promotion Cabinet, which is tasked with doubling U.S. exports by 2014 as outlined under National Export Initiative (NEI). Several key country markets have been identified for intensified interagency focus under the NEI; China, Brazil and India are identified as top-tier country markets which can yield increased U.S. exports, especially in the infrastructure and transportation sector. Nine other priority markets are also highlighted for their U.S. export potential. China, Brazil, and India, share similar transportation-related challenges and have significant expertise in developing and maintaining large and complex transportation systems. These high-level forums will provide a formal mechanism under which our countries can maintain an ongoing dialog regarding how best to meet these challenges, and will provide an opportunity to share best practices and work toward compatible regulatory frameworks, to our mutual economic benefit.

\$422,750 will be used to fund contractors to implement research studies on transportation sector characteristics and markets in key NEI countries with which we intend to establish or continue ongoing Transportation Forums or Partnerships. Contractors will be funded to implement studies

on special transportation topics in support of multimodal bi-national working group objectives. For example, Intelligent Transportation Systems will clearly present a large market opportunity for U.S. exporters in these markets, given the large transportation infrastructure projects they are preparing to invest in. In some NEI countries, definitional studies will be required to consolidate information about the current state and understanding of ITS technology in these countries, identify obstacles to implementing the U.S. ITS protocol, create inventories of likely ITS requirements for each project. Such a definitional document would help position U.S. ITS vendors for these opportunities and to develop and appropriate Transportation Partnership agenda supporting these efforts. DOT has advocated successfully for U.S. vendors, for example, with other U.S. agencies, in support of a U.S. locomotive manufacturer in Turkey on a \$81 million transaction. However, better definition of technical barriers to market opportunities will enable DOT to more effectively support U.S. vendors in these key markets. Contractors will also provide support of biennial plenary technical meetings with each NEI country to be hosted in the United States. These annual plenary meetings will focus on the exchange of best practices and federal and private sector research and technology.

\$115,413 will support essential DOT participation in interim working group and plenary technical exchange meetings in partner countries, at which they will present and assess the results of joint studies and technical research.

China Transportation Forum (China TF)

In support of the National Export Initiative (NEI) and building upon the success of the U.S. – China Transportation Forum between the Department of Transportation (USDOT) and China's Ministry of Transport, USDOT will broaden and deepen its working relation with Chinese agencies with equities in transportation, which have a direct impact on the US transportation policies and exports. Under the TF, issue-specific working groups would be formed to focus on five or six transportation topics of mutual importance. As the TF develops, the working groups may change topics or composition to reflect changing modal issues or broader policy concerns. The working groups will collaborate throughout the year and report on their progress and findings at an annual high-level meeting that to ratify and direct the work between the USDOT and China's Ministry of Industry and Information Technology (MIIT), General Administration of Quality Inspection, Supervision and Quarantine (AQISQ), and Ministry of Railways (MOR). The annual TF Meeting will be held at either the Minister/Secretary or Vice Minister/Deputy Secretary level on the margins of the annual U.S. – China Strategic and Economic Dialogue (S&ED) meeting. Participation would also include state and municipal decision-makers (sub-national) and industry participation to afford companies and associations the opportunity to meet and create productive partnerships, deepening commercial ties between the countries

Freight Planning to Support National Exports: \$240,000

National Export Initiative, initiated in 2010, set out to double U.S. exports by 2015. In support of that Initiative, the Department is expanding its analysis of the U.S. freight transportation network to examine how adequately that network supports the needs of U.S. exporters. Forecasts of likely export flows over the next 20 years have been conducted, and analyzing the freight transportation requirements necessary to support those flows. The adequacy of the highway system to meet those freight transportation requirements was also analyzed. This included an analysis of highway bottlenecks that were most likely to affect freight export movements. The next step is to focus analysis on

rail and port infrastructure to assess requirements, capacity, bottlenecks, and capacity gaps in those areas. Conduct a detailed analysis of the effect of the expansion of the Panama Canal on freight transportation flows. Together, these studies constitute the beginning of an expanded effort to respond to repeated Congressional requests to develop a freight transportation strategic plan.

Additionally, the Department has established a Freight Policy Council to coordinate multimodal freight planning and research, and this initiative will be staffed by OST Policy. The recent transportation bill--Moving Ahead for Progress in the 21st Century, or MAP21-- reestablishes a national freight policy and calls for the creation of a National Freight Strategic Plan. DOT's Freight Policy Council will develop these and work on other key freight provisions in the legislation. Finally, DOT has announced the establishment of a National Freight Advisory Committee to provide recommendations aimed at improving the national freight transportation system. By engaging stakeholders representing diverse geographic, modal, and policy interests, such as safety, labor and the environment, the Advisory Committee will provide recommendations to the Secretary of Transportation on how DOT can improve its freight transportation policies and programs. OST Policy will support both the Freight Policy Council and the National Freight Advisory Committee with TRPD funds.

Related research will improve our ability to analyze the benefits of transportation infrastructure investments on reducing freight transportation costs. Freight transportation costs are complex, varying greatly with the nature of the commodity, the supply chain strategy of the shipper, and the spatial distribution of production, distribution, and retail centers. Complex modeling is needed to analyze the effects of a given transportation infrastructure investment on the costs of the varied carriers and their shippers who will make use of the infrastructure. .

International Transportation Forum: \$40,000

The International Transportation Forum (ITF) is the only international organization representing transportation interests across the world, and continues to expand to developed and developing member nations. The ITF was established by a European Conference of Ministers of Transport (ECMT) ministerial declaration in May 2006 within the legal framework of the ECMT Protocol signed in Brussels, Belgium in October 1953 to reflect the international nature of the transportation sector. Member and Associate Member countries of the ECMT are considered members of the ITF and participate in programmatic decisions such as work priorities and conference agenda. Members that provide financial contributions participate in financial decisions. The ITF is supported by work of the Organization of Economic Cooperation and Development (OECD)/ECMT Joint Transport Research Center (JTTC), an organization that the United States supports both programmatically and financially. DOT's Operating Administrations have benefited from participation in JTTC research projects ranging from improving highway pavement to congestion mitigation and motorcycle safety. The ITF has provided us the opportunity to cooperate in infrastructure financing, high speed rail, and the

environment. ITF will contribute to a pool of fund managed by the ITF Secretariat which is used to develop a common transportation research agenda, to conduct the identified research program (through research contracts), and to present and assess the results of this research at the annual ITF meetings in Leipzig, Germany. Funds may be used to support ITF Secretariat costs, including staff, contractors, and logistics and meeting costs. (Note that the U.S. provides the smallest contribution to this pooled fund of any of the ITF members.)

Research on Improving Benefit-Cost Analysis: \$150,000

It is widely recognized, at both the federal and state levels of government, that better economic analysis of transportation infrastructure investment is essential to getting greater economic competitiveness outcomes from our transportation infrastructure investment resources. Promising initiatives have begun in the use of benefit-cost analysis (BCA) in support of competitive grant programs such as the National Infrastructure Investments (NII)/TIGER Grant and High-Speed and Intercity Passenger Rail programs. As a result of their experience in preparing BCAs as part of the process of applying for these programs, a growing numbers of states and local authorities are making greater use of BCA in their own transportation infrastructure investment decision-making. As they do so, they encounter the limitations of existing BCA methodologies. While some categories of benefits are readily estimated, others are not, including some which are critical to meeting federal, state, and local transportation policy objectives. Livability-related benefits remain a challenge to estimate accurately, and economic development related benefits of transportation infrastructure investment are difficult to estimate in a way that both captures the real benefits of these investments and that is consistent with accepted economic principles.

The Department's request for FY 2014 would be used to continue research initiated in FY2012 on improving the methodology of transportation benefit-cost analysis. Initial efforts have focused on livability-related benefits; subsequent efforts will focus more on economic development related benefits, including effects of transportation infrastructure investment on land use, trip lengths, agglomeration effects, and economic productivity. This analysis is particularly important in connection with surface passenger transportation investments, such as transit and high-speed rail, but also has important applications in analyzing freight-related investments.

"Best-Practices" Initiative for Implementing Open-Skies Aviation Agreements: \$120,000

Concurrent with the continuation of the Department's highly successful Open-Skies initiative to liberalization the international aviation operating environment, the Department is seeking to make the legally available rights exercisable by airlines with the minimum necessary regulatory oversight and with necessary infrastructure being available on a fair and transparent basis. Broad-based international adherence to practices that streamline the process of exercising international operating rights will yield significant benefits to airlines, communities, consumers and the U.S. economy as marketing strategies, including new services and pricing initiatives, can be implemented more quickly in response to market demands.

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

Business Aviation Initiative: \$175,000

The general aviation industry is a growing and increasingly important segment of the international aviation community. New operating paradigms, such as “fractional” aircraft ownership programs, not only have made non-commercial aviation more accessible and affordable but also have raised issues about whether these operations continue to be “private” carriage. For this industry sector to reach and maintain its market potential, it is essential that it not be subjected to the international regulatory regime and market access constraints that apply to commercial operations. The flexibility to “fly anywhere anytime” is the cornerstone for this sector’s further development.

As general aviation becomes increasingly visible, particularly as an adjunct to the globalization of business in general, it is essential that international aviation regulators are sensitized to the economic importance of these services and their operational needs. Growth of this sector has the potential to yield benefits not only for user but also importantly for aircraft manufacturers. Many foreign authorities, particularly in the Asia-Pacific region are just starting to develop their approaches to this sector, and it is critical that these approaches recognize the full-range of general aviation operations as private carriage.

Building on the Department’s successes with Canada, Mexico, and Europe, the Department through this initiative would work under the auspices of APEC to develop a set of agreed core principles that would facilitate the development of this sector. The Department’s in-house expertise would be supplemented by contractor collection and analysis of data in developing the economic case for the importance of the sector from both the user and manufacture perspectives. We anticipate that analytical support to create an inventory of current regulatory regimes and airport access criteria will provide an important underpinning for the proposed policy approach and help the Department to target specific countries for bilateral outreach in conjunction with the regional initiative through APEC. The requested funds would support both the contractor participation and staff travel associated with this initiative.

Environmental Sustainability Strategic Goal: (\$395,977 in contract research)

The OSEE environmental sustainability work to date has provided research and analytical support to the Department’s senior management for many key Departmental and national

initiatives, including environmental and energy aspects of NII/TIGER grant assessments, support for interagency policymaking in climate, energy, and alternative fuels, assessment of transportation impacts. Examples of OSEE research include preparing technical documents, writing the transportation chapter and providing additional support on the transportation system and climate impacts to support the National Assessment. To integrate climate adaptation, OSEE oversaw the preparation of DOT's climate adaptation action plan and is overseeing implementation. Research has been initiated on identifying non-CO2 GHG emissions by mode. Research will continue to support these administration initiatives.

Requested funding would advance research to support policy decisions and transportation response to emerging policies on climate change, alternative fuels and strategies to reduce transportation related pollution and impacts on the natural environment, making the transportation sector more environmentally sustainable. For additional technical transportation input to the National Assessment, OSEE will organize additional transportation stakeholder outreach and continue to serve as DOT's ex officio representative to the National Assessment's advisory committee. This research will assist DOT in attaining performance goals specified in the DOT Strategic and Performance Plans, especially the environmental sustainability goal of advancing policies and investments that reduce carbon and other harmful emissions from transportation sources.

This funding will support major White House initiatives:

- The Global Change Research Program is conducting a National Climate Assessment mandated by the Global Change Research Act. The Assessment is establishing an ongoing process for future assessments in order to meet climate change needs. DOT is playing a key role in supporting the National Assessment with respect to transportation.
- The Council on Environmental Quality is leading an interagency effort to integrate adaptation planning in all Federal agencies policies and programs. The work will support the DOT policy to incorporate climate change considerations into transportation programs and operations and assist state and local transportation agencies to evaluate risks and protect critical infrastructure.

This funding will support a major White House initiative on infrastructure project review. It will allow DOT to continue work on reducing time required to make decisions in permitting and review of surface transportation and aviation projects while improving environmental and community outcomes (EO 13604). The research would assist the DOT in improving environmental review processes, including performance metrics, technological improvements and other practices, and would provide needed data for required reports. The research would also support the government-wide initiative by providing tools for better integrating transportation and resource planning to enhance ecosystem-based planning and community enhancements. The funding will support continued research on reducing impact of transportation-related noise, air quality and water quality.

DOT actions to implement adaptation to climate are being coordinated through DOT's Center for Climate Change & Environmental Forecasting/Office of Climate Change directed to be

established by the Energy Independence and Security Act of 2007 EISA. In support of both the National Climate Assessment, agency adaptation planning and climate mitigation, DOT's research program will identify methodological and data gaps and develop methods and tools to assist national, state and local transportation system and infrastructure operators in developing practical approaches to planning for and adapting to climate change and land subsidence. Efforts will need to be expanded on risk and vulnerability assessments to best inform such efforts.

DOT has a critical role because long-lived existing and planned infrastructure will be at risk from sea level rise, storm surge, extreme events, changing precipitation patterns and other climate change consequences. The strategy development will identify areas where work is needed to prepare for climate change impacts. Risk and vulnerability assessments will assist modal administrations and stakeholders in developing standardized approaches to incorporating climate change into departmental decision-making through environmental impact statements, cost-benefit risk analyses, and other funding approval and regulatory processes.

Research on Intermodalism: Improving Surface Connections:

The Office of Aviation Analysis participates on a Department-wide task force on intermodalism. The Task Force identifies steps that can be taken at the Federal level to ensure more effective planning and coordination of intermodal projects. The staff-level working group is focusing on two areas: (1) improving planning around transit stations, which was conceived as part of the Department's livability and high-speed rail initiatives, and (2) improving surface connections to airports, which was conceived as a follow-up item to the Future of Aviation Advisory Committee. This program will help U.S. airlines and the diverse customers they serve across all segments of the economy by improving access to U.S. airports, which are gateways to the global economy and economic development centers in their own right. The Department's efforts to coordinate its own separate programs, and to provide leadership for States and localities in multi-modal planning, are important to ensure that the large amounts of Federal funds spent on infrastructure are working towards compatible purposes.

OFFICE OF THE SECRETARY OF TRANSPORTATION
TRANSPORTATION PLANNING RESEARCH AND DEVELOPMENT

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$9,000	
Increase of .612 percent enacted in P.L. 112-175	\$55	
FY 2013 CR Annualized	\$9,055	32.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$40	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	\$2	0.00
Inflation	\$15	0.00
FY 2013 Adjusted Base	\$9,112	32.00
<u>FY 2014 Program Changes (+/-):</u>		
Program Increase:	\$638	4.00
Personnel Compensation and Benefits		
OST Policy is requesting 7 additional FTE in place of contracted support, which will also alleviate the burden on current staff managing TPRD contracts. It is our goal that these potential FTEs will include a small cadre of experts in intermodal policy areas who can look across the agency, in addition to providing the needed in-house policy support.		
Total, FY 2014 Request	\$9,750	36.00

FY 2014 CANCELLATION OF UNOBLIGATED BALANCES

-\$2,750

The FY 2014 Budget includes a proposed cancellation of \$2.75 million in unobligated balances; these balances were previously appropriated for an earmark outside the purpose of TPR&D funding (Mobility First Service) and a study that no longer is needed (Mississippi-Missouri River Project).

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2012	FY 2013	FY 2014
	ACTUAL	CR ANNUALIZED	REQUEST
69-0142-0-1-407			
Obligations by program activity:			
0001 Transportation policy and planning	8,872	16,559	9,750
0002 Safe Skies	1,294	0	0
0003 New Headquarters	0	0	0
0004 Mississippi & Missouri Rivers Study pursuant to Pub. L. 111-117, Section 195	0	0	0
0091 Direct program activities, subtotal	10,166	16,559	9,750
0100 Total direct program	10,166	16,559	9,750
0801 Reimbursable program activity	0	0	0
0900 Total new obligations	10,166	16,559	9,750
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	6,894	8,254	2,750
1011 Unobligated balance, transferred from other accounts	1,000	0	0
1020 Adjustment of unobligated balance brought forward, October 1	0	0	0
1021 Recoveries of prior year unpaid obligations	1,590	2,000	0
10.29 Unobligated balance withdrawn	0	0	0
1050 Unobligated balance (total)	9,484	10,254	2,750
Budget Authority:			
Appropriations, discretionary:			
1100 Appropriation	9,000	9,055	9,750
1130 Appropriation permanently reduced	0	0	0
1131 Unobligated balance of appropriations permanently reduced	0	0	-2,750
1160 Appropriations, discretionary (total)	9,000	9,055	7,000
Spending authority from offsetting collections, discretionary			
1700 Collected	0	0	0
1701 Change in uncollected payments, Federal sources	-64	0	0
1750 Spending authority from offsetting collections, discretionary (total)	-64	0	0
1900 Budget authority (total)	8,936	9,055	7,000
1930 Total budgetary resources available	18,420	19,309	9,750
Memorandum (non-add) entries			
1940 Unobligated Balance Expiring	-31	0	0
1941 Unexpired unobligated balance, end of year	8,223	2,750	0
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	21,588	15,999	5,345
3001 Adjustments to unpaid obligations, brought forward Oct 1	0	0	0
3060 Uncollected pymts, Fed sources, brought forward, Oct 1	-927	-863	-863
3100 Obligated balance, start of year (net)	20,661	15,136	4,483
3010 Obligations incurred, unexpired accounts	10,166	16,559	9,750
3011 Obligations incurred, expired accounts	3	0	0
3020 Outlays (gross)	-13,852	-27,213	-9,322
3040 Recoveries of prior year unpaid obligations, unexpired	-1,590	-2,000	0
3041 Recoveries of prior year unpaid obligations, expired	-315	0	0
3070 Change in uncollected pymts, Fed sources, unexpired	64	0	0
Obligated balance, end of year (net):			
3050 Unpaid obligations, end of year (gross)	15,999	5,345	5,773
3090 Uncollected pymts, Fed sources, end of year	-863	-863	-863
3200 Obligated balance, end of year (net)	15,136	4,483	4,911
Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross	8,936	9,055	7,000
Outlays, gross:			
4010 Outlays from new discretionary authority	7,070	3,622	3,900
4011 Outlays from discretionary balances	6,781	23,591	5,422
4020 Outlays, gross (total)	13,852	27,213	9,322
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources	0	0	0
Additional offsets against gross budget authority only:			
4050 Chg in Uncollected cust orders fm Fed Sources (unexpired)	64	0	0
4051 Offsetting collections credited to expired accounts	0	0	0
4060 Additional offsets against gross budget authority only (total)	64	0	0
4180 Budget authority, net (total)	9,000	9,055	7,000
4190 Outlays, net (total)	13,852	27,213	9,322

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2012	FY 2013 CR	FY 2014
69-0142-0-1-407	ACTUAL	ANNUALIZED	REQUEST
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	\$4,162	\$4,194	\$4,674
11.3 Other than full-time permanent	\$151	\$151	\$151
11.5 Other personnel compensation	\$62	\$62	\$62
11.9 Total personnel compensation	\$4,375	\$4,408	\$4,887
12.1 Civilian personnel benefits	\$1,116	\$1,121	\$1,319
21.0 Travel and transportation of persons	\$153	\$154	\$154
23.0 Rent and Comm, Util	\$0	\$0	\$0
24.0 Printing	\$19	\$20	\$20
25.2 Other services	\$4,467	\$10,821	\$3,334
26.0 Supplies and materials	\$20	\$20	\$21
31.0 Equipment	\$15	\$15	\$15
99.0 Subtotal, direct obligations	\$10,166	\$16,559	\$9,750
Reimbursable obligations:			
25.2 Other services	\$0	\$0	\$0
99.0 Subtotal, Reimbursable obligations	\$0	\$0	\$0
99.9 Total obligations	\$10,166	\$16,559	\$9,750

PERSONNEL SUMMARY

Identification Code	FY 2012	FY 2013 CR	FY 2014
69-0142-0-1-407	ACTUAL	ANNUALIZED	REQUEST
1001 Total compensable workyears:			
Full-time equivalent employment	28.29	32	36

OFFICE OF THE SECRETARY OF TRANSPORTATION
NATIONAL INFRASTRUCTURE INVESTMENTS PROGRAM

What Is The Request and What Will We Get For the Funds?

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Discretionary: Infrastructure Investments	\$480,000	\$483,060	\$480,000	\$0
Administrative Expenses	\$20,000	\$20,000	\$20,000	\$0
Subtotal, Discretionary	\$500,000	\$503,060	\$500,000	\$0
 GRAND TOTAL	 \$500,000	 \$503,060	 \$500,000	 \$0

STAFFING

Direct Positions	25	12	12	0
Direct FTEs	7.52	10	10	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Administration is requesting an appropriation from the General Fund for \$500 million and an estimated 10 FTEs in FY 2014 for the National Infrastructure Investments (NII) program.

Detailed Justification for the National Infrastructure Investments

What Is This Program/Activity?

The National Infrastructure Investments (NII) program provides a unique opportunity for the U.S. Department of Transportation to invest in the Nation's surface transportation infrastructure, including roads and highways, public transportation facilities, freight and passenger rail, and port infrastructure. Funds are provided to governmental entities for capital investments on a competitive basis to support merit-based projects that make a significant impact on the Nation, region or metropolitan area. Through this program, DOT uses a rigorous process to select projects that deliver with exceptional benefits, explore ways to deliver projects faster and save on construction costs, and invest in our Nation's infrastructure in a way that makes communities safer, more sustainable, and economically secure.

Why Is This Particular Program Necessary?

The National Infrastructure Investments program is necessary because States and local governments are seeking more cost-effective, innovative solutions to complex transportation and economic development challenges. This requires greater flexibility than is possible through the current formula programs, which are focused on individual modes, specific project types, and a limited group of grantees. Through a program like NII, local sponsors can get support for innovative projects designed to move people and goods, no matter the modes of transportation or jurisdictions involved.

NII's enables DOT to examine a broad array of projects on their merits to help ensure taxpayers receive the highest value for every dollar invested. By challenging applicants to present their strongest plans, potential grantees submit requests with lower project costs and higher non-federal contributions. By attaching a deadline to the funding once grants are awarded, NII incentivizes timely and cost-effective project delivery. Additionally, through performance measurements and outcome tracking, NII grantees must demonstrate to the taxpayer the attainment of proposed benefits, which also informs best practices for future projects. Through the evolving process of selecting grants, the NII program has inspired applicants to improve their proposals and helped fund the "last mile" of many larger projects that had no other means of completing their goals.

Through the first four rounds of NII, DOT received more than 4,000 applications from all 50 States, the District of Columbia, Puerto Rico, and Guam, requesting more than \$100 billion from a program with approximately \$3 billion available. While DOT has been able to fund only four percent of the applications received, the overwhelming demand demonstrates the public's need for programs like NII that provide an alternative to our traditional framework for infrastructure investment. Through NII, DOT has helped fund projects in rail, transit, roads, and ports throughout the entire nation, improving safety, state of good repair, economic competitiveness, quality of life and the environment.

By running a competitive process, DOT is able to reward applicants that demonstrate a level of commitment, planning, and partnership that stands apart from others. NII is a flexible program that allows DOT to navigate the distinct needs of different communities across the country. But through NII, there is recognition that there are a set of common problems, from deteriorating roads to poor access to economic centers, that needs to address. With NII, the focus is not on particular levels of government or modes, but on outcome and return to the tax-payer.

How Do You Know The Program Works?

National Infrastructure Investments have the unique ability to increase the economic competitiveness of the Nation in the full range of transportation infrastructure options - highway, transit, rail, and port facilities – to support solutions that no other program at the Department can offer. State and local governments have shown a tremendous interest in the program. In fiscal year 2012, DOT received more than 700 requests from all 50 states, U.S. territories, and the District of Columbia totaling \$10.2 billion, more than 20 times the \$500 million set aside for the program that year. The Department expects that demand for grant funds will continue to far exceed what is available.

In 2012, 47 grants were awarded funding from this program; nearly half of the projects selected will directly improve the way we move freight across the nation. In New Jersey, for example, a grant award of \$11.4 million will help the City of Bayonne expand the capacity of the largest port on the East Coast. This \$125 million project, funded largely by the Port Authority of New York and New Jersey, will create the South Hudson Intermodal Facility. The new facility will be able to handle 250,000 shipping containers each year and will allow improved port access to new Panamax vessels. In Oklahoma, a \$6.4 million grant will help renovate the main dock, on-site rail, and a 200-foot crane at the Tulsa Port of Catoosa. With an employment base of 3,700 workers, this facility at the head of the McClelland-Kerr Arkansas River system is one of the nation's largest inland ports. Upgrading the dock and rail will increase port capacity by more than a million tons each year. An improved inland port will provide domestic shippers in the South, Midwest and West with a lower-cost option and improve Tulsa's position as a freight and logistics hub. These are but two examples of the many important projects that this program funds across the country. The results over four rounds of grants have been strong. NII has leveraged more than two private, state, and local dollars for every Federal dollar invested, compared with 20 cents on the dollar in most of DOT's formula programs. NII has funded projects focused on multimodal investments of national and regional significance that are often difficult to fund in the current mode-specific transportation programs. It has rewarded innovation and encouraged cross-jurisdictional and public-private partnership. As a result, this program is helping to build a stronger, more efficient, competitive, cost-effective and environmentally sustainable transportation system.

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

The Administration is proposing \$500 million in FY 2014 for the National Infrastructure Investments program, the same level of funding as FY 2012. Funding will be available for both infrastructure and planning grants. This request would also fund an estimated 10 FTEs to administer the National Infrastructure Investments program. The program will address the

deteriorating state of the Nation's transportation system, and help spur investment beyond the Federal government. The competitive aspect of this program encourages additional investment into transportation infrastructure while utilizing the available grant and loan funding to enhance the Nation's transportation network.

The types of projects funded by a program like this one tend to be innovative, multi-modal projects that are difficult to fund through the underlying formula programs and have a strong focus on safety, economic competitiveness, state of repair, livability and environmental sustainability.

OFFICE OF THE SECRETARY OF TRANSPORTATION
NATIONAL INFRASTRUCTURE INVESTMENTS PROGRAM

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$500,000	
Increase of .612 percent enacted in P.L. 112-175	\$3,060	
FY 2013 CR Annualized	\$503,060	10.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$48	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	\$0	0.00
Inflation	\$67	0.00
FY 2013 Adjusted Base	\$503,175	10.00
<u>FY 2014 Program Changes (+/-):</u>		
Personnel Compensation and Benefits	-\$8	0.00
Other Services	-\$107	
Grants	-\$3,060	
Total, FY 2014 Request	\$500,000	10.00

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
NATIONAL INFRASTRUCTURE INVESTMENTS

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code		FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request
69-0143-0-1-401				
Obligations by program activity:				
0001	National Infrastructure Investments Grants	275,247	1,304,652	480,000
0002	Administrative Costs	11,608	14,607	23,000
0003	TIFIA Subsidy & Admin	45,000	5,000	0
0900	Total new obligations	331,855	1,324,259	503,000
Budgetary Resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	653,148	835,234	14,035
1010	Unobligated balance: Transferred to other accounts	-492,096	0	0
1011	Unobligated balance: Transferred from other accounts	492,096	0	0
1021	Recoveries of prior year unpaid obligations	1,275	0	
1050	Unobligated balance (total)	654,423	835,234	14,035
Budget Authority:				
Appropriations, discretionary:				
1100	Appropriation	500,000	503,060	500,000
1120	Appropriations transferred to other accts [69-0143]	-470,701	0	0
1121	Appropriations transferred from other accts [69-0143]	470,701	0	0
1130	Appropriation permanently reduced	0	0	0
1160	Appropriation, discretionary (total)	500,000	503,060	500,000
Spending authority from offsetting collections, discretionary:				
1700	Collected	13,904	0	0
1750	Spending auth from offsetting collections, disc (total):	13,904	0	0
1900	Budget authority (total)	513,904	503,060	500,000
1930	Total budgetary resources available	1,168,327	1,338,294	514,035
Memorandum (non-add) entries:				
1940	Unobligated balance expiring	-1,238	0	0
1941	Unexpired unobligated balance, end of year	835,234	14,035	11,035
Change in obligated balance:				
Unpaid obligations				
3000	Unpaid obligations, brought forward, Oct 1	440,238	539,691	1,531,909
3010	Obligations incurred, unexpired accounts	331,855	1,324,259	503,000
3020	Outlays (gross)	-231,127	-332,041	-427,192
3040	Recoveries of prior year obligations	-1,275	0	0
3050	Unpaid obligations, end of year	539,691	1,531,909	1,607,717
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	440,238	539,691	1,531,909
3200	Obligated balance, end of year	539,691	1,531,909	1,607,717
Budget authority and outlays, net:				
Discretionary:				
4000	Budget authority, gross	513,904	503,060	500,000
Outlays, gross:				
4011	Outlays from discretionary balances	231,127	332,041	427,192
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal Sources	-13,904	0	0
4180	Budget authority, net (total)	500,000	503,060	500,000
4190	Outlays, net (total)	217,223	332,041	427,192

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

NATIONAL INFRASTRUCTURE INVESTMENTS

OBJECT CLASSIFICATION

(In thousands of dollars)

Identification Code	FY 2012	FY 2013	FY 2014
69-0143-0-1-401	ACTUAL	CR ANNUALIZED	REQUEST
Direct obligations:			
Personnel compensation			
11.1 Full-time permanent	833	1,328	1,328
11.5 Other personnel compensation	99		
11.9 Total personnel compensation	932	1,328	1,328
12.1 Civilian personnel benefits	254	366	366
21.0 Travel and transportation of persons	20	20	20
22.0 Transportation of things		1	1
23.0 Communication and utilities			
24.0 Printing and Reproduction			
25.2 Other services from non-federal source	2,034	3,860	16,500
26.0 Supplies and materials	2	5	5
31.0 Equipment			
41.0 Grants, subsidies, and contributions	45,000	5,000	
99.0 Direct obligations	48,242	10,580	18,220
Allocation Account - direct			
11.1 Personnel compensation: Full-time permanent	897	1,462	995
21.0 Travel and transportation of persons	305	983	590
24.0 Printing and Reproduction	0		
25.2 Other services from non-federal source	6,349	6,572	3,615
26.0 Supplies and materials	0		
41.0 Grants, subsidies, and contributions	276,047	1,304,652	480,000
99.0 Allocation account - direct	283,597	1,313,670	485,200
99.9 Direct obligations	331,839	1,324,250	503,420

PERSONNEL SUMMARY

Identification Code	FY 2012	FY 2013	FY 2014
69-0143-0-1-401	ACTUAL	CR ANNUALIZED	REQUEST
1001 Total compensable workyears			
Full-time equivalent employment	7.52	10	10

OFFICE OF THE SECRETARY OF TRANSPORTATION
MINORITY BUSINESS RESOURCE CENTER PROGRAM

What Is The Request and What Will We Get For the Funds?

(\$000)				
ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Guaranteed Loan Subsidy	\$333	\$333	\$333	\$0
<u>Administrative Expenses:</u>				
<i>Personnel Compensation and Benefits</i>	\$173	\$173	\$173	\$0
<i>Travel</i>	\$15	\$5	\$5	-\$10
<i>Loan Fees</i>	\$205	\$204	\$204	-\$1
<i>Other Costs</i>	\$196	\$212	\$210	\$14
Subtotal, Discretionary	\$922	\$928	\$925	\$3
<u>Guaranteed Loan Subsidy Reestimate - Mandatory</u>	\$17	\$365	\$0	-\$17
GRANT TOTAL	\$939	\$1,293	\$ 925	-\$14
Guaranteed Loan Financing	[18,367]	[18,367]	[18,367]	[0.000]
<u>STAFFING</u>				
Direct Positions	1	1	1	0
Direct FTEs	1.00	1	1	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Minority Business Resource Center (MBRC) is requesting \$925 thousand and an estimated 1 FTE in FY 2014 to accomplish the mission outline on the pages that follow.

Detailed Justification for the Minority Business Resource Center Program

What Is This Program/Activity?

The Short Term Lending Program (STLP) supports the DOT **Economic Competitiveness** Strategic Goal by providing certified small businesses, including disadvantaged business enterprises (DBEs) and women-owned businesses, the opportunity to obtain short-term working capital at a reasonable interest rate for DOT and DOT-funded transportation-related contracts. The program guarantees revolving lines of credit to finance accounts receivable arising from DOT-funded transportation-related contracts. The primary collateral is the proceeds of the contracts. The revolving lines of credit are tightly monitored to reduce the risk to the government. Access to the lines of credit allows the small business to meet short-term operating costs that it would otherwise be unable to finance with the goal of increased participation in DOT-funded transportation-related projects. Lines of credit are \$750,000 or less, and DOT guarantees up to 75 percent of the loan. This program is a vital tool to empower certified small business to participate in DOT procurement opportunities and contribute to DOT's achievement of its small business procurement goals. In return for the guarantee, Participating Lenders receive an administration fee of 1% to 1.5% of the face value of the loan and the chance to establish a banking relationship with the small and disadvantaged business.

Why Is This Particular Program Necessary?

The STLP is necessary to facilitate an efficient domestic and global transportation system that enables economic growth and development by providing the opportunity to obtain short-term working capital. Access to working capital at affordable rates and terms means expanded opportunities for small disadvantaged businesses which serves the economic interests of the United States, both nationally and globally. In general, a Small Disadvantaged Business, as defined in current government regulations, is at least 51% owned and controlled by one or more socially and economically disadvantaged individuals, and has been certified as a Small Disadvantaged Business in accordance with 13 CFR Part 124 Subpart B. Socially disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Subcontinent Asian Americans, and other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act.

Small businesses routinely develop, manufacture and distribute quality products to the private sector, but continue to face limited access to working capital as lending institutions have tightened credit conditions since the 2008 financial market crisis. The STLP provides vital access to financing in order for small businesses to participate in procurement opportunities with the Department of Transportation and our transportation grant recipients that they would not otherwise have. This program has increased lending to small businesses because the DOT guarantee makes lending to these small and disadvantaged companies good business for participating lenders.

The working capital provided by the guaranteed loans enables borrowers to hire more employees to support the transportation-related contracts and allows small businesses to continue to bid on

and win more transportation-related contracts. This in turn contributes to the economic growth of our country.

Performance Measures:

The STLP supports the Economic Competitiveness Strategic Goal and the following 2 performance measures:

Economic Competitiveness:

- Increase percent share of total dollar value of DOT-procurement dollars (direct contracts) that are awarded to small disadvantaged businesses. The FY 2014 target is 15%. The FY 2012 actual was 18.08%.
- Increase percent share of total dollar value of DOT-procurement dollars (direct contracts) that are awarded to women-owned businesses. The FY 2014 target is 6%. The FY 2012 actual was 8.818%.

How Do You Know The Program Works?

The Minority Business Resource Center and Short Term Lending Program (STLP) have helped small disadvantaged businesses obtain access to working capital as illustrated in the following examples:

J.A. Manning Construction Co., Inc.

J.A. Manning Construction Co., Inc. is a certified Disadvantaged Business Enterprise (DBE). It holds DBE certifications in twenty-three different states. J.A. Manning specializes in the design and construction of retaining wall structures and interlocking pavement systems.

The guaranteed loan was approved for \$250,000 and is a direct result from a workshop with one of our new participating lenders, Seedco Financial. The company will be using the funds to help retain thirty-two employees and hire an additional four employees. The two projects being financed are both located in Texas.

In December of 2012, J.A. Manning Construction Co., Inc. graduated from the STLP after they received a \$1,200,000 secured finance line, without the need of a guarantee.

SCE, Inc.

SCE, Inc. is a small, minority owned enterprise, certified as a DBE and an 8(a) contractor. SCE, Inc. offers expert technical and professional services in civil engineering including: transportation, roadway, general infrastructure, construction survey, topographical surveying, storm water design, hydrologic analysis, municipal infrastructure, inspection, cost estimating, and site development.

The loan was approved for \$250,000 with one of the program's new participating lenders, East West Bank. The funds will help retain two employees and hire an additional two employees. The project being financed is for a bored tunnel design build project in Washington State.

Van Henkelum, Lynch and Associates, LLC

Van Henkelum, Lynch & Associates, LLC (VLA) is a small woman owned enterprise, certified as a DBE. The firm specializes in transportation, municipal, site development, and structural engineering projects.

The loan was approved for \$100,000 and is a direct result from a workshop in Wisconsin held in conjunction with one of the program's new Participating Lenders, Town Bank. The funds will help retain eight employees. The project being financed is for structural engineering assistance on the busiest interchange in the state of Wisconsin.

Plaza Construction Inc.

Plaza Construction Inc. is a certified Disadvantaged Business Enterprise (DBE) General Contractor from Denver, Colorado specializing in commercial site and building concrete work. The company offers expertise in removal, replacement, and installation of all types of concrete including sidewalks, curb & gutter, flatwork, concrete roadways, and handicap ramps.

Plaza has been working on the Denver Union Station project, a 50-acre public-private development venture in lower downtown Denver. The intermodal transit development project will serve as a regional multimodal hub that will improve transportation and reduce congestion in the downtown area. Transportation elements include an underground bus terminal with 22 bays, a light rail station for current and future light rail routes, a commuter rail station that will serve Amtrak with the possibility of a ski train, and public plazas to integrate transit service. Plaza received a \$2.5 million contract from Kiewit Western Construction for concrete paving.

Plaza received a \$300,000 loan in FY 2011 with a loan renewal in 2012 for \$300,000. Utilizing the line of credit, Plaza was able to hire thirty new employees, and complete the work at Denver Union Station. Plaza will be graduating from the STLP as they are now eligible for a commercial loan product from Solera National Bank in Denver, Colorado.

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

The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an increase for an estimated .5 percent inflation increase; and (4) adjustments in GSA Rent, Worker's Compensation, and Working Capital Fund charges and an estimated 1 FTE and associated costs.

In an effort to make the program more available to small and disadvantaged businesses in need of credit to expand their businesses across the country, OSDDBU launched an aggressive campaign in 2010 to solicit more Participating Lenders and have a Participating Lender in each state. As a result, OSDDBU has been adding approximately 2 new Participating Lenders per

month. There will be an estimated 72 Participating Lenders by 2014 with Participating Lenders in 98% of the states. In FY 2014, priority will continue to be placed on broadening participation in the program through more focused outreach efforts and increasing both the number of and the geographic distribution of participating lenders, while maintaining or reducing the historically low default rate.

To date, this effort to broaden the participation in the program has led to an increase in the volume of new loans over previous fiscal years. Focused, increased outreach to potential Participating Lenders has enabled the program to double the number of Participating Lenders and expand access to small and disadvantaged business across the country. This in turn has doubled the amount of loans to new, small and disadvantaged participants in the program. The majority of loans in FY 2012 have been new loans generated by the New Participating Lenders. OSDBU thoroughly trains the new Participating Lenders and works with OSDBU Field Offices and the State DOT DBE offices to conduct financial workshops to help generate loans. 3 of the 6 loans that have been approved in FY 2012 came from new Participating Lenders as a direct result of the financial workshops. In FY 2011, there was a 30% increase in loan volume due to the outreach and bank expansion.

In addition, focused, increased outreach to small and disadvantaged businesses through SBTRC workshops, OSDBU Small Business Workshops, the State DOTs, and the Participating Lenders, have also contributed to the increased loan volume. As part of this effort, the Financial Assistance Division (FAD) has effectively utilized the Small Business Transportation Resource Centers (SBTRC) program to increase awareness of the STLP and outreach to more small and disadvantaged businesses and potential Participating Lenders across the country.

The continuation of the current efforts to broaden participation in the STLP of both small and disadvantaged businesses and Participating Lenders will lead to increased demand for guaranteed revolving lines of credit. The willingness of existing and potential Participating Lenders to lend will also contribute to demand. In January 2011, the FDIC and the Federal Reserve sponsored a Small Business Forum entitled, “Overcoming Obstacles to Small Business Lending”. At that forum, it was stressed that banks are to start lending again. In July 2012, the Little Rock Arkansas sponsored a Small Business Day focusing on OSDBU’s STLP. Over 75 small businesses throughout the state of Arkansas were in attendance. The Small Business Day generated 4 new loans. In October 2012, OSDBU sponsored a STLP Workshop at DOT Headquarters. Representatives for STLP Participating Lenders shared information on lending opportunities and various stakeholders shared information on contracting opportunities in the DC Metro area. Over thirty small businesses attended the event and had the opportunity to network with Participating Lenders, various Federal Agency Small Business Specialists, and several DOT prime contractors. The new Participating Lenders that are coming on-board have capital to lend the small and disadvantaged businesses today. The increased demand will translate into increased participation of small and disadvantaged businesses on transportation-related contracts and contribute to the economic growth of our country.

OFFICE OF THE SECRETARY OF TRANSPORTATION
MINORITY BUSINESS RESOURCE CENTER PROGRAM

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$939	
Adjustments from FY 2012 to FY 2013	\$354	
FY 2013 CR Annualized	\$1,293	1.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$2	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	-\$5	0.00
Inflation	\$1	0.00
FY 2013 Adjusted Base	\$1,290	1.00
<u>FY 2014 Program Changes (+/-):</u>	-\$365	0.00
Elimination of the .612 percent increase in FY 2013 CR Annualized.		
Total, FY 2014 Request	\$925	1.00

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MBRC PROGRAM ACCOUNT

PROGRAM AND FINANCING
(In thousands of dollars)

Identification code		FY 2012	FY 2013 CR	FY 2014
		ACTUAL	ANNUALIZED	REQUEST
69-0155-0-1-407				
Obligations by Program Activity:				
00.02	Guaranteed loan subsidy	108	33	333
0707	Reestimate of guaranteed loan subsidy	17	0	0
0708	Interest on reestimate of guaranteed loan subsidy	0	0	0
0709	Administrative expenses	401	593	592
0900	Total new obligations (object class 99.5)	526	626	925
Budget resources available for obligation:				
22.00	New budget authority (gross)	939	1,293	925
23.95	New obligations	-526	-1,293	-925
23.98	Unobligated balance expiring	413	0	0
Budgetary Resources:				
Budget Authority:				
Appropriations, discretionary				
1100	Appropriation	922	928	925
1130	Appropriation Permanently Reduced	0	0	0
1160	Appropriation Total	922	928	925
Appropriations, Mandatory:				
1200	Appropriation	17	365	0
1930	Total budgetary resources available	939	1,293	925
Change in obligated balance:				
Obligated balance, start of year (net):				
3000	Unpaid obligations, brought forward, Oct. 1 (gross)	446	232	0
3010	Obligations incurred, unexpired accounts	526	1,293	925
3011	Obligation adjustments-expired accounts	24	0	0
3020	Total outlays (gross)	-516	-1,525	-925
3041	Recoveries of unpaid obligations-expired accounts	-223	0	0
Budget authority and outlays, net				
Discretionary:				
Outlays, gross:				
4010	Outlays from new discretionary authority	313	928	925
4011	Outlays from discretionary balances	186	232	0
4100	Outlays from mandatory authority	17	365	0
4190	Total outlays (gross)	516	1,525	925
4180	Budget authority, net (total)	939	1,293	925
4190	Outlays, net (total)	516	1,525	925

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER
PROGRAM ACCOUNT

SUMMARY OF LOAN LEVELS, SUBSIDY BA AND OUTLAYS BY PROGRAM
(In thousands of dollars)

Identification code	FY 2012	FY 2013	FY 2014
		CR	
69-0155-0-1-407	ACTUAL	ANNUALIZED	REQUEST
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	4,530	18,367	21,955
2159 Total loan guarantee levels	4,530	18,367	21,955
2320 Subsidy rate	1.79	1.81	1.73
2329 Weighed average subsidy rate	1.79	1.81	1.73
2330 Subsidy BA	81	108	33
2339 Total subsidy BA	81	108	33
2340 Subsidy outlays	71	358	418
2349 Total subsidy outlays	71	358	418
2350 Upward reestimate	15	17	0
2370 Downward reestimate	47	71	0
3510 Administrative expense BA	560	401	593
3580 Administrative expense outlays from balances	219	421	0
3590 Administrative expense outlays from new authority	335	401	593

PERSONNEL SUMMARY

Identification code	FY 2012	FY 2013	FY 2014
		CR	
69-0155-0-1-407	ACTUAL	ANNUALIZED	REQUEST
Direct:			
1001 Total compensable workyears: Civilian full-time equivalent employments	1	1	1

Section 3 - FY 2014 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER
GUARANTEED LOAN FINANCING ACCOUNT

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2012	FY 2013	FY 2014
		CR	
69-4082-0-3-407	ACTUAL	ANNUALIZED	REQUEST
Program by activities:			
00.01 Default claims	0	445	102
00.02 Payment of interest to Treasury	0	0	0
08.02 Downward subsidy reestimate	68	0	0
08.04 Interest on downward subsidy reestimate	<u>2</u>	<u>0</u>	<u>0</u>
10.00 Total obligations	71	445	102
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	170	213	447
22.00 New financing authority (gross)	113	680	373
23.90 Total budgetary resources available for obligation	283	892	820
23.95 Total new obligations	<u>-71</u>	<u>-445</u>	<u>-102</u>
24.40 Unobligated balance carried forward, end of year	213	447	718
New financing authority (gross), detail:			
Spending authority from offsetting collections			
Mandatory			
67.10 Borrowing authority	0	0	0
69.00 Offsetting collections (cash)	78	740	373
69.10 Change in uncollected customer payments from Federal sources	35	-60	0
69.47 Portion applied to repay debt	<u>0</u>	<u>0</u>	<u>0</u>
69.90 Spending authority from offsetting collections (total)	113	680	373
Change in obligated balances:			
72.40 Obligated balance, start of year	-25	-60	0
73.10 Total new obligations	71	445	102
73.20 Total financing disbursements (gross)	-71	-445	-102
74.00 Change in uncollected customer payments from Federal sources	<u>-35</u>	<u>60</u>	<u>0</u>
74.40 Obligated balance, end of year	-60	0	0
Outlays (gross), detail			
87.00 Total financing disbursements (gross)	71	445	102
Offsets			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from : Federal sources (subsidy)	59	335	333
88.00 Offsetting collections (cash) from : Federal sources (upward reestimate)	17	365	0
88.25 Interest on uninvested funds	2	40	40
88.90 Total offsetting collections (cash)	78	740	373
88.95 Change in uncollected customer payments from Federal sources	35	-60	0
Net financing authority and financing disbursements			
89.00 Financing authority	0		
90.00 Financing disbursements	<u>-8</u>	<u>-295</u>	<u>-271</u>

Section 3 - FY 2014 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER
GUARANTEED LOAN FINANCING ACCOUNT

STATUS OF GUARANTEED LOANS
(In thousands of dollars)

Identification Code	FY 2012	FY 2013	FY 2014
		CR	
69-4082-0-3-407	ACTUAL	ANNUALIZED	REQUEST
Position with respect to appropriations act limitation on commitments			
2111 Limitation on guaranteed loans made by private lenders	18,367	18,367	18,367
2142 Uncommitted loan limitation	12,883	0	0
2150 Total guaranteed loan commitments	5,484	18,367	18,367
2199 Guaranteed amount of guaranteed loan commitments	4,113	13,775	13,775
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	4,055	5,484	18,367
2231 Disbursements of new guaranteed loans	5,484	18,367	18,367
2251 Repayments and prepayments	-4,055	-5,039	-18,265
2263 Terminations for default that result in claim payments	0	-445	-102
2264 Other adjustments, net			
2290 Outstanding, end of year	5,484	18,367	18,367
Memorandum:			
2299 Guaranteed amt of guaranteed loans outstanding, EOY	4,113	13,775	13,775
6300 Net financing disbursements	-7,652	-295	-271

MINORITY BUSINESS RESOURCE CENTER
GUARANTEED LOAN FINANCING ACCOUNT

BALANCE SHEET
(In thousands of dollars)

Identification Code	FY 2012
69-4082-0-3-407	ACTUAL
ASSETS:	
Federal assets:	
1101 Fund balances with Treasury	213
1106 Receivables, Net	0
1999 Total assets	213
LIABILITIES:	
2101 Accounts Payable	0
2103 Debt	0
2104 Resources payable to Treasury	0
2204 Non-Federal liabilities: Liabilities for loan guarantees	213
2999 Total liabilities	213
NET POSITION:	
3999 Total net position	
4999 Total liabilities and net position	213

OFFICE OF THE SECRETARY OF TRANSPORTATION**AVIATION CONSUMER CALL CENTER***Office of the General Counsel - C***What Is The Request and What Will We Get For the Funds?**

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$0	\$0	\$150	\$150
Travel	\$0	\$0	\$0	\$0
Other Costs	\$0	\$0	\$7,350	\$7,350
TOTAL	\$0	\$0	\$7,500	\$7,500

STAFFING

Direct Positions	0	0	2	2
Direct FTEs	0.00	0	1	1
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Office of the General Counsel is requesting \$7.5 million and 1 FTE in FY 2014 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Aviation Consumer Call Center

What Is This Program/Activity?

As required by the FAA Modernization and Reform Act (Act), the Department will be establishing and operating an aviation consumer call center (hotline) for the purpose of responding to consumer complaints about airline service, including assisting air travelers with time-sensitive issues (other than safety and security). The hotline will provide general information to consumers about the rights of air travelers, respond to requests for printed or electronic consumer information and obtain information from callers about airline service problems that may warrant an investigation.

In assisting individuals who may have air travel complaints, the role of the call center operators will be to provide prompt and accurate information about federal regulations and consumer rights. In cases where immediate intervention is needed to prevent consumer harm, call center operators will forward the calls to DOT employees who would contact the airline involved to suggest possible customer-service solutions.

In addition to establishing an aviation consumer complaint call center, the Act also requires the Department to notify the public of the hotline telephone number. The Department will issue notices and press releases and display call center information prominently on its website to advertise the existence of the hotline. The Department will also take steps to ensure airlines and airports publish the telephone number of the hotline on their websites and display the hotline number on ticket counter signs at airports and e-ticket confirmations as required by the Act.

Anticipated FY 2014 Accomplishments:

Anticipated FY 2014 Accomplishments:

- Establish, operate and maintain a call center.
- Advertise the existence of an aviation consumer call center.

Why Is This Particular Program/Activity Necessary?

The FAA Modernization and Reform Act directs the Department of Transportation to establish a consumer complaints toll-free hotline telephone number for the use of passengers in air transportation and notify the public of that telephone number.

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

The \$7.5 million for an Aviation Consumer Call Center is essential to comply with the statutory requirement to establish a hotline to respond to complaints about airline service (other than safety or security) and to take action to notify the public of that telephone number.

Most of the \$7.5 million will be used to set up and operate a hotline staffed by contractor personnel. The volume of calls for the aviation consumer hotline is estimated to be high as airlines are required by the Act to publish the telephone number of the hotline on their websites, and to prominently display the hotline number on ticket counter signs at airports and e-ticket confirmations. More specifically, call volume is estimated to be approximately 2100 calls a day, based on the number of calls received by the largest U.S. airlines that accept complaints by telephone. The average duration of hotline calls is estimated to range from 10 to 15 minutes based on prior telephone interactions with individuals experiencing air travel service problems and data obtained from airlines about the length of telephone interactions of their call center operators. The anticipated call volume and length of time for each call both play a key role in the cost of a call center.

Establishing a hotline telephone number will necessitate the hiring of additional staff. A portion of the \$7.5 million would fund two FTEs at half a year. One FTE would be to manage the hotline, including handling all of the technical aspects of contract management during the procurement process and ensuring the contractor has the necessary relevant program and technical information to accurately and appropriately handle incoming calls. Another FTE would be for ensuring public awareness of the hotline.

OFFICE OF THE SECRETARY OF TRANSPORTATION

AVIATION CONSUMER CALL CENTER

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$0	0.00
Increase of .612 percent enacted in P.L. 112-175	\$0	0.00
FY 2013 CR Annualized	\$0	0.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$0	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	\$0	0.00
Inflation	\$0	0.00
FY 2013 Adjusted Base	\$0	0.00
<u>FY 2014 Program Changes (+/-):</u>		
Program Increase:	\$7,500	1.00
<p>The \$7.5 million is for an Aviation Consumer Call Center to comply with the requirement in the FAA Modernization and Reform Act to establish a hotline to respond to complaints about airline service (other than safety or security) and to take action to notify the public of that telephone number. This will fund two FTES at half a year. One FTE would be to manage the hotline, including handling all of the technical aspects of contract management during the procurement process and ensuring the contractor has the necessary relevant program and technical information to accurately and appropriately handle incoming calls. Another FTE would be for ensuring public awareness of the hotline.</p>		
Total, FY 2014 Request	\$7,500	1.00

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DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

AVIATION CONSUMER CALL CENTER

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
69-0126-0-402			
Obligations by program activity:			
0.01 General Administration	0	0	7,000
0.91 Direct program activities, subtotal	0	0	7,000
8.01 Reimbursable program	0	0	0
9.00 Total new obligations	0	0	7,000
Budgetary Resources:			
10.00 Unobligated balance brought forward, Oct 1	0	0	0
10.50 Unobligated balance (total)	0	0	0
Budget Authority: appropriations, discretionary			
11.00 Appropriation	0	0	7,500
11.30 Appropriations permanently reduced (disc)	0	0	0
11.60 Appropriations, discretionary (Total)	0	0	7,500
Spending authority from offsetting collections, discretionary:			
17.50 Total Spending authority	0	0	0
19.00 Budget Authority (Total)	0	0	7,500
19.30 Total Budgetary Resources Available	0	0	7,500
Memorandum (non-add) entries:			
19.40 Unobligated Balance Expiring	0	0	0
19.41 Unexpired unobligated balance, end of year	0	0	500
Change in obligated balance:			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	0	0	0
30.10 Obligations incurred, unexpired accounts	0	0	7,000
30.11 Obligations incurred, expired accounts	0	0	0
30.20 Obligated balance, Outlays (gross)	0	0	-6,750
30.50 Unpaid obligations, end of year	0	0	250
Uncollected payments:			
30.90 Uncollected pymts, Fed sources, end of year	0	0	0
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	0	0	0
32.00 Obligated balance, end of year	0	0	0
Budget Authority and outlays, net:			
40.00 Budget authority, gross	0	0	7,500
Outlays, gross:			
40.10 Outlays from new discretionary authority	0	0	6,750
40.11 Outlays from discretionary balances	0	0	0
40.20 Outlays, gross (Total)	0	0	6,750
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.40 Total offsetting collection (cash)	0	0	0
Additional offsets against gross budget authority only:			
40.60 Additional offsets against budget authority only (total)	0	0	0
41.80 Budget authority, net (disc. and mand.)	0	0	7,500
41.90 Outlays, net (disc. and mand.)	0	0	6,750

Section 3 - FY 2014 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

AVIATION CONSUMER CALL CENTER

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2012	FY 2013 CR	FY 2014
69-0126-0-402	ACTUAL	ANNUALIZED	REQUEST
Direct obligations:			
23.3 Communications, utilities, and miscellaneous charges	0	0	0
25.2 Other services	0	0	7,000
31.0 Equipment	0	0	0
99.9 Total obligations	\$0	\$0	\$7,000

PERSONNEL SUMMARY

Identification Code	FY 2012	FY 2013 CR	FY 2014
69-0126-0-402	ENACTED	ANNUALIZED	REQUEST
1001 Total compensable workyears: Full-time equivalent employment	0	0	1

OFFICE OF THE SECRETARY OF TRANSPORTATION**CYBER SECURITY INITIATIVES***Office of the Chief Information Officer - (S-80)***What Is The Request and What Will We Get For the Funds?**

(\$000)

ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Other Costs	\$10,000	\$10,061	\$6,000	-\$4,000
TOTAL	\$10,000	\$10,061	\$6,000	-\$4,000

STAFFING

Direct Positions	0	0	0	0
Direct FTEs	0.00	0	0	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

The Office of the Chief Information Officer is requesting \$6 million in FY 2014 to accomplish the mission outlined on the pages that follow.

Detailed Justification for the Cyber Security Initiatives

What Is This Program/Activity?

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT), cyber security, privacy, and records management advisor to the Secretary. The Office of the CIO (OCIO) supports the **Organizational Excellence** Strategic Goal.

A major focus of the FY 2014 Cyber Security Initiatives request will be for necessary upgrades to the wide area network and information technology infrastructure, building on and continuing accomplishments achieved in FYs 2012 and 2013. The funding will position DOT to address evolving risks in cyber security by expanding and strengthening the environment that will properly align the Wide Area Network (WAN) and existing Campus Area Network (CAN). The appropriation will provide funding to continue upgrades for the WAN to strengthen cyber security at DOT, replacing failing pieces of the existing infrastructure, and properly implementing infrastructure components to support critical federal initiatives, including Trusted Internet Connection (TIC), Domain Name System Security Extensions (DNSSEC), and Compliance Monitoring.

A limited capital asset replacement reserve is maintained in the Working Capital Fund (WCF) to support replacement of existing capital assets in the CAN. The current equipment replacement reserve balance in the WCF is composed primarily of equipment purchased for the New Headquarters (HQ) Building infrastructure - intended to support only the DOT HQ campus. The New HQ equipment infrastructure was purchased in FY 2006 with a special appropriation and was transferred into the WCF starting in FY 2008 for operational support, maintenance and future reserves.

In line with the original purpose of the New HQ Building equipment purchase, the WCF assets will continue to support the CAN associated with the DOT HQ. The Cyber Security Initiatives appropriation will focus on funding the WAN, building on and continuing accomplishments achieved in FYs 2012 and 2013. This includes infrastructure outside of the DC campus, focusing on the field network expansion. By consolidating all DOT networks into the Common Operating Environment (COE) through an expanded and stabilized WAN, the Department will be more secure through a standardized, integrated environment.

The updated infrastructure approach supports the Departmental cyber security plan, which is a holistic initiative that invests in people, process, and technologies at strategic, operational, and tactical levels.

Anticipated FY 2013 Accomplishments:

The \$10M requested in FY 2013 will allow DOT to address urgent and immediate threats to critical transportation related business operations. The appropriation will assist in stabilizing the DOT technology infrastructure, effectively remediating vulnerabilities, and ensuring adequate threat remediation moving forward.

Specific areas for improvement will focus on an initial phase of the build-out and modernization of the WAN. As part of the WAN modernization, the virtualized server environment will be enhanced and circuits will be upgraded in support of the Federal Data Center Consolidation Initiative. Funding will continue for the Continuous Monitoring solution, and Virtual Desktop Infrastructure (VDI) will be expanded to address specific vulnerabilities associated with secure remote access. The funding will also provide replacement of network hardware to support increase usage and security requirements in the WAN. In all areas, work will address DHS compliance elements and OIG recommendations.

Why Is This Particular Program/Activity Necessary?

The DOT operates and oversees significant elements of the critical transportation and information technology (IT) infrastructure of the United States. Much of the DOT framework relies upon, and is integrated with, computer networks, computer mediated communications, online databases, and a wide variety of other computer and computer network capabilities. With the increasing interconnectivity between DOT, other Federal, State, and local government agencies, and the private sector entities it regulates, and an ongoing modernization to include commodity Internet-based technologies, new dependencies, relationships, and vulnerabilities are created that did not previously exist, resulting in new risks to the DOT IT infrastructure.

Another challenge is supporting the ongoing COE field consolidation, which requires integration of the HQ assets with existing Operating Administration (OA) owned field assets. The current Capital Asset replacement reserve in the WCF will not support the purchases for field asset and bandwidth integration. The current reserve also does not adequately support the expanding network and security requirements or new technology enhancements. This initiative will build the necessary Wide Area Network infrastructure to support expanding OMB-mandated DOT network security requirements and network field integration.

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

The DOT OCIO is requesting \$6.000 million of cyber security funding for FY 2014. A decrease of \$4.091 million is reflected from the FY 2013 funding. The requested amount will refresh and modernize the disparate infrastructure in the field.

This funding will focus on WAN infrastructure components in the areas of: Network Infrastructure, Server Infrastructure, Security and Incident Management Center (IMC) Operations, and Communications and Utilities. These components will expand the WAN and provide key program enhancements, including infrastructure upgrades that will improve detection and response capabilities, and engineering resources to address DOT network security requirements. The end goal is to implement an adequate WAN to shift the Department from a reactive posture to a proactive approach that avoids system compromise and information loss to the maximum extent practicable.

In FY 2014, DOT will continue and expand infrastructure elements procured in FYs 2012 and 2013. Specifically, funding will increase the VDI user base to include additional seats focused on

strengthening the secure remote access. The expansion will improve compliance and minimize the need for remediation throughout DOT. Additionally, the Continuous Monitoring solution that was implemented in FY 2012 will continue in FY 2014. The monitoring activities improve visibility into patterns of malicious and anomalous activity.

While the WCF includes a funding ceiling, or allowance, for the migration of user seats into the Common Operating Environment (COE), it does not support the refresh or modernization of the infrastructure that is currently outside of the COE. The current equipment replacement reserve in the WCF is composed primarily of equipment purchased for the New HQ Building infrastructure - intended to support only the DOT HQ campus. The current reserve will not support the purchase of field assets and bandwidth integration. Additionally, it does not adequately support the expanding network and security requirements or new technology enhancements, and DOT is not, at this time, proposing to increase WCF charges to cover these costs. The funding request will allow DOT to begin building the necessary infrastructure to support both expanding OMB-mandated DOT network security requirements and network field integration. The funding will support a detailed analysis and assessment of the field assets, hardware and software procurements to support the updated infrastructure, engineering integration services for deployment, and security authorization.

OFFICE OF THE SECRETARY OF TRANSPORTATION**CYBER SECURITY INITIATIVES****Explanation of Funding Changes**

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$10,000	
Increase of .612 percent enacted in P.L. 112-175	\$61	
FY 2013 CR Annualized	\$10,061	0.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$0	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	\$0	0.00
Inflation	\$30	0.00
FY 2013 Adjusted Base	\$10,091	0.00
<u>FY 2014 Program Changes (+/-):</u>		
Program Decrease:	-\$4,091	0.00
Total, FY 2014 Request	\$6,000	0.00

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

CYBER SECURITY INITIATIVES

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
69-0159-0-1-407			
Obligations by program activity:			
0.01 General Administration	3,730	16,270	6,061
0.91 Direct program activities, subtotal	3,730	16,270	6,061
8.01 Reimbursable program	0	0	0
9.00 Total new obligations	3,730	16,270	6,061
Budgetary Resources:			
10.00 Unobligated balance brought forward, Oct 1	0	6,270	61
10.50 Unobligated balance (total)	0	6,270	61
Budget Authority: appropriations, discretionary			
11.00 Appropriation	10,000	10,061	6,000
11.30 Appropriations permanently reduced (disc)	0	0	0
11.60 Appropriations, discretionary (Total)	10,000	10,061	6,000
Spending authority from offsetting collections, discretionary:			
17.50 Total Spending authority	0	0	0
19.00 Budget Authority (Total)	10,000	10,061	6,000
19.30 Total Budgetary Resources Available	10,000	16,331	6,061
Memorandum (non-add) entries:			
19.40 Unobligated Balance Expiring	0	0	0
19.41 Unexpired unobligated balance, end of year	6,270	61	0
Change in obligated balance:			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	0	716	945
30.10 Obligations incurred, unexpired accounts	3,730	16,270	6,061
30.11 Obligations incurred, expired accounts	0	0	0
30.20 Obligated balance, Outlays (gross)	-3,014	-16,041	-6,406
30.50 Unpaid obligations, end of year	716	945	600
Uncollected payments:			
30.90 Uncollected pymts, Fed sources, end of year	0	0	0
Memorandum (non-add) entries:			
31.00 Obligated balance, start of year	0	716	716
32.00 Obligated balance, end of year	716	716	716
Budget Authority and outlays, net:			
40.00 Budget authority, gross	10,000	10,061	6,000
Outlays, gross:			
40.10 Outlays from new discretionary authority	3,014	9,055	5,400
40.11 Outlays from discretionary balances	0	6,986	1,006
40.20 Outlays, gross (Total)	3,014	16,041	6,406
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.40 Total offsetting collection (cash)	0	0	0
Additional offsets against gross budget authority only:			
40.60 Additional offsets against budget authority only (total)	0	0	0
41.80 Budget authority, net (disc. and mand.)	10,000	10,061	6,000
41.90 Outlays, net (disc. and mand.)	3,014	16,041	6,406

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

CYBER SECURITY INITIATIVES

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2012	FY 2013 CR	FY 2014
69-0159-0-1-407	ACTUAL	ANNUALIZED	REQUEST
Direct obligations:			
23.3 Communications, utilities, and miscellaneous charges	0	2,085	575
25.2 Other services	720	6,239	1,421
31.0 Equipment	3,009	8,008	4,004
99.9 Total obligations	\$3,729	\$16,332	\$6,000

PERSONNEL SUMMARY

Identification Code	FY 2012	FY 2013 CR	FY 2014
69-0159-0-1-407	ENACTED	ANNUALIZED	REQUEST
1001 Total compensable workyears: Full-time equivalent employment	0	0	0

OFFICE OF THE SECRETARY OF TRANSPORTATION
ESSENTIAL AIR SERVICE (EAS) PROGRAM
Essential Air Service/ Payments to Air Carriers

What Is The Request and What Will We Get For the Funds?

	(\$000)			
	FY 2012	FY 2013	FY 2014	Difference
ITEM	Actual	CR Annualized	Request	from FY 2012 to FY 2014

PAYMENTS TO AIR CARRIERS (Trust Fund) - Discretionary Budget Authority

FUNDING LEVELS

Personnel Compensation and Benefits	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Other Costs (Essential Air Service)	\$143,000	\$143,875	\$146,000	\$3,000
TOTAL	\$143,000	\$143,875	\$146,000	\$3,000

STAFFING

Direct Positions				
Direct FTEs	0	0	0	0
	0.00	0.00	0.00	0.00
Reimbursable Positions				
Reimbursable FTEs	0	0	0	0
	0.00	0.00	0.00	0.00

ESSENTIAL AIR SERVICE (Overflight Fees) - Mandatory Budget Authority

FUNDING LEVELS

Personnel Compensation and Benefits	\$2,018	\$2,032	\$2,047	\$29
Travel	\$3	\$3	\$1	-\$2
Other Costs	\$325	\$274	\$269	-\$56
Essential Air Service	\$47,654	\$47,691	\$113,682	\$66,028
TOTAL	\$50,000	\$50,000	\$116,000	\$66,000

STAFFING

Direct Positions				
Direct FTEs	14	14	14	0
	10.06	13	13	3
Reimbursable Positions				
Reimbursable FTEs	0	0	0	0
	0.00	0	0	0

The total FY 2014 program level for the Essential Air Service (EAS) program is \$246 million, comprised of \$146 million of discretionary funding (Payments to Air Carriers) and \$100 million of obligations against an estimated mandatory appropriation of \$116 million pursuant to the FAA Modernization and Reform Act.

I/A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The continuing resolution extended as a term and condition a proviso of Section 112 of the 2012 FAA Administrative Provisions (P.L. 112-55) that the Department of Transportation interprets as restricting the availability of the overflight fees for the Essential Air Service program provided in section 428 of the FAA Modernization and Reform Act of 2012 (P.L. 112-95). This restriction is reflected as a -\$76 million discretionary change in a mandatory program in FY 2013 in the Aviation Overflight Fee account, and results in only \$50 million being transferred to the Essential Air Service program. It is expected that a full year appropriation will amend this proviso of Section 112 so that the additional overflight fees will be available to the EAS program.

Detailed Justification for the Essential Air Service (EAS) Program

What Is This Program/Activity?

The EAS program supports the Department's **Livable Communities Strategic Goal**. The EAS program was established as a safety net for the smaller and more isolated communities across the country that had scheduled air service at the time the Airline Deregulation Act (ADA) was passed in 1978. Under the Act, these communities were assured that, for ten years, they would continue to receive scheduled service to a hub airport -- by federally subsidized flights if necessary. (The program was later extended for ten years, and ultimately made permanent.)

The EAS program had retained its basic eligibility criteria since 1978 until the Department's FY 2012 appropriation and the last FAA Reauthorization (PL 112-95). Since 1978, the aviation landscape has dramatically changed. Hub-and-spoke systems are now widespread, exponentially expanding the travel options available to passengers from the various spoke communities. Regional jets offer faster and more comfortable travel to more distant domestic locations. Service options at small hubs have greatly expanded and even non-hub airports now typically offer multiple carriers operating dozens of departures daily, many by jet. Low-fare carriers have expanded in popularity, prompting millions of passengers to drive an extra distance to the airports where they operate. (That drive is now often faster and safer than in 1978, due to the expansion of Interstate and other limited-access highways.)

In the FY 2012 DOT Appropriations Act, (PL 112-55), Congress first capped the program in the lower 48 states. Congress subsequently affirmed that provision in the FAA Modernization and Reform Act (P.L.112-95). As a result, DOT expects to maintain regularly scheduled air service at about 160 communities across the country, including about 43 in Alaska.

Why Is This Particular Program Necessary?

The Essential Air Service program is mandated by Federal statute, 49 U.S.C. section 41731 et seq. On April 25, 2007, in testimony before the Subcommittee on Aviation, Committee on Transportation and Infrastructure, U.S. House of Representatives, the General Accountability Office stated, "Regarding EAS, I think it is important to recognize that for many of the communities, air service is not—and might never be—commercially viable and there are limited alternative transportation means for nearby residents to connect to the national air transportation system. In these cases, continued subsidies will be needed to maintain that capability. In some other cases, current EAS communities are within reasonable driving distances to alternative airports that can provide that connection to the air system. It will be Congress' weighing of priorities that will ultimately decide whether this service will continue or whether other, less costly options will be pursued." <http://www.gao.gov/new.items/d07793t.pdf>

Without the EAS program, about 160 communities across the country (including about 45 in Alaska, many of which are islands without any access to the outside world other than air service) would lose all regularly scheduled air service. Below is a historical list of the annual EAS budget and the number of communities subsidized:

Year	# of Communities	Budget in Millions
1996	97	22.6
1997	95	25.9
1998	101	50.0
1999	100	50.0
2000	106	50.0
2001	115	50.0
2002	123	113.0
2003	126	101.8
2004	140	101.7
2005	146	101.6
2006	152	109.4
2007	147	109.4
2008	146	109.4
2009	153	138.4
2010	159	200.0
2011	155	199.7
2012	155	215.5 ^{1/}

^{1/} Includes \$22.5 million unobligated balance of Payments to Air Carrier funding carried forward into FY 2012.

For many communities in the lower 48 states, surface transportation would be a more cost-effective alternative.

How Do You Know The Program Works?

In a July 2009 report, the General Accountability Office stated, “For many communities, the EAS program provides a valuable connection to the national transportation network. Many EAS routes carry 10,000 or more passengers per year. However, low passenger volume and high subsidies remain the norm for many EAS communities. Changes in the air service industry, including the growth of air travel alternatives provided by low-cost carriers, have changed the environment in which the EAS program operates. However, some legislative EAS program requirements, and the growing cost to operate aircraft for EAS service, contribute to the program’s inability to maintain service to EAS communities. Further, rural population shifts since deregulation, and continuing passenger leakage away from small airports with EAS service combine to limit passenger ridership on EAS flights. These factors contribute to the continuing financial strain on the EAS program which brings its long-term viability into question.”

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

At the requested FY 2014 program level of \$246 million, the Department expects to be able to maintain continuous, regularly scheduled air service to about 160 small communities across the nation, including about 45 in Alaska. The FY 2014 budget proposes appropriations language for the Department to transfer funds from anywhere in DOT to the EAS program to make up any funding shortfall within the Department. The FY 2014 budget request includes changes from FY 2012 for the following items: (1) an increase of .612 percent enacted in the FY 2013 Continuing Resolution (P.L. 112-175); (2) an increase for the estimated 1 percent pay raise for FY 2014; (3) an estimated .5 percent inflation increase; and (4) adjustments in Working Capital Fund charges. The FY 2014 request will also fund an estimated 13 FTEs and associated costs.

The Department of Transportation (DOT) has made, and continues to make, every effort to reduce the costs of the Essential Air Service (EAS) program and implement recent reforms. The Administration proposed important reforms in his FY 2011 and 2012 budget requests, and Congress adopted those recommendations in both the FY 12 Transportation Appropriation and FAA Reauthorization laws.

Specifically, the President's FY 2012 budget proposed to cap the program to include only those communities in the lower 48 states and Puerto Rico that were receiving subsidized EAS as of a specific date and to eliminate the requirement for 15-seat or larger aircraft. Congress capped the program in the lower 48 states in the 2012 DOT Appropriations Act, (PL 112-55), and subsequently affirmed that provision in the FAA Modernization and Reform Act (P.L.112-95). As there were about 50 non-subsidized EAS communities served by only one airline, capping the program removed a contingent liability of nearly \$100 million per year. Nonetheless, the Reauthorization allowed for 11 then non-subsidized EAS communities to be grandfathered into the program, 9 of which are currently subsidized at annual subsidy rates totaling \$13.5 million.

Congress eliminated the 15-seat requirement in the 2012 DOT Appropriations Act, (P.L. 112-55). Removal of the 15-seat requirement will also save funds in the out-years. In addition to these reforms, Congress recently enacted two more reforms. First, Congress established a \$1,000 subsidy-per-passenger cap (regardless of how isolated a community may be). Under the \$1,000 subsidy cap, DOT has terminated EAS funding for Alamogordo, NM, and for Ely, NV, which will result in almost \$3 million in savings per year.

Congress also terminated eligibility for communities that enplane fewer than 10 passengers a day if they are within 175 miles of a Large or Medium Hub airport. However, that standard does not begin until after FY 2013. We estimate that 6-8 communities at an annual savings of about \$15 million could be affected. However, because of the delay in our receiving passenger data, and the requirement that we give the communities due process, we estimate that the cuts wouldn't take effect until the last quarter of FY 2014, or a savings of about \$3.5-4.0 million during FY 2014. In subsequent FYs, the full \$15 million would be realized.

In FY 2014, the \$53 million program level increase over FY 2012 is needed to maintain regularly scheduled air service to eligible communities. DOT does not have the authority to deny service to any eligible community, nor to deny those communities their statutorily guaranteed service levels.

OFFICE OF THE SECRETARY OF TRANSPORTATION

PAYMENTS TO AIR CARRIERS

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$143,000	
Increase of .612 percent enacted in P.L. 112-175	\$875	
FY 2013 CR Annualized	\$143,875	0.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$0	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	\$0	0.00
Inflation	\$0	0.00
FY 2013 Adjusted Base	\$143,875	0.00
<u>FY 2014 Program Changes (+/-):</u>		
Increase is needed in order to maintain regularly scheduled air service to eligible communities.	\$2,125	0.00
Total, FY 2014 Request	\$146,000	0.00

OFFICE OF THE SECRETARY OF TRANSPORTATION

ESSENTIAL AIR SERVICE

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$50,000	
Adjustments from FY 2012 to FY 2013	\$0	
FY 2013 CR Annualized	\$50,000	13.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$15	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	-\$7	0.00
Inflation	\$1	0.00
FY 2013 Adjusted Base	\$50,010	13.00
<u>FY 2014 Program Changes (+/-):</u>		
Estimated increase in mandatory appropriation pursuant to the FAA Modernization and Reform Act.	\$65,990	0.00
Adjustment to reflect expected obligations against the mandatory appropriation.	-\$16,000	0.00
Total, FY 2014 Program Level	\$100,000	13.00

1/A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 112-175). The continuing resolution extended as a term and condition a proviso of Section 112 of the 2012 FAA Administrative Provisions (P.L. 112-55) that the Department of Transportation interprets as restricting the availability of the overflight fees for the Essential Air Service program provided in section 428 of the FAA Modernization and Reform Act of 2012 (P.L. 112-95). This restriction is reflected as a -\$76 million discretionary change in a mandatory program of FY 2013 in the Aviation Overflight Fee account, and results in only \$50 million being transferred to the Essential Air Service program. It is expected that a full year appropriation will amend this proviso of Section 112 so that the additional overflight fees will be available to the EAS program.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

PAYMENT TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
69-8304-0-7-402			
Obligations by program activity:			
0001 Payments to Air Carriers	174,033	154,237	146,000
0900 Total new obligations (Object class 41.0)	174,033	154,237	146,000
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	22,535	10,361	0
1021 Recoveries of prior year unpaid obligations	18,860	0	0
1050 Unobligated balance (total)	41,394	10,361	0
Budget Authority:			
Appropriations, discretionary:			
1102 Appropriation (trust fund)	143,000	143,875	146,000
1130 Appropriation permanently reduced (trust fund)	0	0	0
1160 Appropriations, discretionary (total)	143,000	143,875	146,000
1930 Total budgetary resources available	184,395	154,237	146,000
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	10,361	0	0
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	40,738	46,489	57,550
3010 Obligations incurred, unexpired accounts	174,033	154,237	146,000
3020 Outlays (gross)	-149,423	-143,175	-145,150
3040 Recoveries of prior year unpaid obligations, unexpired	-18,860	0	0
3050 Obligated balance end of year	46,489	57,550	58,400
3100 Obligated balance, start of year (net)	40,738	46,489	57,550
3200 Obligated balance, end of year (net)	46,489	57,550	58,400
Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross	143,000	143,875	146,000
Outlays, gross:			
4010 Outlays from new discretionary authority	127,544	86,325	87,600
4011 Outlays from discretionary balances	21,878	56,850	57,550
4020 Outlays, net (total)	149,422	143,175	145,150
4070 Budget authority, net (discretionary)	143,000	143,875	146,000
4080 Outlays, gross (total)	149,422	143,175	145,150
4180 Budget authority, net (total)	143,000	143,875	146,000
4190 Outlays, net (total)	149,422	143,175	145,150

Section 3 - FY 2014 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

PAYMENT TO AIR CARRIERS
(AIRPORT AND AIRWAY TRUST FUND)

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2012	FY 2013 CR	FY 2014
69-8304-0-7-402	ACTUAL	ANNUALIZED	REQUEST
Direct obligations:			
41.0 Grants, subsidies and contributions	<u>0</u>	<u>0</u>	<u>0</u>
99.9 Total new obligations	0	0	0

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
69-5423-0-2-402			
Obligations by program activity:			
0001 Essential Air Service and Rural Airport	49,959	50,000	100,000
0900 Total new obligations	49,959	50,000	100,000
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	1,194	235	235
1010 Unobligated balance transferred to other accounts [69-5422]	-15,536	0	0
1021 Recoveries of prior year unpaid obligations	14,754	0	0
1029 Other balances withdrawn	-218	0	0
1050 Unobligated balance (total)	194	235	235
Budget Authority:			
Appropriations, mandatory:			
1221 Transferred from other accounts [69-5422]	50,000	50,000	116,000
1260 Appropriations, mandatory (total)	50,000	50,000	116,000
1900 Budget authority (total)	50,000	50,000	116,000
1930 Total budgetary resources available	50,194	50,235	116,235
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	235	235	16,235
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	23,954	8,058	20,000
3010 Obligations incurred, unexpired accounts	49,959	50,000	100,000
3020 Outlays (gross)	-51,101	-38,058	-89,600
3040 Recoveries of prior year unpaid obligations, unexpired	-14,754	0	0
3050 Unpaid obligations, end of year (gross)	8,058	20,000	30,400
3100 Obligated balance, start of year (net)	23,954	8,058	20,000
3200 Obligated balance, end of year (net)	8,058	20,000	30,400
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	50,000	50,000	116,000
Outlays, gross:			
4100 Outlays from new mandatory authority	41,901	30,000	69,600
4101 Outlays from mandatory balances	9,200	8,058	20,000
4110 Outlays, net (total)	51,101	38,058	89,600
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources	0	0	0
4160 Budget authority, net (mandatory)	50,000	50,000	116,000
4170 Outlays, gross (total)	51,101	38,058	89,600
4180 Budget authority, net (total)	50,000	50,000	116,000
4190 Outlays, net (total)	51,101	38,058	89,600

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
69-5423-0-2-402			
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	1,571	1,547	1,558
11.5 Other personnel compensation	43	21	21
11.9 Total personnel compensation	1,614	1,567	1,579
12.1 Civilian personnel benefits	302	465	468
21.0 Travel and transportation of persons	4	3	1
23.0 Communication and utilities	0	0	0
25.0 Other services	12	271	266
26.0 Supplies and materials	4	3	3
31.0 Equipment	194	0	0
41.0 Grants, subsidies, and contributions	47,828	47,691	97,682
0.0 Transfers	0	0	0
99.0 Subtotal, direct obligations	49,959	50,000	100,000
99.0 Reimbursable obligations	0	0	0
99.9 Total new obligations	49,959	50,000	100,000

PERSONNEL SUMMARY

Identification Code	FY 2012 ACTUAL	FY 2013 CR ANNUALIZED	FY 2014 REQUEST
69-5423-0-2-402			
1001 Total compensable workyears:	10	13	13
Full-time equivalent employment			

**DEPARTMENT OF TRANSPORTATION
OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND
TECHNOLOGY**

FY 2014 CONGRESSIONAL SUBMISSION

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GENERAL NOTES

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

OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY

FY 2014 Congressional Budget Submission ASSISTANT SECRETARY'S OVERVIEW

New Approach for Transportation Research Initiatives

To strengthen research functions across the Department by providing a prominent, centralized focus on research and technology, the fiscal year 2014 budget elevates all activities currently performed by the Research and Innovative Technology Administration (RITA) to the Office of the Assistant Secretary for Research and Technology within the Office of the Secretary. The proposal will improve coordination and collaboration among operating administrations, resulting in higher quality research outcomes.

Under this proposal, all functions of RITA will remain in the Office of the Assistant Secretary for Research and Technology and the RITA Administrator will become the Assistant Secretary for Research and Technology. The Office of the Assistant Secretary for Research and Technology will:

- Facilitate, review, and maximize the effectiveness of the Department's research, development, and technology (RD&T) portfolio;
- Coordinate the Department's RD&T Planning Council and Planning Team;
- Provide transportation statistics research, analysis, and reporting through the Bureau of Transportation Statistics (BTS);
- Advance innovative technologies through the Intelligent Transportation Systems (ITS) Joint Program Office (JPO); and
- Further education and training in transportation and related fields through the University Transportation Centers (UTC) program.

The placement of research and technology activities in the Office of the Secretary will:

- Ensure research activities and research budgetary resources across the Department are aligned with the Department's strategic goals and key interest areas;
- Improve coordination of research and technology across the Department, which will reduce duplication of efforts and eliminate inefficiencies;
- Collaborate with partners from other Federal agencies, state and local governments, universities, stakeholder organizations, transportation professionals, and system operators;
- Conduct advanced research to provide funding to test and evaluate new approaches across modes;
- Enable and accelerate transportation innovation;

- Increase the use of multimodal approaches to research; and
- Elevate the work of the RD&T Planning Council to ensure engagement from all areas of the Department.

The FY 2014 Budget Request

The Office of the Assistant Secretary for Research and Technology's FY 2014 Congressional Budget Request is \$40.765 million. This budget is a reduction of \$1.216 million from the FY 2012 enacted level. Within this level of funding, the budget proposes \$1.211 million to support the Positioning, Navigation, and Timing Program (PNT). The programmatic detail supporting the program increase is provided below.

This request reflects our mission to facilitate, review, and maximize the effectiveness of the Department's research, development, and technology portfolio as well as enhancing the data collection and statistical analysis programs to support data-driven decision-making across the Department. The Office of the Assistant Secretary for Research and Technology is the research and innovation focal point in advancing the DOT strategic goals.

HIGHLIGHTS OF THE REQUEST

Quality Statistical Data & Analysis

The budget request for the Bureau of Transportation Statistics (BTS) (Highway Trust Fund) account is \$26 million, consistent with the Moving Ahead for Progress in the 21st Century Act (MAP-21).

BTS develops and disseminates timely, relevant and high quality statistical data and information for all transportation modes. Users include Federal, state and local agencies, researchers, and public and private sector transportation decision-makers. BTS provides data through programs that address:

- Safety Data and Analysis;
- Freight and Travel Statistics (National and International);
- Transportation Economics;
- Geospatial Information Systems;
- National Transportation Library;
- Transportation Analysis, Data Quality, and Performance Metrics; and
- Airline Statistics (funded through a reimbursable agreement from the FAA).

This budget level will sustain the BTS data collection and statistical analysis programs in support of decisions affecting DOT strategic objectives, such as advancing transportation safety, driving economic competitiveness, and ensuring environmental sustainability. This funding will also help to meet DOT's objective of making transportation investments and policy decisions based on sound analytical data.

Research, Development, and Technology

The budget request for the Research and Development (General Fund) account is \$14.765 million, which provides \$1.211 million to support the PNT Program in development of the GPS Spectrum Adjacent Band Compatibility Assessment. DOT has the responsibility to protect the interests of all civilian users of Global Positioning System (GPS) signaling. The development of the compatibility assessment tool will ensure that users and grantees in radiofrequency bands adjacent to the GPS spectrum utilize signals, services and technologies that will not interfere with GPS. Absent strong support for the PNT program, GPS will continue to be subject to potential interference from systems with high power transmitters which have the demonstrable potential to render GPS unusable to the critical infrastructures/key resources that rely upon the signal for position, navigation and timing accuracy.

The Department is the lead agency responsible for coordinating and developing PNT technology, as well as PNT policy coordination and spectrum management on behalf of the civilian user community. The PNT program also enables the Office of the Assistant Secretary for Research and Technology to fulfill the Department's civil PNT leadership role in ensuring Federal civil agencies have significant participation in and are adequately represented in the joint management of GPS. The Office of the Assistant Secretary for Research and Technology also funds the Nationwide Differential Global Positioning System (NDGPS) program, which provides National, real-time accurate dynamic positioning and navigation information for surface transportation and other users.

The Office of the Assistant Secretary for Research and Technology manages and conducts the strategic planning, coordination, facilitation, and review of the Department's research programs. Key components such as the Research Development & Technology (RD&T) Planning Council and Planning Team provide critical coordination and leadership among modal administrations and stakeholders. In addition, the Office of the Assistant Secretary for Research and Technology's Alternative Fuels R&D program provides collaborative and coordinated work to examine multimodal and cross-modal transportation efforts to reduce American reliance on fossil fuels, reduce greenhouse gas emissions, and promote fuel efficiency.

Other Transportation Research Programs

The University Transportation Centers (UTC) program (\$72.5 million) advances U.S. technology and expertise in many transportation-related disciplines and advances Departmental priorities through baseline funding for university-based transportation education, research, and technology transfer. The UTC program is funded by an allocation from the Federal Highway Administration.

Intelligent Transportation Systems

The FY 2014 budget request for the Intelligent Transportation Systems (ITS) program is \$100 million. ITS technology solutions offer the opportunity to reduce crashes, fatalities and injuries; therefore, it improves public health, efficiency, reliability, mobility, and reduces fuel

consumption and greenhouse gas emissions. Vehicle-to-vehicle and vehicle-to-infrastructure communications safety applications are designed to increase situational awareness and reduce or eliminate crashes through data transmissions that support driver advisories, driver warnings, and vehicle and/or infrastructure controls. With these multimodal applications for light vehicles, trucks, buses and fleets of all kinds, vehicle-to-vehicle and vehicle-to-infrastructure communications may potentially address up to 80 percent of crash scenarios involving unimpaired drivers, preventing tens of thousands of automobile crashes every year. Further research and analysis will incorporate heavy vehicles, including buses, motor carriers, and rail.

Fee-For-Service Organizations

The John A. Volpe National Transportation Systems Center (Volpe Center) advances technical, operational, institutional and managerial innovations to improve the nation's transportation system. The Volpe Center provides a unique capability in the synergy of transportation expertise with its institutional knowledge of global transportation systems.

The Transportation Safety Institute (TSI) provides transportation safety training to Federal, state and local government, private sector, and foreign transportation professionals on a cost-recovery basis. These organizations are both fee-for-service and do not receive direct appropriations.

The Office of the Assistant Secretary for Research and Technology's FY 2014 budget supports all of the Department's strategic goals and objectives. It ensures that decision-makers will have access to robust data and analysis, advanced research,

Detailed Justification for Salaries and Administrative Expenses

What Do I Need To Know Before Reading This Justification?

The Salaries and Administrative Expenses line item provides resources for the staff funded from the Research and Development (R&D) account. The staff supports the coordination, facilitation, and review of the Department's research and development programs and activities.

The Office of the Assistant Secretary for Research and Technology's mandate is to coordinate research across the Department to maximize and leverage the taxpayer's \$1.2 billion annual investment in transportation research, development and technology (RD&T) activities. The functions of this office are supported by 26 FTE.

What Is The Request And What Will We Get For The Funds?

FY 2014 - Salaries and Administrative Expenses

(\$000)

	FY 2012 ACTUAL	FY 2013 CR (ANNUALIZED)	FY 2014 REQUEST	CHANGE FY 2012 - 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	4,156	4,188	4,219	63
Travel	90	90	90	0
Other Costs	2,728	2,739	2,238	-490
TOTAL	6,974	7,017	6,547	-427
<u>STAFFING</u>				
Direct Positions	36	36	36	0
Reimbursable Positions	0	0	0	0
Direct FTE	25	26	26	0
Reimbursable FTE	0	0	0	0

The salaries and administrative expenses line item in the R&D account provides administrative support for staff to conduct oversight and direction for Human Capital, Legal, Facilities and Logistics Management, Administrative Services, Governmental, International and Public Affairs, Space Management, Procurement, Program Management and Coordination, and many other vital activities critical to the Office of the Assistant Secretary for Research and Technology.

The Office of the Assistant Secretary for Research and Technology is fully committed to reducing wasteful spending and programs that do not work, strengthening and streamlining programs that do work, transforming government operations to save money, and improving performance to make government more responsive and open to the needs of the American people. To achieve this objective, this organization has embarked on several administrative cost

saving initiatives: reducing IT costs by repurposing and consolidating servers and using the cloud environment where possible; limiting the number of IT devices issued to program staff; standardizing to black and white printers to eliminate costly color toner cartridge charges; reducing travel expenses by participating in meetings via telecom and VTC whenever possible; reducing publication and shipping costs by making documents available online; increasing webinar usage to engage critical stakeholder groups; reducing travel expenses by limiting the occurrence of meetings outside the DC area; and partnering with other DOT agencies to reduce training costs.

What Is This Program?

This request provides \$6.547 million for the staff and operating expenses supporting the Research and Development (R&D) account. The FY 2014 request is a reduction of \$427 thousand from the FY 2012 enacted level. The base funding provides for the pay raise, inflation and other contractual services.

Operating expenses include salaries and benefits to support an estimated 26 FTE (\$4.215 million), travel (\$90 thousand), GSA rent (\$640 thousand), printing (\$1 thousand), working capital fund (\$1.308 million), supplies (\$15 thousand), equipment (\$100 thousand), and other contractual services (\$178 thousand). Contractual service expenses include: accounting systems and services; HR systems and services; e-Gov; IT hardware and software; SharePoint and web services.

The 26 FTE support and manage the following programs funded from the R&D account: Alternative Fuels; RD&T Coordination; Positioning, Navigation, and Timing; and Nationwide Differential Global Positioning System. In addition, a variety of reimbursable and allocation programs--including the University Transportation Centers Program--are staffed through this account.

Why Is This Particular Program Necessary?

This program is necessary to continue operations and to ensure proper oversight, coordination and program performance. The Office of the Assistant Secretary for Research and Technology has developed a diverse and collaborative workforce that will enable the Department to advance a transportation system that serves the Nation's long-term social, economic, security and environmental needs. The workforce will be capable of handling any complex transportation issues that might occur and provide important opportunities for staff to sharpen existing competencies and develop aspiring leaders for the future. In addition, the staff will develop program and policy guidance for stakeholders, launch multimodal RD&T workforce development programs, and executes essential, human capital, and other organizational services.

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

The Office of the Assistant Secretary for Research and Technology's organizational performance is measured by its ability to provide high quality service in human capital management, program and policy guidance, program coordination, legal services, and other organizational services. In order for this organization to operate functionally and continue to coordinate transportation systems research, proper staffing is required to provide services quickly and accurately. The requested funding is sufficient to implement the goals of this organization.

Detailed Justification for Alternative Fuels R&D

What Do I Need to Know Before Reading This Justification?

The Alternative Fuels program is a collaborative and coordinated effort to examine multimodal and cross-modal transportation efforts to reduce the reliance on fossil fuels, to reduce greenhouse gas emissions and to promote fuel efficiency. It leverages the coordination effort outside the Department by coalescing similar initiatives and investments identified in the Energy Independence and Security Act of 2007 and the Renewable Fuel Standards Program.

The program convenes Departmental program managers, researchers and external stakeholders to develop intermodal/multimodal projects in alternative fuels. The results support the Department's Safety, Economic Competitiveness, and Environmental Sustainability strategic goals. The program facilitates cooperation across the Department on biofuels and collaboration with the interdepartmental Biomass Research and Development (R&D) Board.

What Is The Request And What Will We Get For The Funds?

FY 2014 - Alternative Fuels R&D

(\$000)

	FY 2012 ACTUAL	FY 2013 CR (ANNUALIZED)	FY 2014 REQUEST	CHANGE FY 2012 - 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	499	502	499	0
TOTAL	499	502	499	0
<u>STAFFING</u>				
Direct Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Direct FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. □

²Reflects contract funding only.

The budget request continues the base program at prior levels and continues to facilitate cooperation and leverage investment across the Department to address the impacts of alternative fuels on the transportation system and to ensure safe and efficient deployment.

Key Actions and Anticipated Milestones:

- Continue the Federal Motor Carrier Safety Administration (FMCSA) commercial vehicle safety training and education for hydrogen hazardous awareness and other alternative fuels.
- Support the multimodal DOT Alternative Fuels Working Group to conduct collaborative advanced research.
-
- Conduct a competition to identify alternative fuels projects that improve the transportation system's ability to support this emerging industry and promote energy independence.
- Collaborate with other Federal agencies and external partners, to heighten awareness and leverage resources in conducting alternative fuels research.
- Adapt transportation applications of long-term research performed by other Federal agencies and state and local governments.
- Allocate funds competitively to intermodal and multimodal alternative fuels projects under the auspices of the multimodal RD&T Planning Council.
- Establish storage and disposal procedures for high pressure vehicle cylinders.

Key Outputs Expected:

- Multimodal focused alternative fuels research and education products examining safety, logistical, and distribution issues of alternative fuels approaching market level production.
- Determine the necessity for vehicle hydrogen cylinder registration and enforcement of proper storage and disposal.
- Deploy the Pipeline and Hazardous Materials Safety Administration (PHMSA) emergency response training module for alternative fuels.
- First responder training and safety handling products to assist in developing a safe and responsive alternative fuels delivery system.

Key Outcomes Expected:

- Safe and efficient transportation system delivery of alternative fuels.
- Educating the transportation industry and technology investors on the impacts of alternative fuels on the transportation system.

What Is This Program?

Strategic Goals: Safety, Environmental Sustainability.

Purpose/Beneficiaries: This program convenes the Office of the Assistant Secretary for Research and Technology's alternative fuels program managers and researchers to select projects that leverage and improve the current state of knowledge.

Partners: Federal Highway Administration, Federal Aviation Administration, Pipeline and Hazardous Materials Safety Administration, Maritime Administration, Federal Motor Carrier

Safety Administration, Federal Transit Administration, Federal Rail Administration, National Highway Traffic Safety Administration, Office of the Secretary of Transportation

Description: Funding allows the Office of the Assistant Secretary for Research and Technology to bring together intra-agency partners as well as external stakeholders including those from other Federal agencies, to pursue activities with broad appeal and need. The program's competitive review process allows it to support initiatives that best sustain the collective transportation missions and objectives.

Prior Year Accomplishments:

- Finalized PHMSA emergency response training in hydrogen fuels and education outreach demonstration project.
- Set safe limits on biodiesel constituents for pipeline integrity.
- Continued research on the transition to alternative fuels and infrastructure readiness.
- Developed the baseline to test the safety and validity of compressed natural gas in high pressure vehicle cylinders and establish storage and disposal procedures.

Why Is This Particular Program Necessary?

The Alternative Fuels program funding allows this office to collaborate research and education aimed at reducing the Nation's reliance on petroleum as the primary transportation energy source. The program supports investments across the Federal government to maximize the benefits of alternative fuels on our nation's transportation system. In addition, the program also supports the Department's environmental sustainability strategic goal and aims to expand the safe and efficient deployment of alternative fuels.

Without this funding, the ability to support, collaborate, and coordinate the deployment of alternative fuels and the opportunity for the public to choose between energy sources will be lost.

How Do You Know the Program Works?

Effective: The Departmental modal administrations and their stakeholders continue to develop proposals for consideration by the Alternative Fuels Working Group. The resulting research and education products continue to be well received and widely disseminated. In addition to information sharing and development of best practices, the results of this research will be measured in:

- Technological advances evidenced through patents and technology demonstrations.
- Increased scientific knowledge measured by numbers of publications and citations.
- Promulgation of training materials, rules, regulations and standards based on research results.

Research: Research is used to advance safe and efficient shipment of alternative fuels in a multimodal system needed to transport newly developing feed stocks and fuels from source to user. Current systems are structured for the chemical composition of petrochemical fuels, which present different corrosive, safety, and flammability properties from alternative fuels and from feed stocks used to create them. Standards, regulations, handling, and training information are desired from research results.

Efficient: The Office of the Assistant Secretary for Research and Technology plays a coordinating role, leveraging funds to pursue research that has multimodal relevance, particularly in the identification of safety issues that cross transportation modes.

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

The funding request is needed to facilitate cooperation and leverage investment across the Department and to address the impacts of alternative fuels on the transportation systems and to advance their safe and efficient deployment. Funding for this program has been consistent at the \$499 thousand level since inception of the program.

Detailed Justification for Research, Development, and Technology Coordination (RD&T)

What Do I Need to Know Before Reading This Justification?

The RD&T Coordination program touches all modes and addresses all of the Departmental strategic goals: Safety, State of Good Repair, Economic Competitiveness, Livable Communities, Environmental Sustainability, and Organizational Excellence.

The RD&T coordination program is responsible for coordinating both U.S. DOT and external research, facilitating collaboration, and assisting in technology transfer. This effort requires extensive resources for outreach to stakeholders in the research community. Such outreach is essential in the strategic planning of research and the transfer of research outcomes to the users for implementation.

In addition, with new authority from MAP-21, RD&T will fund a few small, select research projects of critical importance to the Department. The RD&T Coordination program provides critical support to identify collaborative research and development opportunities, strengthen multimodal research efforts, and avoid duplication.

What Is The Request And What Will We Get For The Funds?

FY 2014 - RD&T Coordination				
	(\$000)			
	FY 2012 ACTUAL	FY 2013 CR (ANNUALIZED)	FY 2014 REQUEST	CHANGE FY 2012 - 2014
FUNDING LEVELS				
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	509	512	509	0
TOTAL	509	512	509	0
STAFFING				
Direct Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Direct FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. ☐

²Reflects contract funding only.

The funding request for Fiscal Year 2014 is \$509 thousand; and will allow the RD&T Coordination program to continue its main mission of research coordination--both internal and

external to the U.S. DOT--and technology transfer to the implementers of research outcomes. This is accomplished through interaction with transportation system stakeholders to develop a National research agenda via workshops, conferences, and symposia, both domestically and Internationally, to create synergistic research opportunities and eliminate duplicative research efforts.

A critical part of fulfilling this charge is the maintenance of the U.S. DOT Research Hub, a database of U.S. DOT funded research that has been conducted over the past five years. The Research Hub is a new RD&T product and has been available to the public for only the past six months. In that short time, it has been highly lauded for its completeness and ease of use. Keeping this database up-to-date is essential for providing information to political decision makers and researchers.

The dissemination of research information and results to facilitate technology commercialization through technology transfer activities is a new emphasis within the program. The effort in this area has increased significantly over the past two years. A technology transfer specialist works with all modal administrations to help them understand the potential for commercialization of research outcomes. In addition, activities such as a University Transportation Centers Technology Transfer Day allow researchers to display their research outcomes to potential implementers like state DOTs, U.S. DOT modal administrations, and other stakeholders.

The development and maintenance of a U.S. DOT R&D strategic plan and annual reports are also a key responsibility of this program.

What Is This Program?

The base program funding of \$509 thousand supports critical activities to ensure coordination, collaboration, efficiencies in research, and technology transfer, both internal and external to the U.S. DOT. Tools such as strategic plans, annual reviews of modal research efforts, annual reports, meetings, workshops, and the Research Hub are utilized to accomplish these activities.

Strategic Goals: Safety, State of Good Repair, Economic Competitiveness, Livable Communities, and Environmental Sustainability.

Purpose: The RD&T Coordination program provides strategic direction and fosters coordination and collaboration of the Departmental research programs. RD&T Coordination enhances the Department's ability to foster technology transfer, ensure implementation of research results, and inform RD&T stakeholders of Departmental research activities.

Beneficiaries: DOT cross-modal and mode-specific research programs, researchers both within and outside of the Department, and ultimately users and managers of the transportation system.

Partners: The Office of the Assistant Secretary for Research and Technology will work with the following partners to ensure fulfillment of the RD&T Coordination program's goals:

- Federal Aviation Administration
- Federal Highway Administration
- Federal Motor Carrier Safety Administration
- Federal Railroad Administration
- Federal Transit Administration
- Maritime Administration
- National Highway Traffic Safety Administration
- Office of the Secretary of Transportation
- Pipeline and Hazardous Materials Safety Administration
- St. Lawrence Seaway Development Corporation
- External stakeholders, including other Federal agencies, academic institutions, State DOTs, transit authorities, local, regional and state planning entities, local, state and regional governmental entities, and the private sector including owners and operators of transportation infrastructure.

Anticipated FY 2013 Accomplishments:

The RD&T Coordination program will:

- Produce a U.S. DOT R&D Strategic Plan (required by MAP-21)
- Maintain and improve the Research Hub database and website
- Remove the Research Clusters from the website
- Hold, in cooperation with Transportation Research Board (TRB) and the European Union, a research symposium based on the theme “Urban Freight: The Last Mile” to aid U.S. and European researchers in executing collaborative research and voiding redundant research
- Serve as a research liaison between the state dots and U.S. DOT
- Serve as the U.S. DOT representative to the International Transport Forum’s Joint Transport Research Committee
- Perform multiple internal U.S. DOT duties, including chairing the RD&T Planning Team and serving as secretary for the RD&T Planning Council.

In addition, coordination management activities will include preparing the RD&T Section V budget guidance, RD&T budget analysis for the Secretary, the annual RD&T Funding Report, monitoring the implementation of the current *DOT RD&T Strategic Plan*, and coordinating domestic and International research activities to create efficiencies and reduce duplication.

The program will also examine the potential to fund small, time-critical research projects deemed suitable. These activities help to guarantee a forward looking research agenda, collaboration amongst researchers sharing like interests, and increased implementation of research outcomes.

This program’s coordination activities are overseen by the RD&T Planning Council and RD&T Planning Team. These groups are convened at the Assistant Secretary level and RD&T program director level, respectively, to provide a forum for inter-agency collaboration and coordination.

The activities of the RD&T Coordination program are a benefit to U.S. DOT cross-modal and mode-specific research programs, senior Departmental leadership, researchers within and outside of the DOT, stakeholders, Congress and oversight agencies, and ultimately users and managers of the transportation system.

Why Is This Particular Program Necessary?

RD&T coordination activities enable the Office of the Assistant Secretary for Research and Technology to better recognize and use the synergies in the Department's RD&T programs and to identify opportunities for collaborative research efforts.

Transportation research funding is a smaller percentage of total industry expenditures when compared to that spent in other industries. Therefore, the transportation research community must be extremely efficient in its use of funds, creating synergistic research opportunities and avoiding duplication of effort. The RD&T Coordination program has, at its core, the responsibility to ensure the most efficient use of research funding within the Department. Through activities sponsored by this program, staff may reach out to domestic and International researchers to ensure the best use of research funds and efforts across the global transportation research community. Beyond the coordination of research, this program also helps ensure that research outcomes are implemented and monitored to determine societal benefits and research value. In addition, this program provides the funding necessary to conduct and execute critical research on solutions to pressing issues and unexpected problems confronting the Department.

The U.S. DOT Research Hub (available online at www.rita.dot.gov/researchhub), provides project-level access to U.S. DOT's research portfolio and is essential to developing collaborative research and avoiding duplicative work. This program provides the funds for the maintenance and improvement of this database.

How Do You Know the Program Works?

The Research Hub launched successfully in January of 2012, and it has provided a database of DOT-funded research projects to researchers, decision makers, and the broader transportation community.

The RD&T Coordination program determined during the past year that the costs associated with maintaining the Research Clusters outweighed their intended benefit. Therefore, the Office of the Assistant Secretary for Research and Technology has decided to end support for the Clusters and remove them from the RD&T webpage. Though the Clusters were ultimately unsuccessful, the evaluative process used in the determination to end support demonstrates appropriate safeguarding of taxpayer resources.

In addition, the collaborative work between the RD&T Coordination program and the Federal Transit Administration (FTA) resulted in a small business innovative research (SBIR) grant to Tiramisu Transit, LLC. This grant will fund a feasibility study on the commercialization of a

mobile social computing system that will connect riders and transit service providers. This project demonstrated both increased intermodal collaboration and increased effort to implement research outcomes.

Finally, the RD&T Coordination program prepared several important documents within the past year:

- A draft 2012 U.S. DOT RD&T Strategic Plan, with input from all the modal administrations that will be used as the foundation for a new RD&T Strategic Plan required by MAP-21.
- A memorandum establishing a new scientific integrity policy within the U.S. DOT in response to a mandate from the White House Office of Science and Technology Policy. This memo defines nine policy principles upon which the policy is founded and designates the RD&T Associate Administrator as the Departmental Scientific Integrity Officer.
- U.S. DOT response to Office of Management and Budget's Presidential Memorandum on Technology Transfer.
- U.S. DOT response to the Presidential Commission *for the Study of Bioethical Issues*.

Regular activities are conducted under this program that encourages collaboration and coordination of transportation research across the modes includes:

- Monthly RD&T Planning Team meetings.
- Semi-annual RD&T Planning Council meetings.
- Annual Departmental RD&T Program Reviews.
- Annual RD&T section V budget guidance.
- Annual Departmental RD&T Budget analysis to ensure alignment with the Secretary's priorities, along with the U.S. DOT Strategic Plan and the President's budget.
- Participation in stakeholder activities to enforce the mission of research coordination.

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

Without this funding, on-going advancement in information flow and awareness of intermodal activities would be greatly curtailed or lost. This would slow adoption of best practices and decrease project research transparency. A recent success story in this effort is a bridge deck inspection robot developed by FHWA and Rutgers University (a UTC). RITA tech transfer and intellectual property experts are assisting FHWA in developing a commercialization agreement with Rutgers in order to accelerate further development of the robot and production for commercial use.

In addition, the U.S. DOT Research Hub and technology transfer initiatives are critical to the availability of key information for coordinating research across-modal administrations and across the transportation research community as a whole.

The funding level allocated to this program over the past several years has been sufficient to carry out the ongoing core RD&T Coordination program activities. The new authority granted in MAP-21 to fund small, time critical research projects and the review of the R&D Strategic Plan and annual reports by the National Academies makes the entire requested budget level necessary to allow an effective implementation of this program.

Detailed Justification for the Nationwide Differential Global Positioning System (NDGPS) Program

What Do I Need To Know Before Reading This Justification?

The Nationwide Differential Global Positioning System (NDGPS) Program provides National, real-time accurate dynamic positioning and navigation information at one-to-three meters for surface transportation users. NDGPS is comprised of three segments operated and maintained in a coordinated fashion by the U.S. Coast Guard:

- Maritime (U.S. Coast Guard-funded);
- Inland (U.S. DOT-funded);
- Inland waterway (U.S. Army Corps of Engineers-funded).

NDGPS receives substantial use by highway, transit, and rail sectors in operations, maintenance, planning, construction, quality assurance, and asset management. Multiple Federal agencies, state and local governments, and private sector users in many economic sectors meet mission requirements in automated construction, precision agriculture, surveying and mapping, GIS, environmental and natural resource management, and severe weather forecasting using the NDGPS service.

- A 2011 U.S. Coast Guard assessment projected that operations and maintenance (O&M) cost growth for the inland segment would become untenable in FY 2013 unless equipment recapitalization is completed. Recapitalization of system equipment to bring the DOT sites up to current Coast Guard operational standards and establishment of a robust O&M floor for reliable system availability to users was initiated in FY 2012, is on schedule, and is continued through this request.
- NDGPS is a National positioning asset funded through DOT to support surface transportation users. However, it is recognized that multiple Federal agencies/sub-agencies, state and local governments, and private sector users in many economic sectors leverage DOT's investment in NDGPS to meet their requirements.
- Although NDGPS is funded through the Office of the Assistant Secretary for Research and Technology, NDGPS is an operational nationwide positioning and navigation utility, not a research and technology program.

What Is The Request And What Will We Get For The Funds?

FY 2014 - Nationwide Differential Global Positioning System (NDGPS)

(\$000)

	FY 2012 ACTUAL	FY 2013 CR (ANNUALIZED)	FY 2014 REQUEST	CHANGE FY 2012 - 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	7,600	7,647	5,600	-2,000
TOTAL	7,600	7,647	5,600	-2,000
<u>STAFFING</u>				
Direct Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Direct FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. □

²Reflects contract funding only.

The requested funding level of \$5.6 million is needed to support O&M to maintain system reliability and availability commitments to the Federal, state, and local transportation user communities. The budget request would fund 100 percent of routine O&M needs.

The request will enable:

- NDGPS to maintain system availability at the 29 inland segment sites at 98.5% or better;
- Reduced risk of failure by maintaining inland segment stations to Coast Guard standards.

Key Actions Anticipated	Key Outputs Expected	Key Outcomes Expected
<ul style="list-style-type: none"> • Exercise robust O&M protocols • Reduce maintenance backlog • Complete equipment recapitalization effort 	<ul style="list-style-type: none"> • Maintain system availability at $\geq 98.5\%$ • Reduce programmatic risk (technical, cost, performance) • Eliminate outdated equipment 	<ul style="list-style-type: none"> • Technology providers and users can make investments based on improved system reliability/reduced risks • Enables ability to troubleshoot issues remotely; out year O&M cost growth reduced

What Is This Program?

The FY 2014 base program is \$5.6 million and will provide for routine O&M needs.

Strategic Goals: NDGPS supports the safety and environmental sustainability strategic goals.

Purpose/Beneficiaries: NDGPS provides a National service that delivers real-time, accurate dynamic positioning and navigation information at one-to-three meters (and often sub meter) for civil transportation applications. NDGPS accomplishes this goal through local broadcast of accurate GPS position corrections (<http://www.navcen.uscg.gov/?pageName=ndgpsMain>). The Coast Guard operates NDGPS as a Nationwide utility coordinated with the Maritime DGPS and inland waterways segments (<http://www.navcen.uscg.gov/?pageName=dgpsMain>). DOT provides NDGPS for surface transportation applications, and there is significant public and private sector reliance on NDGPS for automated construction, precision agriculture, environmental management, natural resource management, surveying and mapping, severe weather forecasting, and other applications.

Partners: U.S. Coast Guard, U.S. Army Corps of Engineers, National Oceanic and Atmospheric Administration (NOAA), and other Federal, state, and local agencies as users of the data for non-positioning applications.

Description: NDGPS provides support infrastructure for surface transportation automated construction, operations, and maintenance and opportunities for future cross-modal surface transportation safety, security, efficiency, and emergency response services.

Why Is This Particular Program Necessary?

NDGPS augments GPS by providing increased accuracy and integrity for transportation applications (<http://www.navcen.uscg.gov/?pageName=ndgpsSites&All>). The NDGPS service provides reliable GPS observables and corrections to meet the increasing positioning and navigation accuracy requirements of surface transportation users.

In addition to providing a real-time broadcast of corrections, NDGPS provides a robust operational backbone to the NOAA/National Weather Service's (NWS) Earth Systems Research Laboratory (<http://www.esrl.noaa.gov/research/themes/climateweather/>) for short-term severe weather and precipitation forecasts (enabling better severe weather warnings), to the NOAA/National Geodetic Survey's Continuously Operating Reference Stations (CORS) application (<http://www.ngs.noaa.gov/CORS/>) for highly-accurate post-processing survey applications and Web-enabled location solutions accessed thousands of times weekly, to the NOAA/NWS/Space Weather Prediction Center (<http://www.swpc.noaa.gov/index.html>) for space weather warnings (affecting electrical power and communications systems), and for plate tectonic monitoring (addressing earthquake and volcano monitoring).

The equipment recapitalization begun in FY 2012 is bringing the inland NDGPS segment up to the Coast Guard operational standard, enabling remote troubleshooting and reducing out year

O&M cost growth. The Coast Guard completed maritime DGPS recapitalization in 2009, and has realized significant operational efficiencies. The U.S. Army Corps of Engineers completed replacement of their station equipment in 2011. The Coast Guard's Command, Control, and Communications Engineering Center (C3CEN) completed an assessment in FY 2011 that projected that O&M cost growth for the inland segment would become untenable in FY 2013 unless equipment recapitalization was completed; the program is on schedule to complete recapitalization in a prioritized fashion, enabling this no-growth budget request.

NDGPS availability and accuracy is leveraged by multiple other Federal agencies to meet their requirements in surveying and mapping, precision agriculture, environmental and natural resources management, historical resources management, and emergency response. The Coast Guard has initiated research on NDGPS real-time accuracy estimates and measurements, and there is civil agency interest in real-time, low-cost streaming of NDGPS observables through NOAA's CORS network to provide a robust National CORS backbone in support of the National Spatial Reference Service.

Without this funding, hundreds of thousands of routine users across multiple economic sectors will be unable to receive the accurate positioning information on which they depend daily for routine operations, and the growing location-based services market will be negatively impacted, as documented in "NDGPS Assessment: Final Report" (http://www.navcen.uscg.gov/pdf/ndgps/ndgps%20assessment%20report_final.pdf).

How Do You Know The Program Works?

Effective: DOT's "NDGPS Assessment: Final Report" documents hundreds of thousands of routine NDGPS users across multiple sectors, and a minimum system return on investment (ROI) for the Federal-Aid Highway Program alone of 40:1. ROI for other Federal agencies, state and local governments, and the private sector could not be calculated, but it includes a significantly larger user base.

Research: Ongoing feedback received from the user community through the Civil GPS Service Interface Committee (CGSIC; <http://www.navcen.uscg.gov/cgsic/>), the worldwide forum for effective interaction between all civil GPS users, supports the continued need for the NDGPS service, and to the expectation of expanded future uses in transportation and other economic sectors, especially if accuracy can be improved.

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

The requested level of funding is needed to support O&M to maintain system reliability and availability commitments to the Federal, state and local transportation user communities and to reduce program technical and cost risk by continuing to replace aged equipment that is at risk of failure.

Detailed Justification for the Positioning, Navigation, and Timing Program

What Do I Need To Know Before Reading This Justification?

- The Positioning, Navigation, and Timing (PNT) Program is the sole means by which the Federal Government defines and implements civil sector PNT requirements. The Secretary of Transportation is assigned this role by the National Security Presidential Directive (NSPD-39), and the program includes all Federal, state and local government needs for services of the Global Positioning System (GPS) and its augmentations, as well as those of the private sector.
- The PNT Program ensures that GPS interference issues are addressed, addresses PNT capability gaps, and identifies the research needed to meet requirements to enable future systems such as Next Gen, Positive Train Control, and Intelligent Transportation Systems (ITS).
- During 2011, the Federal Communication Commission (FCC) granted a conditional waiver to LightSquared LLC to operate a wireless broadband service in the radiofrequency band adjacent to GPS. Government and industry testing and analysis demonstrated that almost all GPS receivers would suffer harmful interference if this system became operational. It is clear that there is increasing demand to use the spectrum in the radiofrequency band adjacent to GPS for wireless broadband.

What is the Request and What Will We Get for the Funds?

FY 2014 - Positioning, Navigation, and Timing (PNT) Program

(\$000)

	FY 2012 ACTUAL	FY 2013 CR (ANNUALIZED)	FY 2014 REQUEST	CHANGE FY 2012 - 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	399	401	1,610	1,211
TOTAL	399	401	1,610	1,211
<u>STAFFING</u>				
Direct Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Direct FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. □

²Reflects contract funding only.

The funding request of \$1.610 million will be used to represent DOT as the lead civil agency for PNT. Technical analysis is needed for the Department to ensure protection of GPS from systems that may cause interference and to research alternative sources of PNT to integrate with GPS to increase reliability. The \$1.211 million increase will be used to implement the GPS Spectrum Protection Plan. Execution of this plan will ensure the adjacent radiofrequency bands to GPS contain compatible signals and services that will not interfere with GPS.

Absent implementation of this plan, GPS will continue to be subject to potential interference from systems with high power transmitters that render GPS unusable for many applications. As demand to provide spectrum for wireless broadband services increases, pressure to use this radiofrequency band will also increase. The requested funding increase will also address growing interference to GPS from other sources. For example, the proliferation of “cigarette-lighter” GPS jammers also may render GPS unreliable for safety-of-life applications. The DOT needs to work closely with the Department of Homeland Security (DHS), the Department of Defense (DoD), and the FCC to prevent this proliferation and to research alternative sources of PNT-integrated GPS that make intentional jamming less desirable.

The PNT program produces the *Federal Radionavigation Plan (FRP)* and the *Civil PNT Requirements Document*, implements the GPS Spectrum Protection Plan, chairs the Civil GPS Service Interface Committee, and advances the National PNT Architecture in conjunction with

DoD and other government agencies to address identified PNT capability gaps and provide more efficient and effective capabilities to users.

Proposed FY 2014 Program Activities:

PNT Policy Coordination (\$250 thousand)

- Provide support to the Deputy Secretary of Transportation and the Assistant Secretary for Research and Technology for the preparation of materials and briefings for their participation as the co-chairs of the Space-Based PNT Executive Committee and Executive Steering Group, respectively.
- Develop the *Federal Radionavigation Plan* as directed by the National Defense Authorization Act for Fiscal Year 1998 (10 U.S.C. 2281(c)). The FRP is developed biennially by DOT in conjunction with DoD and DHS and is signed by the Secretaries of DOT, DoD, and DHS. The FRP reflects National policies and plans for U.S. government radionavigation systems and is used as a reference document both Nationally and Internationally.
- Provide a Civil PNT Requirements Document which serves as the foundation for the National PNT Architecture effort and allows program assessments to be performed to determine if the capabilities of the National PNT Architecture meet the needs of the civil community.

GPS Spectrum Protection (\$1 million) (new initiative)

- Conduct analysis and testing of GPS receivers as outlined in the GPS Adjacent Band Compatibility Assessment to ensure continued operation of existing applications of GPS services, as well as future GPS receivers utilizing modernized GPS and interoperable Global Navigation Satellite System (GNSS) signals. This work involves the following activities:
 - Work with GPS stakeholders to identify various representative applications and develop interaction scenarios between the GPS receiver and potential interference sources.
 - Conduct testing and analysis of a variety of GPS receivers to determine the maximum interference level they can tolerate. Once current GPS receivers that are on the market are evaluated, future designs of GPS/GNSS receivers will be evaluated to determine if they are more tolerant to interference.
 - Develop spectrum interference standards to inform future proposals for non-space, commercial uses in the radiofrequency bands adjacent to the GPS signals of the maximum power levels that can be broadcast without interfering with GPS.

National PNT Architecture (\$350 thousand)

- Given increased reliance on GPS, particularly for critical infrastructure applications, civil departments and agencies need to be aware of vulnerabilities to GPS. There are increasing occurrences of unintentional and intentional interference to GPS, including the potential for spoofing of the signal. DOT will serve as the civil lead for the National PNT

Architecture which will assess needs for research and development to address capability gaps based on limitations of GPS. This effort is important, given the focus on critical infrastructure security and resiliency identified in Presidential Policy Directive (PPD) – 21.

- Through participation in the National PNT Architecture effort, DOT can leverage work conducted by the Department of Defense (DoD) in the development of new PNT capabilities and explore technology transfer to civil applications. The National PNT Architecture provides a time-phased, fiscally informed roadmap through 2025 of PNT activities, including needs for research and development to address capability gaps based on limitations of GPS.

Civil GPS Service Interface Committee (CGSIC) (\$10 thousand)

The CGSIC is the recognized worldwide forum for effective interaction between all civil GPS users and the U.S. GPS authorities. The Office of the Assistant Secretary for Research and Technology Director for PNT And Spectrum Management serves as the chair of the CGSIC, and the U.S. Coast Guard serves as Deputy Chair. The Office of the Assistant Secretary for Research Director for PNT and Spectrum Management position is filled on a Reimbursable Agreement with the Volpe National Transportation Systems Center which is a fee-for-service organization. Funding provides for a portion of the Director's time to serve as the CGSIC chair and travel to attend the annual CGSIC meeting.

The PNT program will:

- Conduct analysis and testing of GPS receivers to ensure protection from interference from the adjacent radiofrequency band.
- Participate in interagency assessments to address PNT capability gaps and assist with implementation of the 2025 National PNT Architecture.
- Hold meetings of the Federal Radionavigation Plan (FRP) Working Group to develop 2014 FRP content.
- Coordinate updates to Civil PNT Requirements Document with the DOT Extended Pos/Nav Working Group.
- Hold meetings of the Civil GPS Service Interface Committee (CGSIC) to provide public outreach.

Key Outputs Expected: Establish spectrum interference standards to inform future proposals for systems operating in the radiofrequency band adjacent to GPS, provide a refined National PNT Architecture Implementation Roadmap based on coordinated analysis, publish the 2014 Federal Radionavigation Plan, publish updated Civil PNT requirements document, and provide presentations and summary record of the Civil GPS Service Interface Committee meetings on the website.

Key Outcomes Expected: Transportation industry and technology providers will be able to make business decisions on products to offer (or not offer) based on U.S. Government plans for PNT capabilities and services, provide public with knowledge of the status of GPS

modernization and the ability for it to satisfy civil PNT requirements, inform U.S. government and industry decision making and ability to support long range planning on alternative PNT sources that can be integrated with GPS.

What Is This Program?

The PNT Program coordinates PNT technology and policy and provides civil PNT systems analysis which is critical to intermodal transportation applications in support of the DOT Strategic Goals. The PNT Program ensures that GPS interference issues are addressed, as well as identifying and pursuing PNT gaps and research. The program coordinates all civil sector PNT requirements and provides outreach to communities associated with PNT plans and policy.

Anticipated FY 2013 Accomplishments:

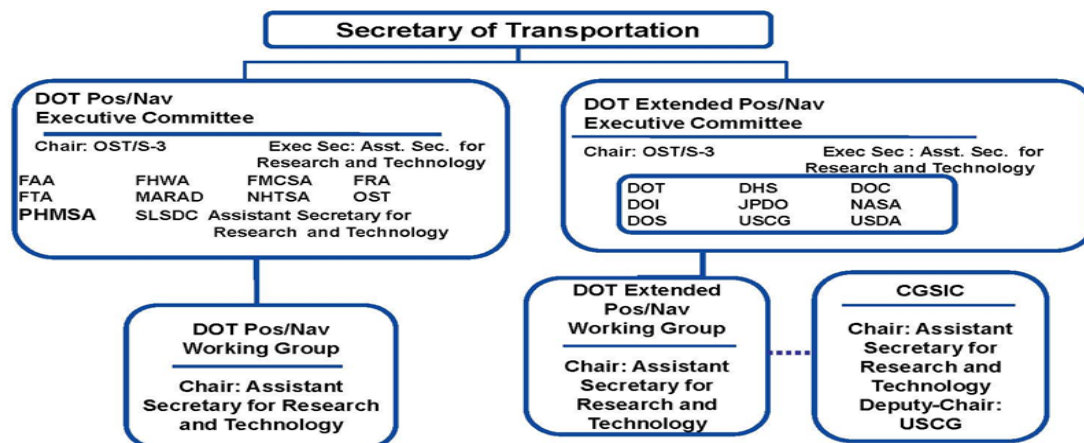
- Developed a GPS Spectrum Protection Plan to address interference from the adjacent frequency band to GPS
- Released the 2012 *Federal Radionavigation Plan* in conjunction with DoD and DHS.
- Published an updated Civil PNT Requirements Document.
- Provided a refined National PNT Architecture Implementation Roadmap based on coordinated interagency analysis to address PNT capability gaps.

Strategic Goals: Safety and Environmental Sustainability.

Role of Partners: The Office of the Assistant Secretary for Research and Technology serves as the civil lead of the National PNT Architecture effort, partnering with DoD and DHS in a cross-modal interagency effort, to guide future PNT system-of-systems investment and implementation decisions. This effort is conducted through the DOT Pos/Nav Working Group and Executive Committee to coordinate with all modes within DOT. The DOT Extended Pos/Nav Working Group and Executive Committee is DOT's PNT coordination process with other civilian Federal agencies. The structure for this coordination process is shown below.

Purpose/Beneficiaries: The purpose of this effort is to provide more effective and efficient PNT capabilities, ensure protection of GPS from systems that may cause interference, and establish an evolutionary path for government-provided PNT systems and services. The beneficiaries of this effort are civil agencies that develop, acquire, manage, and operate GPS and other PNT services and external users of government-provided PNT services.

Civil PNT Coordination Structure



Why Is This Particular Program Necessary?

The National Security Presidential Directive on Space-Based Positioning, Navigation, and Timing Policy gives the Secretary of Transportation broad responsibilities in providing for and implementing PNT services for the civil community. This policy ensures that the U.S. maintains space-based positioning, navigation, and timing services, augmentation, back-up, and complementary capabilities and protects GPS spectrum from interference. Positioning, Navigation, and Timing capabilities are critical for the Next Generation Air Transportation System, Intelligent Transportation Systems, and Positive Train Control. Since 2004, the Department of Transportation has served as the lead Federal agency for all Federal civilian uses of GPS.

Program Efficiency and Effectiveness: Interagency efforts to collaborate on implementation of PNT and to address PNT capability gaps such as interference to GPS are far more effective and efficient than each agency trying to solve these problems individually. These efforts have been conducted through the National PNT Architecture, and the ability to leverage the extensive expertise and resources of DoD has been very effective.

Viable Alternatives: The PNT program work is conducted by staff of the VOLPE National Systems Center and one FTE from RITA HQs. Funding could be provided by DOT modal agencies.

How Do You Know the Program Works?

GPS applications are vital to transportation safety and efficiency. The Federal Aviation Administration (FAA) estimates that by 2013, 60,000 aircraft will be equipped with GPS to navigate the skies within the United States; there will be many more Internationally. Positive

Train Control, which is an improved safety application for rail transportation, will increasingly rely on GPS. Tens of millions of drivers across America use GPS to navigate, and the Intelligent Transportation System program will depend on GPS as a key technology for vehicle collision-warning and crash-avoidance systems. Use of GPS also has grown for many applications such as surveying, precision agriculture, and weather forecasting.

The ability to provide long range PNT planning and to ensure reliable operation of systems like GPS has been integral to the widespread adoption of PNT technology upon which the U.S. economy, National security, and transportation infrastructure rely.

Why Do We Want/Need to Fund the Program at the Requested Level?

The National Security Presidential Directive on Space-Based Positioning, Navigation, and Timing (PNT) Policy gives the Secretary of Transportation broad responsibilities in providing for and implementing PNT services for the civil community. PNT capabilities are critical for the Next Generation Air Transportation System, Intelligent Transportation Systems, and Positive Train Control. Sufficient funding for this program will provide the resources necessary to ensure that adjacent radiofrequency bands to GPS contain compatible signals and services that will not interfere with GPS. This assessment is in response to work conducted in 2011 to evaluate a proposal by LightSquared LLC to deploy a wireless broadband service in the radiofrequency band adjacent to GPS which demonstrated widespread interference to GPS. DOT also will evaluate the potential for wireless broadband interference to Dedicated Short Range Communications (DSRC), which is critical for the Intelligent Transportation System program.

Since DOT is the lead department for civil GPS issues, other civil departments and agencies, as well as the public, reach out to DOT if there are any issues or threats to ensuring space-based positioning, navigation, and timing services and protecting the GPS spectrum from interference. Given increased reliance on GPS, particularly for critical infrastructure applications, civil departments and agencies need to be aware of vulnerabilities to GPS such as jamming and spoofing and options to increase resiliency. The PNT Program coordinates PNT technology and policy and provides civil PNT systems analysis which is critical to intermodal transportation applications in support of the DOT Strategic Goals. The program also coordinates all civil sector PNT requirements and provides outreach to communities associated with PNT plans and policy.

Explanation of Funding Changes for the Office of the Assistant Secretary for Research and Technology <i>Research and Development Account</i>	
(\$000)	
FY 2013 CR Annualized	\$16,079
<u>Adjustments to base:</u>	
Pay Raise	\$27
Rent	\$47
WCF	\$0
Inflation Increase	\$7
FY 2013 Adjusted Base	\$16,160
Program Changes (+/-):	
NDGPS	-\$2,047
PNT	\$1,265
Base Offsets/Redirection of Resources:	
Other Contractual Services:	-\$613
Total FY 2014 Request:	\$14,765

OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY
PROGRAM AND FINANCING
(In thousands of dollars)

Identification code 69-1730		FY 2012 ACTUAL	FY 2013 CR (ANNUALIZED)	FY 2014 REQUEST
Obligations by program activity:				
0001	Salaries and administrative expenses	6,891.10	7,016.68	6,547.00
0002	Alternative fuels research & development	173.50	1,031.95	499.00
0003	Research development & technology coordination	302.04	1,300.67	509.00
0004	Nationwide differential global positioning system	7,100.00	8,146.51	5,600.00
0005	Positioning navigation & timing	399.00	401.44	1,610.00
0100	Direct Program by Activities - Subtotal	14,865.63	17,897.26	14,765.00
0799	Total direct obligations	14,865.63	17,897.26	14,765.00
0801	University transportation centers	1,371.44	10,741.79	-
0802	Transportation safety institute	14,840.94	26,672.26	20,000.00
0803	Other programs	839.98	10,203.16	10,000.00
0809	Reimbursable program activities, subtotal	17,052.36	47,617.20	30,000.00
0899	Total reimbursable obligations	17,052.36	47,617.20	30,000.00
0900	Total new obligations	31,918.00	65,514.47	44,765.00
Budgetary resources: Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	11,629.22	19,435.67	0.00
1021	Recoveries of prior year unpaid obligations	3,880.84	-	-
1050	Unobligated balance (total)	15,510.07	19,435.67	0.00
Budget authority: Appropriations, discretionary:				
1100	Appropriation	15,981.00	16,079.00	14,765.00
1130	Appropriation permanently reduced	-	-	-
1160	Appropriation, discretionary (total)	15,981.00	16,079.00	14,765.00
Spending authority from offsetting collections, discretionary:				
1700	Collected	15,228.29	30,000.00	30,000.00
1701	Change in uncollected payments, Federal sources	5,188.76	-	-
1750	Spending auth from offsetting collections, disc (total)	20,417.04	30,000.00	30,000.00
1900	Budget authority (total)	36,398.04	46,079.00	44,765.00
1930	Total budgetary resources available	51,908.11	65,514.67	44,765.00
Memorandum (non-add) entries:				
1940	Unobligated balance expiring	240.55	-	-
1941	Unexpired unobligated balance, end of year	19,435.67	0	0
Change in obligated balance:				
Obligated balance , start of year (net):				
3000	Unpaid obligations, brought forward, Oct 1	57,165.02	45,345.86	13,525.12
3001	Adjustments to unpaid obligations, brought forward, C	7,400.00	-	-
3010	Obligations incurred, unexpired accounts	31,918.00	65,514.47	44,765.00
3011	Obligations incurred, expired accounts	914.00		
3020	Outlays (gross)	(46,769.80)	(97,335.20)	(46,484.60)
3040	Recoveries of prior year unpaid obligations, unexpired	(3,880.84)	-	-
3041	Recoveries of prior year unpaid obligations, expired	(1,400.52)	-	-
Obligated balance, end of year (net):				
3050	Unpaid obligations, end of year (gross)	45,345.86	13,525.12	11,805.52
Uncollected payments:				
3060	Uncollected pymts, Fed sources, brought forward, Oct	(19,750.01)	(31,615.14)	(31,615.14)
3061	Adjustments to uncollected pymts, Fed sources, broug	(7,400.00)	-	-
3070	Change in uncollected pymts, Fed Sources, unexpired	(5,188.76)	-	-
3071	Change in uncollected pymts, Fed Sources, expired	723.62	-	-
3090	Uncollected pymts, Fed sources, end of year	(31,615.14)	(31,615.14)	(31,615.14)
Memorandum (non-add) entries:				
3100	Obligated balance, start of year (net)	37,415.01	13,730.72	(18,090.02)
3200	Obligated balance, end of year (net)	13,730.81	(18,090.02)	(19,809.62)
Budget authority and outlays, net:				
Discretionary:				
4000	Budget authority, gross	36,398.04	46,079.00	44,765.00
Outlays, gross:				
4010	Outlays from new discretionary authority	17,922.73	44,471.10	43,288.50
4011	Outlays from discretionary balances	28,847.07	52,864.10	3,196.10
4020	Outlays, gross (total)	46,769.80	97,335.20	46,484.60
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources	(15,764.65)	(30,000.00)	(30,000.00)
Additional offsets against gross budget authority only:				
4050	Change in uncollected paymts, Fed sources, unexpired	(5,188.76)	-	-
4051	Change in uncollected payments from Fed Sources (ex	723.62	-	-
4060	Additional offsets against budget authority only (total)	(4,465.14)	-	-
4070	Budget authority, net (discretionary)	15,981.00	16,079.00	14,765.00
4080	Outlays, net (discretionary)	31,005.15	67,335.20	16,484.60
4180	Budget authority, net (total)	15,981.00	16,079.00	14,765.00
4190	Outlays, net (total)	31,005.15	67,335.20	16,484.60

OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY				
RESEARCH AND DEVELOPMENT				
OBJECT CLASSIFICATION				
(In thousands of dollars)				
		FY 2012	FY 2013 CR	FY 2014
		<u>ACTUAL</u>	<u>(ANNUALIZED)</u>	<u>REQUEST</u>
	<u>Direct Obligations:</u>			
	Personnel compensation:			
1111	Personnel compensation, full-time permanent	2,657	2,981	3,005
1113	Other than full-time permanent	90	227	227
1115	Other personnel compensation	<u>31</u>	<u>55</u>	<u>55</u>
	Total personnel compensation	2,778	3,263	3,287
1121	Civilian personnel benefits	815	925	932
1210	Travel and transportation of persons	73	90	90
1220	Transportation of things	0	0	0
1231	Rent to GSA	793	593	640
1240	Printing and reproduction	0	1	1
1251	Advisory and assistance services	62	100	100
1252	Other services	28	50	50
1253	Other purchases of goods and services	10,298	12,710	9,550
1260	Office supplies	14	15	15
1310	Equipment	<u>6</u>	<u>150</u>	<u>100</u>
1990	Subtotal, direct obligations	14,867	17,897	14,765
2990	Reimbursable obligations	<u>17,052</u>	<u>48,000</u>	<u>30,000</u>
9999	Total obligations	31,919	65,897	44,765
Employment Summary:				
	Direct:			
1001	Civilian Full-time Equivalent Employment	25	26	26
	Reimbursable:			
2001	Civilian Full-time Equivalent Employment	42	50	50
	Allocation account:			
3001	Civilian Full-time Equivalent Employment	68	70	70

Detailed Justification for the Competitive University Transportation Centers Program

What Do I Need To Know Before Reading This Justification?

The University Transportation Centers (UTC) Program's mission is to advance transportation expertise and technology in the many disciplines that comprise transportation through education, research, and technology transfer at university-based consortia.

The UTC Program provides a critical transportation knowledge-base outside of the U.S. DOT and addresses critical workforce needs for the next generation of transportation leaders. UTCs are selected based on a rigorous competition which includes education and research activities to address all five U.S. DOT goals – Safety, State of Good Repair, Economic Competitiveness, Livable Communities, and Environmental Sustainability.

What Is The Request And What Will We Get For The Funds?

FY 2014 – Competitive University Transportation Centers				
	(\$000)			
<u>FUNDING LEVELS</u>	<u>FY 2012 ACTUAL</u>	<u>FY 2013 MAP-21</u>	<u>FY 2014 REQUEST</u>	<u>CHANGE FY 2013 - 2014</u>
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Competitive UTC Consortia ²	[69,828]	[72,500]	[72,500]	[0]
TOTAL³	[69,828]	[72,500]	[72,500]	[0]
<u>STAFFING</u>				
Allocation Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Allocation FTE	0	0	0	0
Reimbursable FTE	0	0	0	0
¹ Funding appears in the Salaries and Administrative Expenses Justification. □				
² Reflects contract funding only.				

The Competitive University Transportation Centers (UTC) Program requests \$72.5 million in FY 2014 to accomplish its mission. This program is a major investment in the nation's transportation intellectual and human capital in order to ensure the durability, improvement, and renewal of our transportation systems.

Key Actions and Anticipated Milestones:

- Award grants to competitively-selected University Transportation Centers.
- Report and disseminate results of FY 2013 UTC grants.
- Facilitate collaboration and interaction among universities, U.S. DOT, State departments of transportation, transit agencies, and other interested partners.
- Award competitively-selected research grants to universities for multimodal projects approved by the Department's Research, Development, and Technology Council.

Key Outputs Expected:

- Publication of technical reports on research topical areas.
- Publication of technical presentations at National and regional technical conferences.
- Conduct technical seminars and workshops.
- New/improved guidelines on planning, operations, design or maintenance issues.
- Additional workforce in transportation.
- Highly qualified workforce in transportation.

Key Outcomes Expected:

- Reduction in transportation congestion.
- More-efficient transportation systems.
- Safer transportation systems.
- Enhanced transportation systems.
- More productive transportation systems.

What Is This Program?

Strategic Goals: Safety, State of Good Repair, Economic Competitiveness, Livable Communities, and Environmental Sustainability

Purpose/Beneficiaries: The UTC Program provides funding for the purpose of advancing technology and expertise in the many disciplines within the transportation industry through the mechanisms of education, research, and technology transfer at university-based centers of excellence.

Partners: The UTC Program will partner with the following partners to ensure fulfillment of the program goals and objectives:

- Federal Aviation Administration
- Federal Highway Administration
- Federal Motor Carrier Safety Administration
- Federal Railroad Administration
- Federal Transit Administration
- Maritime Administration

- National Highway Traffic Safety Administration
- Office of the Secretary of Transportation
- Pipeline and Hazardous Materials Safety Administration
- St. Lawrence Seaway Development Corporation
- External stakeholders, including other Federal agencies, academic institutions, State DOTs, transit authorities, local, regional and state planning entities, local, state and regional governmental entities, and the private sector including owners and operators of transportation infrastructure.

Program Description:

The University Transportation Centers (UTC) program is defined in statute. The Moving Ahead for Progress in the 21st Century Act (MAP-21) outlines the requirements of the program and states that the UTC program shall “provide for a critical transportation knowledge base” by addressing major National issues and “address critical work force needs” to develop the next generation of transportation professionals. The major national issues are contained within the five U.S. DOT goals: Safety, State of Good Repair, Economic Competitiveness, Environmental Sustainability, and Livable Communities.

MAP-21 also prescribes that the program be fully competitive. The UTC program consists of a request of \$72.5 million to fund these competitively selected multimodal and multidisciplinary UTC consortia; thereby supporting university research and education. The Department is investing in our nation’s transportation sector by expanding its intellectual capacity and available workforce.

Through the University Transportation Centers (UTC) Program the Department taps into the intellectual and academic resources of our nation’s universities in order to advance U.S. transportation expertise and technology.

In FY 2011 the Department reformed the UTC program by eliminating earmarks and competitively selecting twenty-two Centers. In response to MAP-21, a competition will be held in FY 2013 to select a new batch of UTCs (up to 35 Centers). In FY 2014 we propose to continue to fund the newly selected UTCs.

Although every UTC will have the same broad objectives, the Department will encourage diversity in the program participants and in the approaches individual Centers take to reach the program objectives. The Department will encourage unique approaches to research, education, workforce development, and technology transfer, building on or reflecting institutional expertise, facilities, and partnerships. In order to achieve the Department’s vision of a truly multimodal integrated system, the Department will encourage UTCs to cut across disciplines and span all modes of transportation, enabling improvements to the Nation’s entire surface transportation system, inclusive of rail, maritime, highway, pipelines, and transit.

Performance metrics will ensure that transportation research and workforce needs are met, programmatic targets are realized, and that funds are effectively invested. Reporting requirements will include explicit details of research results.

The UTC consortia will advance transportation education and workforce development through degree-granting programs, seminars and training for practicing professionals, and outreach activities to attract new entrants to careers in transportation.

UTCs will be required to use the Transportation Research Board's Research in Progress (RIP) and Transportation Research International Documentation (TRID) databases and the U.S. DOT Research Hub to avoid duplication of efforts and to ensure wide awareness of efforts and dissemination of research results.

The Office of the Assistant Secretary for Research and Technology receives UTC Program funding through an allocation from the Federal Highway Administration (\$72.5M). The Secretary shall expend not more than 1.5 percent of amounts made available to coordinate, oversee, and manage this program.

Prior Year Accomplishments:

The UTC program successfully executed a completion to select 22 UTCs and awarded funding for FYs 2011 and 2012 to qualified UTCs to conduct research and education programs in accordance with the U.S. DOT goals. This effort was achieved in an optimal manner that ensured the timely obligation of funds to the various UTC entities.

Why Is This Particular Program Necessary?

This program provides unique benefits to the Department, state departments of transportation, transit agencies, and other transportation providers: A ready-source of independent transportation researchers at leading universities and a steady stream of highly educated professionals in key transportation disciplines such as civil, environmental, mechanical and electrical engineering, urban planning, construction management, computer science, business, psychology, logistics, and others. Through the competitively-selected UTCs, we support and strengthen our nation's transportation intellectual and academic capital which is of vital importance to innovation and our transportation systems. Current research within the UTC program ranges from applied to advanced; and is becoming increasingly multimodal. In order to develop the multimodal transportation system of the future generations, advanced research must be carried out in the present. Universities are one of the greatest research assets this country holds, and this type of multimodal advanced research belongs at universities—particularly universities well experienced in and capable of performing advanced transportation research. The universities in the UTC program are such universities. This program will ensure that the nation's top research universities have opportunities to conduct the needed multimodal, advanced research necessary to develop the transportation system for future generations.

How Do You Know The Program Works?

Effectiveness:

The UTC Program has a long track-record of success in educating highly skilled and innovative transportation professionals, researchers, and academics. Since its inception 25 years ago, thousands of professionals have graduated from these universities and have gone on to pursue highly skilled careers in all modes of transportation as well as in academic research and education. The investment made in research has paid off in new technologies, materials, improved construction processes, structural monitoring, and addressing human factor issues like distracted driving and emergency evacuation.

Success in the program will initially be measured by the level of cooperation among the U.S. DOT modal administrations in defining advanced research areas of interest and by the selection of universities, through a competitive proposal process, to conduct research in these defined areas of interest.

Longer term success will be measured in the number of university graduates that participated in the UTC program and in the implementation of research funded through the program.

Research:

The Program targets all facets of the transportation industry spectrum from the context of basic and advanced research activities entailing planning, policy, operations, design, and maintenance issues. Outcomes from these efforts will result in the development of new guidelines, policies, practices, and procedures. The impacts of such outcomes will be operational efficiencies and cost benefits throughout the Nation's transportation system.

Efficiency Measures:

The competitive selection process for UTC grants ensures the selection of consortia that are best suited for the efficient and effective conduct of research and educational activities that will have the greatest impact on the transportation community.

The U.S. DOT will ensure that the solicitation, evaluation, and awarding of the funds are conducted in a fast-track and expeditious manner to guarantee that the obligation of funds is carried out in an efficient and optimal timeframe.

U.S. DOT grant managers, working with UTC directors, track the awarded funds through a number of project management mechanisms to ensure that execution of the research and educational activities are efficient, timely, and cost effective. Some examples of these measures include site visits, periodic program reporting functions, periodic financial analyses, and progress presentations.

Each Center submits an annual report to describe the Center's activities and use of funds. Additionally, reports are required for each Center research project that is executed utilizing

Federal funding. These reports describe research specific research activities and outcomes.

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

By funding the UTC Program at the proposed level, we are making an investment commensurate with the workforce needs and innovation challenges of the Nation's transportation industry.

To conduct the broad range of activities required of the UTCs by statute, at the number of Centers dictated by statute, the funding request is at a minimal level. To effectively carry out their mandates, each Center must have a critical mass of funding. This prevents the splintering of funds into different activities at each Center that become ineffective due to insufficient funding.

Detailed Justification for the Transportation Safety Institute

What Do I Need To Know Before Reading This Justification?

The Transportation Safety Institute (TSI) is a fee-for-service organization which provides transportation safety training to Federal, state, and local government, private sector, and foreign transportation professionals on a cost-recovery basis.

TSI has a 40-year history of providing valuable training to the government and has achieved success as a cost-recovery organization.

What Is the Request and What Will We Get for the Funds?

FY 2014 – Transportation Safety Institute

(\$000)

	FY 2012 ACTUAL	FY 2013 REQUEST	FY 2014 REQUEST	CHANGE FY 2013 - 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	[5,000]	[5,000]	[5,000]	[0]
Travel	[2,000]	[2,000]	[2,000]	[0]
Other Costs	[13,000]	[13,000]	[13,000]	[0]
TOTAL^{1/}	[20,000]	[20,000]	[20,000]	[0]
<u>STAFFING</u>				
Direct Positions	0	0	0	0
Reimbursable Positions	51	51	51	0
Direct FTE	0	0	0	0
Reimbursable FTE	30	36	36	0

^{1/} Resources are shown as non-add because the Transportation Safety Institute is funded by reimbursable agreements, tuitions, and fees.

TSI's training operations program is organized into the following five training divisions with expertise in specific transportation safety and security topics:

Aviation Safety: Aviation Safety experts provide premiere training through workshops, field activities, individual studies, and hands-on training with an emphasis on aviation safety, accident investigation techniques, and program management. Courses cover aviation's most current information in all aspects of civil and public aviation accident investigation, safety management systems (SMS), and ground-based navigation aids.

Transit Safety: TSI's Transit Safety and Security staff specializes in development and delivery of safety and security training and education in system safety, collision investigation, and security for all public transit bus and rail transportation. Transit industry personnel attend TSI training to develop the high performance skills necessary to effectively operate, maintain, and manage public transportation systems. MAP-21 mandates a National Training Certification Program and several of the courses instructed by TSI are within the scope of the requirements to earn the certification for these personnel as well as for the State Safety Oversight Agency (SSO) individuals and contractors who conduct safety audits.

Multimodal Safety: Specializing in cargo tanks, explosives, and radioactive materials, TSI's Multimodal Safety Division provides a variety of transportation safety-related courses including hazardous materials and motor carrier compliance to Federal, state, and private industry audiences.

Special Programs: TSI's Special Programs team offers multiple services and products to meet changing customer demands to include customized solutions in courseware development, delivery, and program management. A need for Pipeline Safety Compliance training was identified. This resulted in two new courses being developed for pipeline safety professionals in private industry. Courses are designed to clarify DOT regulations for gas and liquid pipeline owners, and encourage good safety practices for energy companies throughout the United States.

Traffic Safety: TSI's Traffic Safety Division develops and delivers highway traffic safety training programs for State, local, and Federal professionals in occupant protection, law enforcement, impaired driving, and data analysis. Curricula also include three levels of training for the National Highway Traffic Safety Administration's (NHTSA) National Automotive Sampling System field personnel in support of crash investigations. Division staff also collaborates with the greater highway traffic safety community to develop relevant and timely training programs.

What Is This Program?

TSI provides transportation safety training to Federal, state and local government, the private sector, and foreign transportation professionals on a cost-recovery basis.

Anticipated FY 2013 Accomplishments

- Continued development of cutting-edge courses for transportation professionals;
- Continued utilization of effective adult learning practices in order to ensure current and future training experiences meet industry training standards;
- Presented the Moral Courage Award to an individual or organization for safety management and accident prevention accomplishments;
- Assisted DOT partners in implementing MAP-21 transportation safety enhancements;
- Promoted safer global transportation systems by supporting domestic and International audiences;

- TSI achieved Information Technology savings of more than \$100,000;
- TSI's newest course in Pipeline Safety Compliance was offered to private industry.

Why Is This Particular Program Necessary?

TSI supports DOT's safety goal to reduce transportation-related deaths and injuries through quality instruction to those entrusted with safety enforcement and committed to safety compliance. TSI trains more than 20,000 professionals annually.

How Do You Know The Program Works?

Since 1971, TSI has been training transportation professionals on a reimbursable basis. Many clients represent repeat business, and TSI training is in demand domestically and Internationally. In addition, data show that transportation-related deaths and injuries are significantly lower than they were four decades ago. Education and training are key factors in improved transportation safety. Course evaluations remain extremely positive and customers consider the trainings critical.

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

Through high-quality instruction, TSI provides valuable assistance to the Department and creates a safer transportation system for the traveling public. As new clients seek TSI expertise and existing customers continue to support safety as a priority, safety training investments are vital. TSI plans to enhance its safety training services to accommodate changing needs and growing demands. TSI has a 40-year history of providing valuable training to the government and has achieved success as a cost-recovery organization.

Detailed Justification for Volpe National Transportation Systems Center

What Do I Need to Know Before Reading This Justification?

The Volpe Center programs are funded through its Working Capital Fund (WCF) on a full cost reimbursable basis. The Volpe Center WCF receives no direct appropriations and its costs are paid by its customers via interagency and/or reimbursable agreements.

What Is the Request And What Will We Get For The Funds?

FY 2014 Volpe National Transportation Systems Center				
(\$000)				
	FY 2012 ACTUAL	FY 2013 REQUEST	FY 2014 REQUEST	CHANGE FY 2013 - 2014
FUNDING LEVELS				
Personnel Compensation and Benefits	[69,000]	[70,000]	[70,000]	[0]
Travel	[5,000]	[4,000]	[4,000]	[0]
Other Costs	[185,000]	[186,000]	[186,000]	[0]
TOTAL	[259,000]	[260,000]	[260,000]	[0]
STAFFING				
Direct Positions	0	0	0	0
Reimbursable Positions	550	550	550	0
Direct FTE	0	0	0	0
Reimbursable FTE	525	532	532	0

What Is This Program?

The Volpe Center WCF is authorized under 49 U.S.C. 328 to provide research, development, testing, evaluation, analysis, and related activities for the Department of Transportation, other Federal agencies, state and local governments, other public authorities, private organizations, and foreign countries.

The Volpe Center partners with public and private organizations to assess the needs of the transportation community, evaluate research and development endeavors, assist in the deployment of state-of-the-art transportation technologies, and inform decision- and policy-making through the Center's comprehensive analyses.

Volpe serves its sponsor agencies with advanced technologies, research, expertise and programs to ensure a fast, safe, efficient, accessible and convenient transportation system that meets vital National and International interests and enhances the quality of life for the traveling public.

Volpe's programs are driven by the needs of its sponsors. Volpe supports its sponsors in important efforts such as NextGen for the FAA, MAP-21 safety implementation for FTA, High Speed Rail for FRA, Strategic Highway Research Program (SHRP2) for FHWA, CAFÉ Standards for NHTSA, Security Upgrades for MARAD/U.S. Merchant Marine Academy, Crash Weighting for FMCSA, and the Safety Pilot program for OST.

Why Is This Particular Program Necessary?

The Volpe Center provides a unique capability in the synergy of transportation expertise with its institutional knowledge of the global transportation system and its stakeholder perspective, the Federal perspective with its awareness of Federal responsibilities, objectives, and activities in the public interest, and experience with the full spectrum of technologies and disciplines relevant to transportation system improvements. Over five hundred federal employees, all dedicated transportation professionals and half of which have advanced degrees, are the Center's most important asset. These employees represent a full spectrum of disciplines from engineering to physical and social sciences.

The Volpe Center provides leadership to advise, facilitate and manage a wide range of high profile, complex, often rapid response, Departmental, agency, and priority initiatives of the Secretary. Through extensive outreach and coordination, the Volpe Center supports the U.S. DOT's efforts to expand its understanding of current and emerging issues through strategic planning initiatives and timely communication.

How Do You Know The Program Works?

The Volpe Center's activities support the missions and strategic goals of Department agencies and many other Federal agencies on a full cost-reimbursable basis. DOT and other agencies provide funding to the Volpe Center to take advantage of its extensive expertise and experience, its proven ability to deliver high quality products and services, and its customer focus, all which have been validated by periodic customer satisfaction assessments. All Volpe Center sponsors are voluntary customers – no one is mandated to fund activities at Volpe and the fact that sponsors continuously return to the Volpe Center for support of new initiatives is a testament to the quality and value of the Volpe Center, the Department and the Nation.

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

The Volpe Center's purpose is to advance transportation innovation for the public good and its core values are public service, innovative solutions, professional excellence, and collaboration and partnering. To facilitate its purpose and mission, the Volpe Center is organized into technical centers. Collectively, these technical centers provide progressive, multidisciplinary expertise in support of key national transportation issues and work to solve complex transportation problems.

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY
WORKING CAPITAL FUND,
VOLPE NATIONAL TRANSPORTATION SYSTEMS CENTER
PROGRAM AND FINANCING (in thousands of dollars)

Identification code 69-4522-0-4-407

		FY 2012 <u>ACTUAL</u>	FY 2013 CR <u>(ANNUALIZED)</u>	FY 2014 <u>REQUEST</u>
0900	Total new obligations	<u>274,799</u>	<u>260,000</u>	<u>260,000</u>
	Budgetary Resources			
1000	Unobligated balance brought forward	<u>245,006</u>	<u>302,612</u>	<u>302,612</u>
1050	Unobligated balance	245,006	302,612	302,612
	Budget Authority			
1700	Collected	358,616	260,000	260,000
1701	Change in uncollected payments, fed sources	<u>(26,210)</u>	<u>-</u>	<u>-</u>
1750	Spending authority from offsetting collections	<u>332,405</u>	<u>260,000</u>	<u>260,000</u>
1930	Total budgetary resources available	577,411	562,612	562,612
1941	Unexpired unobligated balance, end of year	302,612	302,612	302,612
	Change in Obligated Balance			
3000	Unpaid obligations brought forward	130,675	129,902	6,832
3010	Obligations incurred, unexpired accounts	<u>274,799</u>	<u>260,000</u>	<u>260,000</u>
3020	Outlays (gross)	<u>(275,572)</u>	<u>(382,000)</u>	<u>(260,000)</u>
3050	Unpaid obligations end of year (gross)	129,902	6,832	6,832
3060	Uncollected payments, fed sources, brought forward	<u>(110,542)</u>	<u>(84,332)</u>	<u>(84,332)</u>
3070	Change in uncollected payments, fed sources, unexpired	26,210		
3090	Unpaid obligations end of year (gross)	<u>(84,332)</u>	<u>(84,332)</u>	<u>(84,332)</u>
3100	Obligation balance, start of year	20,133	45,570	(77,500)
3200	Obligation balance, end of year	45,570	<u>(77,500)</u>	<u>(77,500)</u>
	Budget Authority and Outlays			
4000	Budget Authority (gross)	332,405	260,000	260,000
4010	Outlays from discretionary authority	171,834	260,000	260,000
4011	Outlays from discretionary balances	<u>103,739</u>	<u>123,000</u>	
4020	Outlays, gross (total)	275,572	383,000	260,000
4030	Offsetting collections from federal sources	<u>(357,629)</u>	<u>(260,000)</u>	<u>(260,000)</u>
4033	Offsetting collections from non-federal sources	<u>(987)</u>	<u>-</u>	<u>-</u>
4040	Offsets against gross budget authority and outlays	<u>(358,616)</u>	<u>(260,000)</u>	<u>(260,000)</u>
4050	Change in uncollected payments, fed sources, unexpired	<u>26,210</u>	-	-
4060	Additional offsets against budget authority only (total)	<u>26,210</u>	-	-
4070	Budget authority, net (discretionary)	-	-	-
4080	Outlays, net (discretionary)	<u>(83,043)</u>	<u>123,000</u>	-
4180	Budget authority, net (total)	-	-	-
4190	Outlays, net (total)	<u>(83,043)</u>	123,000	-

DEPARTMENT OF TRANSPORTATION				
OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY				
WORKING CAPITAL FUND				
VOLPE NATIONAL TRANSPORTATION SYSTEMS CENTER				
Object Classification (in thousands of dollars)				
Identification code 69-4522-0-4-407				
Reimbursable Obligations				
Obj Code	Item	FY 2012 ACTUAL	FY 2013 CR (ANNUALIZED)	FY 2014 REQUEST
Personnel compensation				
2 111	Full-time permanent	69,076	52,000	52,000
2 113	Other than full-time permanent	3,423	3,000	3,000
2 115	Other personnel compensation	1,049	1,000	1,000
2 119	Total personnel compensation	73,548	56,000	56,000
2 121	Civilian personnel benefits	12,862	14,000	14,000
2 130	Benefits for former personnel	0	0	0
2 210	Travel & transportation of persons	3,534	4,000	4,000
2 220	Transportation of things	153	0	0
2 233	Commun, utilities & misc. charges	1,936	6,000	6,000
2 240	Printing and reproduction	0	0	0
2 251	Advisory and assistance services	351	0	0
2 252	Other services	76,829	63,000	63,000
2 253	Purch of G&S from Govt accounts	604	1,000	1,000
2 254	O&M of facilities	4,583	5,000	5,000
2 255	R&D Contracts	88,244	98,000	98,000
2 257	O&M of equipment	1,073	1,000	1,000
2 260	Supplies and materials	855	1,000	1,000
2 310	Equipment	7,138	8,000	8,000
2 320	Land and structures	3,089	3,000	3,000
9 999	Total new obligations	274,799	260,000	260,000
EMPLOYMENT SUMMARY				
Reimbursable:				
2 001	Civilian full-time equivalent employment	525	532	532

Detailed Justification for the Intelligent Transportation Systems (ITS) Program

What Do I Need to Know Before Reading This Justification?

The Intelligent Transportation Systems (ITS) Program is authorized by MAP-21 to execute the scope of research outlined in the ITS Strategic Research Plan. The ITS Joint Program Office has Department-wide authority in coordinating the ITS program's initiatives among the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), the Maritime Administration (MARAD), the National Highway Traffic Safety Administration (NHTSA), and the Office of the Secretary of Transportation (OST). It is focused on significantly reducing crashes through advanced safety systems based on interoperable wireless communications among surface transportation vehicles of all types and with traffic signals and other infrastructure systems.

What is the Request and What Will We Get For The Funds?

FY 2014 - Intelligent Transportation Systems (ITS)

	(\$000)			
	FY 2012	FY 2013	FY 2014	CHANGE
	ACTUAL	MAP-21	REQUEST	FY 2013 - 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	[0]	[0]	[0]	[0]
Travel	[0]	[0]	[0]	[0]
Research	[87,913]	[79,590]	[79,590]	[0]
Technology Transfer and Evaluation	[4,564]	[15,410]	[15,410]	[0]
ITS Program Support	[4,875]	[5,000]	[5,000]	[0]
TOTAL¹	[97,352]	[100,000]	[100,000]	[0]
<u>STAFFING</u>				
Direct Positions	[18]	[18]	[18]	[0]
Reimbursable Positions	[0]	[0]	[0]	[0]
Direct FTE	[18]	[18]	[18]	[0]
Reimbursable FTE	[0]	[0]	[0]	[0]

¹Resources are shown as non-adds because funding resides in the FHWA budget.

The FY 2014 request is \$100 million in program funds and staffing of 18 FTE, as authorized through FHWA via MAP-21.

Key Actions and Milestones Anticipated:

- Develop and test proven reliable multimodal vehicle-to-vehicle and vehicle-to-infrastructure communications safety applications using dedicated short-range communications (DSRC) to demonstrate whether results warrant adoption of technology on new vehicles.
- Develop, test, and support deployment of smart multimodal connected vehicle applications for safety, mobility, and environmental sustainability purposes to allow State DOTs, local transportation agencies, and other systems operators to deploy and operate smart infrastructure.
- Establish one or more multi-source data environments to enable transformative operations efficiency and environmental sustainability for transportation managers of freeways, arterials, transit systems, maritime systems, and rail systems.
- Develop and test applications that can directly impact transportation's impact on the environment by making use of vehicle-to-vehicle wireless technology to improve environmental sustainability.
- Transfer research results to relevant state and local agencies and other ITS stakeholders and provide technical assistance for implementation.
- Conduct implementation support actions as may be required to support the 2013 NHTSA Agency decision regarding vehicle-to-vehicle communications safety technology for light vehicles.
- Complete the necessary research to support the 2014 NHTSA Agency decision on vehicle-to-vehicle communications safety technology for heavy trucks.
- Develop a plan to incentivize ITS Deployment through existing deployment activities carried-out by surface transportation modal administrations.

What Is This Program?

The ITS program consists of a multimodal, short-term intermodal, and exploratory research program administered as a collaborative partnership between the program and DOT modal administrations.

Anticipated FY 2013 Accomplishments:

The ITS program will complete a large-scale safety pilot of the vehicle-to-vehicle and vehicle-to-infrastructure communications safety technologies in approximately 3,000 test vehicles in a real world setting to demonstrate and evaluate the effectiveness of the safety applications. Real time data capture and management testing of several dynamic mobility applications will be completed to validate data quality, reliability, and consistency to ensure it supports operational requirements of transportation managers and information requirements for users. The ITS program will have initiated the major research, testing, and data collection to support the NHTSA Agency decision on vehicle-to-vehicle communications safety technology for heavy trucks.

Vehicle-to-vehicle and vehicle-to-infrastructure communications technical standards have been approved, and the vehicle-to-vehicle and the upgraded vehicle-to-infrastructure communications

test bed in Detroit, Michigan is in use to validate the vehicle-to-vehicle and vehicle-to-infrastructure communications safety technology standards and equipment as part of the Safety Pilot testing. Real time data capture and management testing will be completed to inform researchers on the best way to collect, control, and utilize real time data for performance management purposes. International standards harmonization will be achieved with the International standards development organizations. Technology transfer and outreach activities will be conducted to support the broad range of stakeholders involved in the program and throughout the transportation community.

Strategic Goals: The ITS program specifically supports five of DOT’s strategic goals: Safety, Environmental Sustainability, Livable Communities, Economic Competitiveness, and State of Good Repair.

Purpose and Beneficiaries: The purpose of the ITS program is to fulfill the research role outlined by Congress and to support the DOT strategic goals. Beneficiaries include the traveling public, State DOTs, automotive manufacturers, transit agencies, local transportation agencies, private industry data providers, application developers, academia, and International transport agencies.

Partners: The ITS program jointly conducts research with our modal partners, including:

- Federal Highway Administration (FHWA)
- Federal Motor Carrier Safety Administration (FMCSA)
- Federal Railroad Administration (FRA)
- Federal Transit Administration (FTA)
- Maritime Administration (MARAD)
- National Highway Traffic Safety Administration (NHTSA)

Why Is This Particular Program Necessary?

ITS technology solutions offer the opportunity to reduce crashes, fatalities, and injuries; therefore, it will improve public health, increase efficiency, reliability and mobility, and reduce fuel consumption and greenhouse gas emissions. The travelling public, automotive manufacturers, and state and local transportation agencies will all benefit from reduced crashes, injuries, and fatalities on the U.S. transportation system. Vehicle-to-vehicle and vehicle-to-infrastructure communications safety applications are designed to increase situational awareness and reduce or eliminate crashes through data transmission that supports driver advisories, driver warnings, and vehicle and/or infrastructure controls. With these multimodal applications for light vehicles, trucks, buses, and fleets of all kinds, vehicle-to-vehicle communications may potentially address up to 80 percent of crash scenarios involving unimpaired drivers, preventing tens of thousands of automobile crashes every year. Additionally, vehicle-to-infrastructure applications have the potential to address 12 percent of the crash types involving unimpaired drivers.

The traveling public, freight movers, and state and local transportation agencies will benefit from the use of real time data applications to improve the safety, efficiency, mobility, reliability, and sustainability of the U.S. transportation system. Data generated from vehicle-to-vehicle and vehicle-to-infrastructure communications systems can provide travelers and operators with detailed, real-time information on vehicle location, speed, emissions, and other operating conditions. Informed travelers and commercial freight operators can use this information to improve system operations and choose optimum routing to avoid congested routes, take alternate routes, use other modes of transportation, shift to public transit, or reschedule their trips — all of which can save time, fuel, and money.

Without Federal research investment and Federal leadership, vehicle-to-vehicle and vehicle-to-infrastructure technologies and applications are unlikely to be realized. Federal leadership is critical to ensuring collaboration among automotive manufacturers and their suppliers as well as between the automotive industry and public sector agencies. Further, to realize the safety benefits, coordination is required for implementation at a Nationwide scale. The Federal government, working through DOT, is uniquely positioned to facilitate and enable the ultimate implementation of this technology.

Private sector innovations will still be developed for technologies that have market demand or a clear business case. However, due to the high risk and cost involved with safety applications and the need for nationwide interoperability, there is not a clear business case for the development of vehicle-to-vehicle or vehicle-to-infrastructure safety applications without Federal research and government-sponsored standards development to ensure interoperability.

Further, without Federal research investments, State DOTs, transit properties, and transportation managers will not have the resources to conduct independent ITS research and implement successful research and technology results. Without this funding, the adoption and deployment of ITS by state and local transportation agencies could be reduced. Furthermore, the Nation's strong ITS safety technologies leadership position could also be jeopardized if this program is not funded. This in turn could hurt the domestic industries that manufacture ITS technology.

How Do You Know the Program Works?

Effective: The amount of ITS technology deployment by State DOTs and transit agencies has been increasing over time. Data from the 2010 deployment tracking survey (Center for Transportation Analysis, Oakridge Laboratories, Knoxville, TN, 2010) indicates that \$18 billion has been spent on ITS deployment in the top 75 metropolitan areas. Between 2005 and 2010, about \$500 million was spent per year. This far exceeds the amount of Federal research investment and argues that such investment has been successfully leveraged over time. The saturation of ITS deployment differs across applications, ranging from 94% penetration for electronic toll collection technology, 61% penetration of electronic fare payment in transit properties to 54% for freeway surveillance systems. As a result, our transportation system has benefitted from this deployment in terms of increased mobility, better emergency and incident response times, better overall traffic management, and increased rush hour capacity. Additionally, private sector

companies have made investments that are not easily captured. Current research is seeding private sector investment in vehicle-to-vehicle technology, based on the promise of these

technologies for saving lives and an announcement by NHTSA that in 2013 the agency will assess whether the technologies warrant regulation or other means of encouraging adoption in new vehicles.

Research: Positive results from our vehicle-to-vehicle proof of concept testing in Michigan have demonstrated that the vehicle-to-vehicle and vehicle-to-infrastructure approach is feasible and effective. Additionally, vehicle-to-vehicle driver clinics recently completed in six different geographic locations resulted in overwhelmingly positive feedback from objective test drivers selected from the public. This strongly suggests that the systems were effective and beneficial. Independent evaluations are conducted on all research projects and made available to the public through the National Transportation Library. Effective strategies and technologies are being adopted, such as congestion initiatives and rural safety applications that have been demonstrated in specific operational locations around the country.

The Technology Transfer program ensures that ITS research meets stakeholder needs and can be effectively implemented. Program Support ensures the efficient use of program resources through best program management practices and monitoring and coordination with other initiatives that may impact the ITS research. Both are critical to having an effective research program that serves the customer.

Efficient: Vehicle-to-vehicle research is being conducted to enable a decision by the Department in 2013 about whether to pursue a regulatory process to require technology in new light vehicles or to take other action to encourage adoption of related safety technologies. A second decision milestone is also scheduled in 2014 for heavy trucks. The efficient planning, acquisition, demonstration, and evaluation of a complex research workload support this aggressive regulatory timeframe.

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

Funding Options: The budget request is necessary to achieve the NHTSA vehicle-to-vehicle 2013 decision milestone for light vehicles, the 2014 decision milestone for heavy trucks, and for the future development of this potentially game-changing technology. The Department requires a large-scale research and testing program with sufficient data to enable NHTSA to make a conclusive and reasoned decision. Additionally, the funding supports related research that expands this technology to achieve benefits for mobility and the environment through the reduction of recurring and nonrecurring congestion; thereby, reducing emissions and fuel consumption.

The requested funding level will allow programs to be executed as described in the ITS Strategic Research Plan and will support the multitude of transportation stakeholders that rely on technology solutions to the challenges that face our transportations systems. The funding will

also allow the program to accelerate deployment of ITS technologies through demonstration programs, grants, incentives, and other strategies.

Detailed Justification for Salaries and Administrative Expenses

What Do I Need To Know Before Reading This Justification?

The Bureau of Statistics is an allocation account under the Federal-aid Highway program. The Salaries and Administrative Expenses line item provides resources for the staff funded from this account. The staff supports the Office of the Assistant Secretary for Research and Technology's mission to provide transportation statistics research, analysis, and reporting in support of the Department's strategic goals and stakeholder needs.

The 70 FTE support the organization's mandate to enhance the data collection and statistical analysis programs in support of data-driven decision-making across the Department, and they support the direct program and mission support functions allocated to the BTS account.

What Is The Request And What Will We Get For The Funds?

FY 2014 – Salaries and Administrative Expenses

	(\$000)			
	FY 2012	FY 2013	FY 2014	CHANGE
	ACTUAL	MAP-21	REQUEST	FY 2013 - 2014
FUNDING LEVELS				
Personnel Compensation and Benefits	[12,153]	[12,245]	[12,349]	[104]
Travel	[143]	[130]	[131]	[1]
Other Costs	[8,576]	[8,544]	[8,439]	[-105]
TOTAL¹	[20,872]	[20,919]	[20,919]	[0]
STAFFING				
Direct Positions	117	117	117	0
Reimbursable Positions	0	0	0	0
Direct FTE	68	70	70	0
Reimbursable FTE	0	0	0	0

¹Resources are shown as non-adds because the Bureau of Transportation Statistics is an allocation account under the Federal-aid Highways program.

This salaries and administrative expenses line item in the BTS account provides direct program and administrative staff to support program management, analysis, and execution of BTS' programs including: Safety Data Analysis, Passenger Travel Statistics, Freight Statistics, Transportation Economics, Geospatial Information Systems, Transportation Analysis, Data Quality and Performance Metrics, and the National Transportation Library. In addition, the

function provides administrative oversight and direction for the Assistant Secretary for Research and Technology's Budget and Financial Management, Information Technology, Human Capital, Legal, Administrative Management, Governmental, International and Public Affairs, Space Management, Procurement and other vital activities critical to our mission.

The Office of the Assistant Secretary for Research and Technology is fully committed to reducing wasteful spending and programs that do not work, to strengthening and streamlining programs that do work, to transforming government operations to save money, and to improving performance to make government more responsive and open to the needs of the American people. To achieve this objective, this organization has embarked on several administrative cost saving initiatives: reducing IT costs by repurposing and consolidating servers and using the cloud environment where possible; limiting the number of IT devices issued to program staff; standardizing to black and white printers to eliminate costly color toner cartridge charges; reducing travel expenses by participating in meetings via telecom and VTC whenever possible; reducing publication and shipping costs by making documents available online; increasing webinar usage to engage critical stakeholder groups; reducing travel expenses by limiting the occurrence of meetings outside the DC area; and partnering with other DOT agencies to reduce training costs.

What Is This Program?

This request provides \$20.919 million for the staff and operating expenses supported from the Highway Trust Fund (HTF) account. This request provides funding for the BTS program staff as well as mission support staff and associated operating expenses funded from the BTS account. Operating expenses include salaries and benefits (\$12.336 million), travel (\$118 thousand), GSA rent (\$1.457 million), printing (\$5 thousand), working capital fund (\$4.299 million), supplies (\$20 thousand), equipment (\$758 thousand), and other common service expenses (\$1.926 million). Other contractual services include: accounting systems and services, HR systems and services, e-Gov, IT hardware and software, SharePoint and web services.

The 70 FTE support the direct BTS program staff as well as mission support staff from each of the administrative offices, including Budget and Finance, Administration, Chief Counsel, and Governmental, International and Public Affairs.

Why Is This Particular Program Necessary?

This program is necessary to continue agency operations in an effective manner. The Office of the Assistant Secretary for Research and Technology continues to develop a diverse and collaborative workforce that enables the Department to advance a transportation system that serves the Nation's long-term social, economic, security and environmental needs. The BTS staff will be capable of handling any complex transportation issues that might occur and will provide important opportunities for staff to sharpen existing competencies and develop aspiring leaders for the future. In addition, staff will develop program and policy guidance for stakeholders and carry out essential statistical analysis, financial management, human capital, information technology, and organizational services.

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

Funds are essential to staff the organization and to continue transportation systems research, human capital, and organizational services in an effective manner. The requested funding of \$20.919 million is sufficient to implement this program.

Detailed Justification for the Safety Data and Analysis Program (SDAP)

What Do I Need To Know Before Reading This Justification?

Safety is DOT's highest priority. The Safety Data and Analysis Program (SDAP) is designed to integrate and address gaps in safety data and analysis across all modes of transportation in support of DOT and the Safety Council. The program will enable DOT and the Safety Council to develop a formal process for multimodal data sharing and to adopt a data-driven approach to identify, analyze, evaluate, and potentially correct systemic problems and create countermeasures across all modes and sectors. The program will address the synthesis, collection, processing, and analysis of multimodal transportation safety data and information.

What Is The Request and What Will We Get For The Funds?

FY 2014 – Safety Data and Analysis

	(\$000)			
<u>FUNDING LEVELS</u>	<u>FY 2012 ACTUAL</u>	<u>FY 2013 MAP-21</u>	<u>FY 2014 REQUEST</u>	<u>CHANGE FY 2013 - 2014</u>
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	0	[50]	[50]	[0]
TOTAL³	0	[50]	[50]	[0]
 STAFFING				
Allocation Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Allocation FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. □

²Reflects contract funding only.

³Resources are shown as non-adds because the Bureau of Transportation Statistics is an allocation account under the Federal-aid Highways program.

The requested funding level of \$50 thousand will support the following:

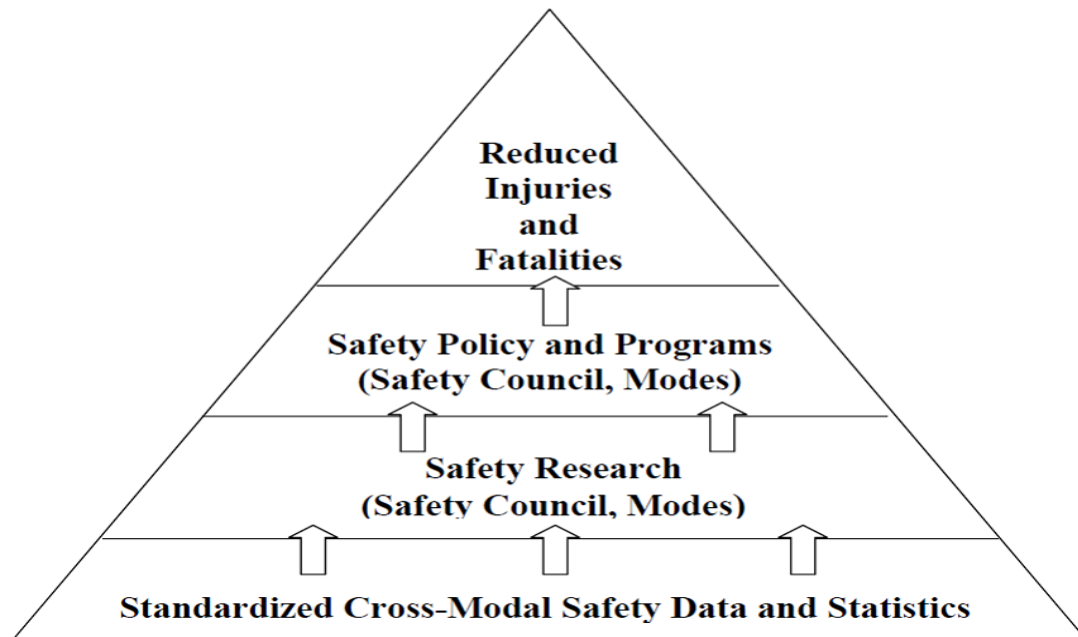
- Establish a safety data portal to serve DOT and other transportation safety communities.
- Enhance comparability of modal data sources to facilitate the development of exposure measures.

- Expand development and operation of close-calls reporting systems.
- Develop safety performance measures and program evaluation methodologies.

Key Actions and Anticipated Milestones:

- Coordinate with other modal administrations to create a collaborative data portal, available to a broad range of stakeholders and the public, for accessing, synthesizing, and analyzing safety data across the Department, including precursor (near-miss) and incident/accident safety information.
- Coordinate and expand the collection of multimodal transportation exposure data to improve estimation of safety risk rates and facilitate risk analysis across modes (with a focus on vulnerable populations, such as senior citizens, motorcyclists, pedestrians, and bicyclists).
- In coordination with other modal administrations, initiate the development of a safety data dictionary to identify comparability problems and develop strategies for improving comparability.
- Provide technical support to the modal administrations in the design and implementation of state highway safety base maps.
- Provide support to the modal administrations in the areas of study design, study protocol development, data collection and analysis of transportation safety studies.

Safety Statistics and Data Form the Foundation for Research and Policymaking



Key Outputs Expected:

- A data clearinghouse to support the analysis of multimodal safety data.
- Documentation of safety data gaps and a roadmap to fill data gaps.

- A roadmap to integrate non-transportation data (e.g., occupational safety and health) to support holistic safety analysis.
- Potential safety risk exposure measures that are compatible across all modes.
- Technical support to improve data collection and analysis.

Key Outcomes Expected:

- Improved safety program assessments and support more effective inter-modal safety investments.
- A focused effort on reducing injuries and transportation-related fatalities by minimizing data gaps and improving data access, including information on near-miss (precursor) and other hazard data.

What Is This Program?

The Safety Data and Analysis Program (SDAP) will enable BTS to effectively integrate transportation safety data and information across modes and will address gaps in existing Departmental data programs. Improving safety throughout the transportation sector is the Department's highest priority. The Departmental Safety Council is working collaboratively to address safety problems by leveraging resources and by sharing experience, expertise, and best practices. The Safety Council's strategy is to adopt data-driven approaches to identify, analyze, evaluate, and potentially predict systemic problems and to create improvements across modes and sectors.

Partners: the Federal Highway Administration (FHWA), the National Highway Traffic Safety Administration (NHTSA), the Federal Motor Carrier Safety Administration (FMCSA), the Federal Rail Administration (FRA), the Maritime Administration (MARAD), the Pipeline and Hazardous Materials Safety Administration (PHMSA), the Federal Transit Administration (FTA), the Federal Aviation Administration (FAA), the DOT Safety Council, safety advocates, and the transportation industry.

Description: SDAP addresses multimodal safety data issues and the Department's strategic goal of enhancing transportation safety through improved comparability of data to support comprehensive analysis. This program augments existing data collection and data analysis efforts and provides a portal for integrated data for research and decision making by critical stakeholders.

Why Is This Particular Program Necessary?

SDAP provides improved multimodal safety data and analysis through increased collaboration across-modal administrations. The centralized data portal will provide standardized access to a wide array of data sources, and it will identify and address gaps in Departmental data programs. Transportation risk is highly concentrated in certain sub-populations and under certain conditions; e.g., in aviation on takeoffs and landings, especially at night, and in motor vehicle

travel, especially with higher risk drivers and occupants traveling during late night or early morning conditions.

The transportation safety data that are collected, processed, maintained, and disseminated by the different DOT modal administrations lack uniformity and comparability in terminology and reporting formats (e.g., different injury reporting criteria), which may limit system-wide risk assessments. In addition, there are gaps in existing data, such as the information on operator fatigue and its impact on safety performance.

The requested funding will allow BTS to provide a multimodal data portal and cross-cutting analysis capabilities in support of the Department's highest priority, safety.

How Do You Know The Program Works?

Success in SDAP will be indicated by several factors:

Effectiveness: Preliminary results from the current confidential close-calls rail reporting system has indicated that such reporting systems are needed across modes to support safety initiatives.

Research: A NTSB report has commended BTS for past safety data-related efforts: “in reviewing BTS efforts to establish data quality standards, identify information gaps, and ensure compatibility between the Department's safety data systems, the Safety Board recognizes a number of important BTS accomplishments. BTS has led safety data improvement efforts in recent years, and the Safety Board commends these efforts.” The NTSB has also recommended that BTS develop better risk exposure data.

Efficient: BTS, as a designated Federal statistical agency, has authority to collect and protect confidential information. Furthermore, BTS is organized to collect and analyze cross-modal safety data and to collaborate effectively and efficiently across all operational modes.

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

Funding of \$50 thousand will be sufficient to implement phasing-in of this program.

Detailed Justification for Travel Statistics Program

What Do I Need To Know Before Reading This Justification?

The Travel Statistics Program is the primary means by which the Department compiles data on the way Americans travel around their communities and around the country. This information is essential because it serves as the sound scientific and analytical basis for DOT's investment and policy decisions. This statistical data is particularly applicable to support investment initiatives for high speed rail. The current absence of intercity long distance passenger travel data hinders the transportation community's ability to target limited resources effectively. The 2011 Transportation Research Board (TRB) National policy study report, *How We Travel: A Sustainable National Program for Travel Data*, detailed the importance of timely and comprehensive passenger travel data.

- The transportation community -- including DOT, state and local agencies, researchers, and other stakeholders -- need updated data describing characteristics of long distance intercity passenger travel, particularly in the context of major investments in high-speed rail.
- Long distance and local travel are key contributors to safety risk exposure, infrastructure performance, greenhouse gas and other emissions, and economic performance.
- There is a seventeen-year gap in the collection of long distance passenger travel data. During this period, substantial societal changes have made the last passenger flow data (collected in 1995) functionally obsolete.
- Travel statistics are central for performance measures associated with the Department's strategic goals for safety, livable communities, state of good repair, and environmental sustainability.
- The Program works closely with other DOT modes to collect and integrate passenger travel data with modeling techniques to provide a more comprehensive landscape of passenger flows across the Nation.

What Is The Request and What Will We Get For The Funds?

FY 2014 - Travel Statistics				
(\$000)				
<u>FUNDING LEVELS</u>	<u>FY 2012 ACTUAL</u>	<u>FY 2013 MAP-21</u>	<u>FY 2014 REQUEST</u>	<u>CHANGE FY 2013 - 2014</u>
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	[450]	[400]	[400]	[0]
TOTAL³	[450]	[400]	[400]	[0]
<u>STAFFING</u>				
Allocation Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Allocation FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. □

²Reflects contract funding only.

³Resources are shown as non-adds because the Bureau of Transportation Statistics is an allocation account under the Federal-aid Highways program.

BTS will continue to provide data users with comprehensive monthly and annual vehicle, container, passenger, and pedestrian entry count information for all U.S. land and ferry ports of entry from Canada and Mexico. The data represent activity at the port level on the U.S.-Canadian and U.S.-Mexican land border and International ferry crossings. The data is used for monitoring North American Free Trade Agreement activity, traffic analysis, and data-driven resource allocations.

BTS will also conduct methodological research as the initial steps in the reestablishment of a National Long Distance Travel Data Program. City-to-city passenger travel data are necessary to inform the Nation's considerable transportation investments, including the President's initiative on high-speed rail and the continued focus on safety. Data will be used as a key input into a newly proposed passenger travel model that will provide a detailed view of passenger travel, as well as travel forecasting capability for the future. While information on specific modes of transportation, such as air and intercity rail exists (with known limitations and limited access), the majority of intercity passenger travel by the highway mode (i.e., approximately 90 percent of one-way passenger trips of 50 or more miles) remains unmeasured. The gap in long distance passenger travel flow data has now extended nearly twenty years. Updated data on passenger travel flows are needed for multimodal analysis of intercity passenger travel including travel along the Nation's busiest corridors and between major metropolitan areas. This program will enable the collection of baseline information to estimate the city-to-city flows of persons

traveling by type of mode, as well as by important socio-demographic characteristics (e.g., the growing population of the elderly).

The Omnibus Household Survey will be continued. This program has been conducted since 2000. Data is collected from over 1,000 Nationally representative households and a target sample of 500 households in nine selected Metropolitan Statistical Areas. Survey questions cover a variety of areas to better understand the Nation's satisfaction with the transportation system, including items related to: mode use, journey to work, distracted driving, telecommuting, livable communities, security screening procedures at airports, and bicyclists and pedestrian attitudes and interests. As a result, transportation analysts are better able to identify areas for improvement, to develop model parameters for forecasting, and to establish performance measures to evaluate them. For FY 2014 this survey will provide a quick turnaround data collection vehicle for use across the DOT to gather information on time-sensitive transportation issues.

The Intermodal Passenger Connectivity Database (IPCD) program will continue to provide data on facility location and includes air, intercity ferry, and intercity rail (commuter, heavy, light, and standard rail) modes that serve each of the estimated 7,000 passenger terminals in the U.S. This provides an integrated basis for measuring intermodal connectivity in the passenger transportation system, and it is the only consolidated database of passenger transportation facilities for all modes. The need for intermodal facility data is identified in the *DOT Strategic Plan* as necessary for evaluating the livability of American communities by emphasizing mode choice. The database will also be used to create a routable network to model long distance travel flow and periodically provide analysis of rural accessibility to transportation facilities. An IPCD GIS-based application combined with a layer of Census data will be developed to yield the demographics associated with populations near transportation facilities.

Key Actions and Milestones Anticipated:

- Conduct methodological research to determine the optimal design for the next long distance travel survey.
- Maintain the IPCD.
- Integrate estimates of passenger travel for individual modes into the Intermodal Transportation Database.
- Provide updated data on the Nation's ferry operations, including information on ferry operators, their vessels, services, and routes.
- Collaborate with other modal administrations to gain a better understanding of intercity passenger travel to identify and use data from passenger surveys, models, and alternative passenger data sources.

Key Outputs Expected:

- Monthly and annual pedestrians, passengers, and vehicle crossings including rail and intermodal crossings into the U.S. from Canada and Mexico (Border Crossing/Entry data) released via the Office of the Assistant Secretary for Research and Technology web site in a

searchable database. Border Crossing/Entry data will also be made available via www.data.gov.

- Trends in Focus reports using key transportation data with context to timely and relevant travel-related issues.
- Estimates of passenger travel incorporated into the Intermodal Transportation Database required by MAP-21.

Key Outcomes Expected:

- Provide a framework for comprehensive understanding of passenger flows from estimates for individual modes of transportation.

What Is This Program?

The Travel Statistics Program is the primary means by which the Department compiles data on the way Americans travel around their communities and around the country. This information is essential because it serves as the sound scientific and analytical basis for DOT's investment and policy decisions.

Strategic Goals: Safety, environmental sustainability, state of good repair, livable communities, and economic competitiveness.

Purpose/Beneficiaries: Provide National data on business and personal travel and passenger travel facilities to public and private decision makers.

Partners: DOT modal administrations, other government agencies, transportation research community, and the traveling public.

Prior Year Accomplishments:

- Established consolidated web access to existing travel data relevant to intercity and local travel as part of the Intermodal Transportation Database provided by MAP-21.
- Initiated development of design options for obtaining intercity passenger travel data through surveys, administrative records, or other sources.
- Linked the IPCD to the National Transportation Atlas Database and developed cost-effective update strategies.
- Provided technical support to the Transportation Research Board study of medium-haul passenger markets, a policy study of the National Research Council.

Why Is This Particular Program Necessary?

Travel data is a critical component of the Intermodal Transportation Database, National Transportation Atlas Database, and Transportation Statistics Annual Report requested by Congress. Travel data is central to the analyses of transportation projects conducted pursuant to

the American Recovery and Reinvestment Act, the National Environmental Policy Act, and other Federal legislation.

The program is a necessary investment in intercity highways, the aviation system, and high-speed rail. When last measured, surface travel was a major component of intercity passenger flows. Major demographic and economic changes in the last fifteen years have not reduced the importance of surface travel, but they have shifted geographic patterns in ways that will affect proposed transportation investments.

How Do You Know The Program Works?

Effective: BTS data are used to make transportation investment decisions and evaluate system performance. The Office of the Secretary of Transportation (OST), modal administrations, the research community, industry analysts and academia, and the general public exhibit high demand for BTS travel data and travel-related research.

Research: BTS routinely receives feedback from its stakeholders and customers through formal and informal means like customer outreach and listening sessions, input from the online survey (American Customer Satisfaction Index), data requests and downloads from the BTS web pages, and participation and membership in customer/stakeholder organizations and associations.

Efficient: Transportation Research Board (TRB) panels have identified these travel data collection programs as core programs to understand passenger travel and demand.

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

Funding of \$400 thousand will be sufficient to maintain existing components of this program and integrate estimates of passenger travel into the Intermodal Transportation Database.

Detailed Justification for Freight Statistics Program

What Do I Need to Know Before Reading This Justification?

Understanding how freight moves to and from the nation's International gateways and throughout the country is essential in informing the Department's transportation policy and investment decisions. The Freight Statistics Program is designed to bring this information to forefront by conducting comprehensive multimodal freight surveys and data analyses.

- Except for temporary setbacks during the recent economic downturn, freight transportation continues a long-term growth pattern, supporting economic activity throughout the U.S. and providing the means for American exports to reach foreign markets.
- Freight transportation is an increasingly significant contributor to congestion, safety exposure, infrastructure performance, and greenhouse gas and other emissions; local congestion is creating disruptions and added costs for a growing amount of interstate and International commerce.
- The *DOT Strategic Plan* identifies the need for better information on freight flows to enhance the nation's ability to make optimal transportation planning and investment decisions.
- The Commodity Flow Survey (CFS) is the only source of nationwide data on truck shipments and hazardous materials movement.
- BTS works with DOT agencies with regulatory authority over hazardous materials transport in the CFS and IFDS efforts to ensure the survey and International data effectively address emerging issues in this area.
- BTS provides data and technical guidance to decision makers and planners supporting the President's National Export Initiative.

What Is The Request and What Will We Get for the Funds?

FY 2014 - Freight Statistics				
(\$000)				
<u>FUNDING LEVELS</u>	<u>FY 2012 ACTUAL</u>	<u>FY 2013 MAP-21</u>	<u>FY 2014 REQUEST</u>	<u>CHANGE FY 2013 - 2014</u>
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	[2,621]	[3,793]	[3,793]	[0]
TOTAL³	[2,621]	[3,793]	[3,793]	[0]
<u>STAFFING</u>				
Allocation Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Allocation FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. □

²Reflects contract funding only.

³Resources are shown as non-adds because the Bureau of Transportation Statistics is an allocation account under the Federal-aid Highways program.

The funding of \$3.793 million includes completion of data processing and design of data products for the 2012 CFS and continued analysis of the International trade and freight transportation data. The Freight Statistics Program performs research and produces data-driven specialized and focused reports on key freight transportation issues.

The CFS is the flagship survey of the Freight Statistics Program and has been recognized within the Department and by external customers as one of the Department's most valued freight data series since its initiation in 1993. Although the CFS is a multimodal survey, it is the only available source of national freight data for the highway mode. It also provides the most comprehensive set of national data on the movement of hazardous materials. This data is fundamental in supporting DOT's strategic goals of economic competitiveness and safety.

BTS' International Data Program is focused on data collection, data integration, filling critical data gaps, development of data standards, analysis, and outreach. The current program includes such issue areas as U.S. International trade and transportation, travel and border crossings, North American transportation research, impacts of trade on the Nation's transportation network, changes in the direction of trade, and the Nation's global competitiveness. The largest topic area for the International Data Program is International multimodal freight transportation data and

information. Transborder data collection and analysis is ongoing and is released monthly. The IFDS partnership project is DOT's interface with the Customs and Border Protection's International Trade Data System (ITDS). The IFDS will provide a single source of comprehensive import and export data to seven DOT agencies that will lead to better quality analysis of transportation issues and better decision-making.

Key Actions and Anticipated Milestones:

- Release the North American freight transportation (Transborder Freight) data and statistics, on a monthly basis, for customers including Departmental staff, Congressional staff, state DOTs, International organizations, universities and academics, and others.
- Conduct research and analysis using available freight transportation data to support the Departmental strategic goals and provide information on key transportation issues and events that impact all modes of transportation.
- Complete the data collection phase for the 2012 CFS and design final data products.

Key Outputs (current and expected):

- Comprehensive, high quality, and timely multimodal and intermodal import and export data are available for all modes of transport.
- Publication of the International and intermodal freight reports provide data profiles of the Nation's leading International and intermodal transportation gateways. The reports highlight key gateways and border crossings for air, water, and surface modes.
- Hazardous materials and other import data are delivered to DOT modal administrations. This data fills critical gaps, improves risk assessments and supports evaluations of entities that transport hazardous materials, improving the safety of the U.S. transportation system.

Key Outcomes (current and expected):

- Customers use Transborder Freight data for a variety of purposes, including trade corridor studies, risk assessments, decision making, transportation infrastructure planning and investment.
- Improved access to critical data for DOT agencies to support their regulatory missions and decision-making.
- Improved understanding of the demand that freight movements place on the U.S. transportation system.

What Is This Program?

Strategic Goals: Safety, Environmental Sustainability, State of Good Repair, Livable Communities, and Economic Competitiveness. *The DOT Strategic Plan* identifies the need for intermodal and cross-modal research and data-driven decision-making.

Purpose/Beneficiaries: Develops and compiles data on freight movements within, through, into and from the U.S. by all modes of transportation.

Partners: DOT modal administrations, other Federal agencies, and the transportation industry.

Description: Collects, compiles, and analyzes freight data for all modes of transportation; provides analytic reports and products from a multimodal and intermodal perspective on the performance and impacts of National and International freight flows on the national transportation system.

Prior Year Accomplishments:

- Completed the data collection and fully engaged in the processing, editing, and product design for the 2012 CFS.
- Executed the monthly scheduled release of the TransBorder Freight Data.
- Collaborated with the U.S. Census Bureau, Canadian and Mexican transportation and statistics agencies, and other Federal agencies in the North American Transportation Statistics Interchange, and participated in the trilateral meeting hosted by Canada.
- Completed trilateral update of the North American Transportation Statistics (NATS).
- Continued to conduct outreach to customers to assure that the most important data is provided and developed innovative methods for meeting freight data needs at the state and local levels.
- Completed the implementation phase of the IFDS data warehouse in partnership with the Department of Homeland Security and Customs and Border Protection.

Why Is This Particular Program Necessary?

Information on the movement of goods as described in the Intermodal Transportation Database, National Transportation Atlas Database, and the *Transportation Statistics Annual Report* are products requested by stakeholders including Congress. Goods movement data are central to analyses of transportation investments under the American Recovery and Reinvestment Act, the National Environmental Policy Act, the National Export Initiative, the SAFE Port Act and other Federal legislation.

Support of interstate commerce is a core function of the Federal government. Data describing the volume, value, and geography of freight movement and the performance of the transportation system identify the most cost-effective investments in freight infrastructure. This data helps policy-makers understand the potential effectiveness of proposed regulations, financial incentives, and other policies to improve safety and environmental sustainability. Freight data is also crucial to understanding and enhancing the role of the domestic transportation system in moving U.S. International trade, particularly in supporting the Presidential goal of increasing exports.

Economic activity is variable and must be monitored to assure that the freight transportation system is responding effectively to the Nation's logistical needs. Failure to meet the logistical

needs of manufacturing and services can result in loss of jobs and reduced spending on other economic activities.

How Do We Know The Program Works?

Effective: There is demand from the Department, modal administrations, research community, industry, state and local governments, and the general public. A wide array of transportation data users rely on data from the Freight Data Program, including researchers and media who utilize the data and analysis.

Research: BTS reviews comments from its customers and stakeholders received through formal and informal means. This includes:

- Customer outreach and listening sessions;
- Input from the American Customer Satisfaction Index;
- Data requests and downloads from the BTS web pages;
- Participation in freight-related conferences and workshops to proactively seek feedback on our products.

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

The funding level of \$3.793 million is sufficient to implement this program.

Detailed Justification for the Transportation Economics Program

What Do I Need To Know Before Reading This Justification?

Access to high quality data and transportation metrics is vital in understanding the state of the nation's transportation system. The Transportation Analysis, Data Quality, and Performance Metrics program works to ensure that the quality of Departmental data is of the highest standards and that the metrics used to measure transportation performance are comprehensive.

- The Bureau of Transportation Statistics (BTS) provides a wide range of transportation data analysis, such as the Transportation Services Index (TSI) for decision-makers and the public.
- The *Transportation Statistics Annual Report*, a summary of transportation system performance and an assessment of transportation statistics, is required by MAP-21.
- The Office of Statistical Quality provides technical support to the Administration's performance management agenda, which includes the development of more comprehensive and outcome-focused performance measures.
- The U.S. transportation system forms the backbone of the Nation's economy. To better understand this relationship and maximize economic competitiveness, the Transportation Economics Program develops and analyzes data that helps to explain the economic impact of the Department's transportation policy and investment decisions.
- MAP-21 requires an assessment of capital stocks and transportation expenditures as part of the Intermodal Transportation Database.

What Is The Request And What Will We Get For The Funds?

FY 2014 - Transportation Economics				
	(\$000)			
<u>FUNDING LEVELS</u>	<u>FY 2012 ACTUAL</u>	<u>FY 2013 MAP-21</u>	<u>FY 2014 REQUEST</u>	<u>CHANGE FY 2013 - 2014</u>
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	[160]	[90]	[90]	[0]
TOTAL³	[160]	[90]	[90]	[0]
<u>STAFFING</u>				
Allocation Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Allocation FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. ☐

²Reflects contract funding only.

³Resources are shown as non-adds because the Bureau of Transportation Statistics is an allocation account under the Federal-aid Highways program.

Key Actions and Anticipated Milestones:

- This program compiles the Government Financial Transportation Statistics (GTFS); develops estimates for the Transportation Satellite Account (TSA) and the Air Travel Price Index (ATPI), conducts Transportation Service Index (TSI) research and development, and produces the Journal of Transportation and Statistics (JT&S) and the BTS Transportation Economic Databook (TED).
- This program also develops other basic economic and financial data to support transportation decision-making, including investment analysis, through development of economic indicators that measure the contribution of transportation to the economy, research on transportation economic trends and forecasts, and on transportation costs and expenditures.

Key Outputs Expected:

- Government Financial Transportation Statistics (GTFS) expenditure and revenue data tables.
- Updated Transportation Satellite Account with economic multipliers measuring the effect of transportation investments upon the economy.

- Air Travel Price Index (ATPI) data and tables on air carrier ticket price increases by airport.
- Economic analysis and modeling.
- Publication of the Journal of Transportation and Statistics (JT&S).
- Transportation Services Index (TSI).
- BTS Transportation Economic Databook (TED) with economic data for use in investment and infrastructure analysis.
- A database of seasonal adjusted key transportation variables for all modes of travel.
- Data and findings used to assess transportation impacts on the U.S. economy.

Key Outcomes Expected:

Provide policy-makers with greater insight into the impact of transportation on the economy and Gross Domestic Product (GDP), including analyses of long-term trends of transportation data.

What Is This Program?

Strategic goals: Economic Competitiveness and Environmental Sustainability.

Purpose: Transportation related investments are critical to the competitiveness of the U.S. economy and represent significant investments by governments and households. This request funds the continuation of the Transportation Economics Program for: (1) producing the GTFS report to address government transportation finance and expenditures; (2) updating the TSA, which measures the role of transportation in the economy; (3) developing the ATPI, which tracks commercial airline ticket prices; (4) producing deseasonalized modal travel data to determine seasonal effects to understand the underlying trends and events in transportation data; (5) improving the efficiency of producing the TSI to improve the quality of the data and reduce costs; (6) publishing the peer-reviewed Journal of Transportation and Statistics; (7) compiling useful transportation economic investment data through the TED; and (8) developing and using economic models for policy and economic impact analysis.

Beneficiaries: The Office of the Secretary of Transportation (OST), the Federal Highway Administration (FHWA), the Federal Aviation Administration (FAA), the Federal Motor Carrier Safety Administration (FMCSA), the Pipeline and Hazardous Materials Safety Administration (PHMSA), the National Highway Traffic Safety Administration (NHTSA), Congress, state and local governments.

Partners: FHWA and OST Economics and Policy offices

Description: Program products provide the transportation community and officials with information on the economic impact of transportation, how to optimize transportation investments so that system productivity can be improved, and how the value of transportation to users can be increased. Specifically:

- The Government Financial Transportation Statistics (GTFS) report provides the only single source of statistics on transportation-related revenues and expenditures of the Federal, state, and local governments for all modes of transportation. The report contains revenues by source, expenditures by type, and Federal grants to state and local governments. Statistics on Federal expenditures are provided at the agency and program level.
- The Transportation Services Index (TSI) expands upon the basic Bureau of Economic Analysis (BEA) input-output (I-O) accounts, which describe all industries and the commodity inputs used in production, by providing separate coverage of for-hire and in-house transportation and detailed inputs of services and commodities used in the transportation sector by mode. These comprehensive estimates for the transportation sector are not available from BEA.
- The Air Travel Price Index (ATPI) provides consumers and aviation analysts with ticket price increases only as a result of commercial airline ticket prices; therefore, it isolates this price increase component separately from consumer demand influences on ticket prices. The ATPI was developed collaboratively with the Bureau of Labor Statistics (BLS).
- The Journal of Transportation and Statistics (JT&S) is being reintroduced after a hiatus of several years, and this will provide a peer-reviewed journal of original transportation research to improve public and private decision-making. JT&S provides an International forum for the latest developments in transportation information and data, theory, concepts, and methods of analysis relevant to all aspects of the transportation system.
- The Transportation Service Index (TSI) tracks the for-hire transportation service activity in the freight and passenger transportation sectors and assists analysts with a composite picture of the transportation sector and future trends. The TSI has also proven to be a precursor indicator of future declines in the economy.
- The BTS Transportation Economic Databook (TED) consists of a collection of data such as interest rates, capital stocks, cost indexes, economic indicators, financials and expenditures, investment by mode, macroeconomic variables, passenger and freight travel, employment, and economic multipliers. Investment analysts and decision-makers can use the data to develop investments and infrastructure projects.
- The BTS Trending and Forecast Team performs trending, prediction, seasonal adjustment, and time series and econometric forecasting of transportation data. The team works with Federal transportation forecasters outside of BTS, as well as with the modal agencies across DOT, on indexes, VMT forecasting, and modeling. This assists policy makers in identifying trends and turning points in the economy.

Prior Year Accomplishments:

- Updated and published the most recently available TSA data for Departmental staff, the American Association of State Highway and Transportation Officials (AASHTO), and other economists to measure impacts of transportation expenditures on GDP. Estimated TSA multipliers for 1997 in 2011 and will post TSA 2002 estimates in 2012. BEA data inputs for 2007 will not be available until 2013. After the BEA data release in 2013, TSA 2007 estimates will be estimated in 2014.

- Developed models to deseasonalize key monthly transportation data; e.g. air passenger miles, highway VMT, and unlinked passenger transit trips. The seasonally adjusted data will be published on the BTS website.
- Continued development of a Time Series and Forecasting Center and published time series trends, including publication of Transportation Trends in Focus (TTiF) reports on requested topics. The TTiF series reports on key transportation data.
- Provided aviation and other modal data, modeling, and forecasting expertise to the Federal Highway Administration in constructing a multimodal network and forecasting model.
- Continued publication of the ATPI on the BTS website, which captures air ticket price increases by air carrier and airport. ATPI third quarter 2011 data were recently posted in 2013 and will be available on the web every quarter.
- Developed estimates of short-term time series and mid-term travel and fatalities forecasts for NHTSA, FHWA, and FMCSA for development of their safety goals; provided support to FHWA on forecasting of VMT and trends in historical Nationwide congestion measures; estimated deseasonalized monthly travel data for FHWA.
- Re-introduced JT&S and invited International transportation, economic, and statistical experts to be on the JT&S Editorial Board and initiated a call for papers for a special issue on transportation safety. The first issue is expected to be published by the end of 2013
- Continued to streamline the TSI production by modeling, standardizing the data entry, and creating statistical computer programs to deseasonalize and index the data. This reduced costs and improved efficiencies in the production of the TSI.
- Published the 2011 edition of the 2007 and 2008 GTFS. The 2009 data will be available in 2013.

Why Is This Particular Program Necessary?

Information on economic performance and an accounting of capital stocks is explicitly required for the Intermodal Transportation Database and the Transportation Statistics Annual Report, which have been requested by Congress in the past.

The program provides unique products to the Department and other policy makers to estimate how changes in the transportation sector impact the economy. It provides a comprehensive accounting of transportation revenues and expenditures across all levels of government and throughout the private sector. Coverage is essential to understand the consequences of changes to user fees and taxes, as well as business and household logistics costs. This is needed for understanding the potential impacts of changes in energy markets and policies on the transportation sector and other parts of the economy that depend on transportation. Measurement of metrics based on the GTFS expenditures and revenues can be established to track and evaluate the effectiveness of transportation programs.

The TSA and TED provide data to link project and programs from transportation to the economy for cost-benefit purposes, financial, investment, and program evaluation. Economic multipliers are developed in the TSA that measure the effects of transportation investment upon the economy. The Program will provide data to estimate various scenarios for policy development

and evaluation, investment analysis, financial planning, program evaluation, and budget impacts.

Without this funding, the Department would not be able to calculate the impact of transportation expenditures on the economy; this is absolutely critical for measuring economic competitiveness.

How Do You Know the Program Works?

Effective: The program's effectiveness is demonstrated by the frequency with which products and information are used and by the number of information requests from the White House, Congress, and OST. The program generates unique products that are widely used by Federal, state, and local government agencies, such as AASHTO, as well as university researchers. The TSA is often requested by all of the modal agencies within DOT and by several large contracting companies for use in evaluating the effects of government spending at the state and national level upon the GDP and the economy. The Organization for Economic Cooperation and Development (OECD) recently requested BTS' TSA methodology, and BTS assisted the Australian Bureau of Statistics in the potential development of its TSA. At the request of FHWA, NHTSA, and FMCSA, BTS developed time-series forecasts of modal fatalities for use in those modes' fatality strategic goals.

Research: The TSA is based on methodologies developed in partnership with the Bureau of Economic Analysis. Each year, changes to the TSA are peer-reviewed by most of the customers before release.

Efficient: This program is useful to planners and policy makers for assessing the effectiveness and efficiency of the transportation system and for evaluating the effectiveness of transportation investments.

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

The current funding level of \$90 thousand is sufficient to implement this program.

Detailed Justification for the Geospatial Information Systems (GIS) Program

What Do I Need To Know Before Reading This Justification?

The Geospatial Information Systems (GIS) program develops transportation maps to display data to support DOT agencies, the DOT Crisis Management Center (CMC), Congress, and the transportation community. Analysis of geospatial transportation data is also done by the GIS program to support DOT policy and investment decisions.

- The GIS Program annually develops, maintains, and distributes the National Transportation Atlas Database (NTAD), a set of nationwide geospatial databases of transportation facilities, transportation networks, and associated infrastructure required by MAP-21.
- DOT's Geospatial Information Officer resides within BTS.
- GIS Program staff co-chairs the Federal Geographic Data Committee's (FGDC) transportation subcommittee.
- GIS Program staff sits on the FGDC Coordination Group.
- GIS Program staff sit on the FGDC Global Geospatial Information Management Working Group
- The BTS Director sits on the FGDC steering committee.

What Is The Request And What Will We Get For The Funds?

FY 2014 - Geospatial Information Systems Program

	(\$000)			
<u>FUNDING LEVELS</u>	<u>FY 2012 ACTUAL</u>	<u>FY 2013 MAP-21</u>	<u>FY 2014 REQUEST</u>	<u>CHANGE FY 2013 - 2014</u>
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	[360]	[150]	[150]	[0]
TOTAL³	[360]	[150]	[150]	[0]

STAFFING

Allocation Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Allocation FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. □

²Reflects contract funding only.

³Resources are shown as non-adds because the Bureau of Transportation Statistics is an allocation account under the Federal-aid Highways program.

Key Actions and Anticipated Milestones:

- Provide GIS standards and technical expertise to Departmental Staff.
- Develop and distribute transportation data for mapping applications.
- Operate and maintain the DOT American Recovery and Reinvestment (ARRA) web mapping application and other web mapping applications that highlight transportation data and statistics.
- Develop the transportation layer of the National Spatial Data Infrastructure (NSDI) as established under Office of Management and Budget (OMB) Circular A-16.
- Represent DOT in the transportation geospatial community at conferences and committees and provide a critical nexus for information and data sharing.
- Provide transportation data and related software expertise to support the Department's Emergency Preparedness and Response and Recovery Programs.
- Continue to enhance the State Facts and Figures web tool.

Key Outputs Expected:

- Produce and distribute the 2014 edition of the National Transportation Atlas Database.
- Continue to provide geospatial mapping, analysis, and application development services to Congress, the Office of the Assistant Secretary for Research and Technology, the DOT CMC, and other modal administrations.
- Coordinate geospatial activities throughout the Department.

Key Outcomes Expected:

- Improved methods for understanding the spatial patterns of transportation activity that are enabled through geographic identification and linkage of critical characteristics of livable communities, infrastructure weaknesses, and safety risks.

What Is This Program?

Strategic Goals: Safety, Livable Communities, Environmental Sustainability, State of Good Repair, and Economic Competitiveness.

Purpose: The GIS program leads Departmental use and analysis of geospatial representation of multimodal transportation data, and partners with the Environmental Protection Agency (EPA) and the Federal Highway Administration (FHWA) to maintain a geospatial dataset of EPA non-attainment areas to support the Department's environmental sustainability strategic goal. The Program also supports state-level needs by working closely with the National State Geographic Information Council (NSGIC).

Beneficiaries: The GIS program provides geospatial mapping, analysis, and application development services to Congress, other DOT modal Administrations, Office of the Assistant Secretary for Research and Technology, and the DOT CMC. Cartographic products are used in BTS publications, are provided to the CMC to support its emergency operations and planning, and are submitted to Congress.

Partners: EPA, FHWA, Data.gov, geo.data.gov, the Federal Rail Administration (FRA), NSGIC, FGDC, and the CMC.

Program Description: The program is leading efforts to develop web mapping tools that will monitor a range of sustainability metrics of U.S. cities. The GIS program has also developed geospatial applications to aid in the visualization and analysis of transportation data, including a desktop application to estimate multimodal trip distances traveled by freight shipments and a web application to display State transportation facts and figures.

Prior Year Accomplishments:

- Produced and distributed the 2013 NTAD.
- Began the development of new geospatial datasets for rail bridges and ferry routes.
- Produced the 2013 edition of [*Major Transportation Facilities of the United States map*](#).
- Supported the CMC during National Level Exercise 2013 and during emergency situations.
- Produced maps for DOT publications.
- Operated and maintained the DOT ARRA web mapping application.
- Developed new web mapping applications that showcase DOT data.
- Represented the DOT in the FGDC Steering Committee, Coordination Group, and Global Geospatial Information Management Working Group.
- Chaired the FGDC [Transportation Subcommittee](#).
- Assisted in the planning of the American Association of State Highway and Transportation Officials (AASHTO) [GIS for Transportation Symposium](#).
- Partnered with NSGIC to support the “Transportation for the Nation” initiative.

Why Is This Particular Program Necessary?

The GIS program is responsible for the development of the transportation layer of the NSDI as established under OMB Circular A-16. The GIS program annually develops, maintains, and distributes the NTAD. This program leads the DOT’s effort to develop a web mapping tool to evaluate the sustainability of U.S. cities.

How Do You Know The Program Works?

Effective: Customers receive high quality geo-spatial products from the GIS program. More than 2,000 NTAD DVDs are distributed annually because of the popularity of this product along with its minimal production cost. The number of DVDs has been considerably reduced over time. The [NTAD download site](#) receives more than 20,000 annual visits. During the past

decade, the GIS Program has produced more than 60 special maps per year. These maps enhance DOT publications and support the CMC.

Research: There is consistent high demand for products and services—the NTAD has been produced every year since 1995, and its DVDs are widely distributed. The American Customer Satisfaction Index survey on the BTS web site also captures stakeholder feedback on GIS products and services. BTS stakeholder outreach has revealed a desire for centralized GIS reporting at the DOT, and the GIS program provides this service.

Efficient: Recent stakeholder outreach found that the GIS program offers substantial value for a low-cost investment as evidenced by customer demand.

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

Funding of \$150 thousand is sufficient to implement this program.

Detailed Justification for Transportation Analysis, Data Quality, and Performance Metrics Program

What Do I Need To Know Before Reading This Justification?

Access to high quality data and transportation metrics is vital in understanding the state of the Nation's transportation system. The Transportation Analysis, Data Quality, and Performance Metrics program works to ensure that the quality of Departmental data is of the highest standards and that the metrics used to measure transportation performance are comprehensive.

- The Bureau of Transportation Statistics (BTS) provides a wide range of transportation data analysis, such as the Transportation Services Index (TSI) for decision-makers and the public.
- The *Transportation Statistics Annual Report*, a summary of transportation system performance and an assessment of transportation statistics, is required by MAP-21.
- The Office of Statistical Quality provides technical support to the Administration's performance management agenda, which includes the development of more comprehensive and outcome-focused performance measures.

What Is The Request and What Will We Get For The Funds?

FY 2014 - Transportation Analysis, Data Quality, and Performance Metrics

	(\$000)			
<u>FUNDING LEVELS</u>	<u>FY 2012 ACTUAL</u>	<u>FY 2013 MAP-21</u>	<u>FY 2014 REQUEST</u>	<u>CHANGE FY 2013 - 2014</u>
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	[395]	[250]	[250]	[0]
TOTAL³	[395]	[250]	[250]	[0]

STAFFING

Allocation Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Allocation FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. □

²Reflects contract funding only.

³Resources are shown as non-adds because the Bureau of Transportation Statistics is an allocation account under the Federal-aid Highways program.

Key Actions and Anticipated Milestones:

- Produce, publish, and make data and statistics available online and via limited print documents, scheduled releases of transportation-related data that support the Department's strategic goals, critical National initiatives, transportation research, and decision-making.
- Develop and provide data visualization tools to enhance the analytical capability of transportation planners, researchers, system operators, and decision-makers.
- Produce relevant and timely focused analytical and technical reports on multimodal and intermodal transportation and statistics-related issues.
- Serve as the lead DOT participant in the North American Transportation Statistics (NATS) Interchange to promote and develop high quality, relevant, and comparable data and analysis for an efficient and fully integrated transportation system for North America.
- Support the Department in the interpretation and implementation of the statistical portion of the DOT *Information Dissemination Quality Guidelines*.
- Develop statistical methodology to incorporate existing information with new types of transportation data generated by GPS devices and other wireless technology.

Key Outputs Expected:

- 2013 *Pocket Guide to Transportation*.
- 2013 *Transportation Statistics Annual Report (TSAR)*.
- Monthly scheduled releases of the Transportation Services Index (TSI).
- Bi-monthly updates and releases of Multimodal Transportation Indicators, including development of new indicators.
- Annual updates and releases of State Transportation Statistics (STS).
- Data-driven BTS Fact Sheets and Special Reports on events and issues impacting the U.S. transportation system.
- Semiannual scheduled updates of the National Transportation Statistics (NTS).
- Guidance to Departmental staff on performance measures, BTS data products and reports, and statistical quality standards.

Key Outcomes Expected:

- Improved data quality and reliability.
- Improved online access to key transportation statistics and analyses.
- Online availability of intermodal and multimodal transportation data.
- Reliable performance measures for Departmental programs and projects.

What Is This Program?

Strategic Goals: Safety, Economic Competitiveness, Livable Communities, State of Good Repair, Environmental Sustainability, and Organizational Excellence.

Purpose/Beneficiaries: This program makes high quality transportation data and statistical analysis for all modes easily accessible. This program also develops transportation data standards and improves data quality.

Partners: DOT modal administrations, OMB, and International organizations.

Description: This program performs research and publishes multimodal and intermodal transportation data and analysis covering critical and timely transportation topics with the goal of providing quality data and information for all modes of transportation for decision-making.

Prior Year Accomplishments:

- Provided support to the Department in the interpretation and implementation of the statistical portion of the DOT *Information Dissemination Quality Guidelines*.
- Supported intra-agency requests, such as review of statistical methods in rulemaking processes to ensure that rulemakings are based on sound data.
- Conducted statistical data quality reviews of data compilations and products.
- Provided statistical support for DOT's *Performance and Accountability Report*.
- Produced and published the annual TSAR.
- Produced and released the monthly TSI.
- Updated, published, and distributed the annual *Pocket Guide to Transportation*.
- Updated the web compendium of the National Transportation Statistics semiannually.
- Designed and released the annual State Transportation Facts and Figures, an interactive web transportation mapping application.
- Produced bi-monthly web update of the Multimodal Transportation Indicators.
- Produced relevant and timely focused analytical and technical reports on transportation and statistics-related issues and data.

Why Is This Particular Program Necessary?

This program supports the emphasis on performance measurement and management to improve the delivery of transportation services. Key to effective performance measurement is the availability of reliable, timely data, and the presentation of performance measures in effective forms.

Statistical capabilities are necessary to ensure the reliability and validity of the statistical agency's products, support the data needs of DOT, and facilitate compliance with legal requirements of the Information Quality Act. BTS evaluates performance measures used to assess Departmental and the U.S. transportation system's performance, such as improving safety and overall system reliability.

How Do You Know The Program Works?

Effective: High demand from the Office of the Secretary of Transportation (OST), modal administrations, researchers, and the public.

Research: Customer outreach, online customer survey (American Customer Satisfaction Index), data requests and downloads from the Office of the Assistant Secretary for Research and Technology's web pages and the library reference services, and stakeholder feedback.

Sub-program Balance: Emphasis on data quality, performance measurement, data dissemination, and International partnerships to cover critical areas.

Efficient: One organization for transportation expertise and data quality guidance in all modes.

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

Funding of \$250 thousand is sufficient to implement this program.

Detailed Justification for the National Transportation Library

What Do I Need To Know Before Reading This Justification?

The National Transportation Library (NTL) maintains and facilitates access to statistical, research, and other information needed for transportation decision-making at the Federal, state, and local levels. Transportation information requests are facilitated through the NTL for Congress, industry, the media, and the general public.

What Is The Request And What Will We Get For The Funds?

FY 2014 - National Transportation Library

	(\$000)			
<u>FUNDING LEVELS</u>	<u>FY 2012 ACTUAL</u>	<u>FY 2013 MAP-21</u>	<u>FY 2014 REQUEST</u>	<u>CHANGE FY 2013 - 2014</u>
Personnel Compensation and Benefits ¹	0	0	0	0
Travel ¹	0	0	0	0
Other Costs ²	[348]	[348]	[348]	[0]
TOTAL³	[348]	[348]	[348]	[0]
 <u>STAFFING</u>				
Allocation Positions	0	0	0	0
Reimbursable Positions	0	0	0	0
Allocation FTE	0	0	0	0
Reimbursable FTE	0	0	0	0

¹Funding appears in the Salaries and Administrative Expenses Justification. □

²Reflects contract funding only.

³Resources are shown as non-adds because the Bureau of Transportation Statistics is an allocation account under the Federal-aid Highways program.

Key Actions and Anticipated Milestones:

- Enter into new partnerships with transportation information providers.
- Improve information access tools and user interfaces.
- Continue operation and maintenance of the U.S. DOT Research Hub, a searchable database of the latest U.S. DOT-sponsored research, development, and technology projects.
- Continue digitization of historical Departmental transportation information.
- Continue development and maintenance of transportation information standards.

- Coordinate the activities of the national transportation knowledge network (NTKN).

Key Outputs Expected:

- Updates to transportation information management standards, such as the digital repository interoperability standards and controlled vocabularies used to enhance search and retrieval.
- New mobile interfaces to provide access to transportation information.
- New formats of information included in library collections, such as still images, grey literature, and video.
- New information resources, databases, and collections included in NTL information access portals/searches.

Key Outcomes Expected:

- Increased access to information and tools for DOT and other transportation decision-makers.
- Increase in users of NTL resources over FY 2013 levels.
- Decrease in redundant research throughout the transportation community, through information partnerships and knowledge networks.
- Increased productivity through more central and mobile access points to transportation research and information.

What Is This Program?

Strategic Goals: Safety, Livable Communities, Environmental Sustainability, State of Good Repair, and Economic Competitiveness.

Purpose/Beneficiaries: NTL maintains and facilitates access to statistical, research and other information needed for transportation decision-making at the Federal, state, and local levels. NTL also supports the professional development competencies and skills to transportation information professionals, Congress, the media, researchers, transportation professionals, Federal, state, and local governments, DOT staff, and the general public.

Partners: Transportation Research Board (TRB), American Association of State Highway and Transportation Officials (AASHTO), public and private transportation libraries, and information providers, and library networks and organizations.

Program Description: The NTL operates in four functional areas:

Reference Management: NTL reference services are the transportation information ‘front door’ to the U.S. DOT. The NTL Reference Service team handles 1,000-1,500 requests for information each month, provides a searchable FAQ database used between 60,000-80,000 times per month, and delivers training and outreach to internal and external stakeholders.

Database and Archive Management: The NTL Integrated Search platform includes a Digital Repository, web portal, and single search interface for transportation information resources. Through the search interface, users can search all NTL and other transportation resources at once. An average of approximately 71,000 individual users access NTL web resources and tools over 146,000 times monthly. With FY2012 activities, NTL completed development, launched, and moved into the operation and maintenance phase for the U.S. DOT Research Hub (U.S. DOT RH) database, which is a major initiative of the Office of the Assistant Secretary for Research and Technology's Research, Development, and Technology (RD&T) office.

Tools and Standards Management: The NTL's metadata standard for indexing digital resources and use of controlled vocabularies allows interoperability with other web resources and targeted access to transportation information resources. NTL is building a one-stop portal for transportation information which will search Departmental and stakeholder resources and databases. These and other tools and standards are used in tandem with the databases and archives, which enables efficient and robust search, retrieval, and access to transportation information.

Networking: NTL's networking activities include collaborative efforts to develop and provide improved access to information, and they support the professional development of the information management community. Existing tools and activities include the Transportation Libraries Catalog, the Transportation Librarians Roundtable, and coordination of the three regional Transportation Knowledge Networks (TKNs) toward development of a national TKN, or NTKN.

Prior Year Accomplishments:

- In partnership with Office of the Assistant Secretary for Research and Technology RD&T office, NTL launched the U.S. DOT Research Hub searchable database of the latest agency-sponsored research, development, and technology projects.
- Consolidated DOT's library digital collections into one portal, the NTL Digital Repository.
- Hosted a workshop of partners across the transportation community to develop strategies and collaboration activities to better manage transportation information across the Federal, state, and local levels.
- Implemented provisioning of quick, courteous, and accurate answers to requests for information from Congress, Federal agencies, academia, industry, the media, and the public within.
- Developed, maintained, and promoted new and existing tools and standards.
- Coordinated national information dissemination activities through the NTKN.

Why Is This Particular Program Necessary?

Congress previously authorized BTS to establish the NTL to collect, maintain, and facilitate access to transportation data and information. These activities support the Open Government Initiative goal of transparency to increase access to government information. MAP-21 expanded

the NTL so that it serves as a central depository for all U.S. DOT research; this enhanced NTL will lead the Department's efforts to make its research and statistics accessible to the public.

The NTL serves as a one-stop portal that provides access to core information resources, access to local, regional, National, and International resources, and improved services, protocols, and standards to facilitate information sharing and improve professional competencies. The NTL program supports the information needs of DOT stakeholders and the general public, as well as transportation information professionals.

How Do You Know The Program Works?

Effectiveness: High and increasing demand from the Office of the Secretary of Transportation (OST), modal administrations, researchers, and the public demonstrate the NTL program's effectiveness. For example, increases in the number of average daily visitors to the physical library and in the usage of an electronic database demonstrate that resources and services NTL provides are increasingly useful for a larger proportion of users. In FY2011, the library's collection of electronic and in-house resources provided answers and to and satisfied needs for over 850 information requests per day.

Research: In addition to several reports and current cooperative research projects conducted by the Transportation Research Board (i.e., [*Transportation. Knowledge. Networks. A Management Strategy for the 21st Century*](#), [*Implementing Transportation. Knowledge Networks*](#), and [*Improving Management of Transportation Information*](#)), BTS customer outreach, data requests, and NTL independent analyst activities inform the program's operation. BTS uses the American Customer Satisfaction Index web survey to evaluate customer satisfaction with overall and specific features of the website. Customer feedback is tracked and analyzed according to [GAO recommendations](#).

Efficiency Measures: Community-wide adoption of standardized information storage and retrieval procedures reflects NTL's efficiencies. The program achieves this goal through strategic resource use and by encouraging transportation information partners' use of standards and protocols.

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

The \$348 thousand funding level is sufficient to implement this program.

Explanation of Funding Changes for the Office of the Assistant Secretary for Research and Technology <i>Bureau of Transportation Statistics Account</i>	
(\$000)	
FY 2013 MAP-21	\$26,000
<u>Adjustments to base:</u>	
Pay Raise	\$91
WCF	\$321
Inflation Increase	\$1
FY 2013 Adjusted Base	\$26,413
Program Changes (+/-):	
	\$0
Base Offsets/Redirection of Resources:	
Other Contractual Services:	-\$413
Total FY 2014 Request:	\$26,000

OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY					
BUREAU OF TRANSPORTATION STATISTICS					
(Allocation Account under FHWA's Federal-Aid Highway)					
OBJECT CLASSIFICATION					
(In thousands of dollars)					
			FY 2012	FY 2013	FY 2013
			REQUEST	MAP-21	REQUEST
Direct Obligations:					
	Personnel compensation:				
1111	Full-time permanent		7,745	9,550	9,610
1113	Other personnel compensation		131	161	166
1115	Other personnel compensation		<u>93</u>	<u>204</u>	<u>204</u>
1119	Total Personnel Compensation		7,969	9,915	9,980
1121	Civilian Personnel benefits		2,149	2,330	2,370
1210	Travel and Transportation of persons		61	130	131
1220	Transportation of Things		0	0	0
1231	Rent to GSA		1,222	1,457	1,457
1240	Printing & Production		1	5	5
1250	Other Services		13,120	11,385	11,279
1260	Office Supplies		15	20	20
1310	Equipment		287	758	758
1420	Claims		<u>5</u>	<u>0</u>	<u>0</u>
1990	Subtotal, direct obligations		24,829	26,000	26,000
1990	Reimbursable obligations		<u>5,723</u>	<u>10,000</u>	<u>10,000</u>
1990	Total obligations		30,552	36,000	36,000
Personnel Summary:					
	Reimbursable:				
2001	Civilian Full-time Equivalent Employment		12	14	14
	Direct:				
3001	Civilian Full-time Equivalent Employment		68	70	70

Detailed Justification for the Airline Transportation Statistics Program

What Do I Need To Know Before Reading This Justification?

The Airline Transportation Statistics Program provides comprehensive data and analysis to support Departmental policies, programs, and regulations regarding the airline industry. Air transportation plays a critical role in enhancing the economic competitiveness of the Nation, and the data provided by the Airline Transportation Statistics Program enables DOT to make well-informed decisions.

- New DOT rulemakings have expanded the types of on-time performance data that large airlines must report, including tarmac delay times.
- The implementation of the *Notice of Proposed Rulemaking for Reporting Ancillary Airline Passenger Revenues* will require more resources for processing the additional financial data submitted by carriers.
- Recent accomplishments include the initiation of a new collection of tarmac time data and its dissemination through the Air Travel Consumer Report and the BTS website.

What Is The Request And What Will We Get For The Funds?

FY 2014 - Airline Transportation Statistics

(\$000)

	FY 2012 ACTUAL	FY 2013 REQUEST	FY 2014 REQUEST	CHANGE FY 2013 - 2014
FUNDING LEVELS				
Personnel Compensation and Benefits	[1,740]	[1,264]	[1,264]	[0]
Travel	[11]	[5]	[5]	[0]
Other Costs ¹	[2,249]	[2,731]	[2,731]	[0]
TOTAL	[4,000]	[4,000]	[4,000]	[0]

STAFFING

Direct Positions	0	0	0	0
Reimbursable Positions	19	19	19	0
Direct FTE	0	0	0	0
Reimbursable FTE	12	14	14	0

¹The total funding includes salaries and administrative expenses and contract program.

The budget request is \$4 million and will be provided by the FAA through a Reimbursable Agreement. This funding supports salaries and administrative expenses for 14 FTE as well as contract program funds.

Key Actions and Anticipated Milestones:

- Maintain the national airline data system: collect and disseminate airline financial, traffic, performance, and operational data from more than 100 U.S. airlines.
- Enhance electronic filing system to better track and manage data submissions that are missing, incomplete, or inaccurate.
- Support the completion of the final rule for the collection of airline ancillary revenues and implement processes and procedures to support a new Part 241 Schedule P-9 ancillary revenues data collection.
- Training: instruct airlines on data quality review findings and guidelines for better meeting data reporting requirements and processes.

Key Outputs Expected:

- Faster, more accurate standardized electronic data collection and coordination with air carriers on problems with data submissions.
- Accurate scheduled releases of comprehensive on-line monthly, quarterly, and annual data on the operations of the airline industry.
- Improved insight into air carrier timeliness and accuracy of reporting.
- Improved insight into the organization's performance in receiving, validating, and processing air carrier data submissions.
- Detailed financial data on baggage, reservations cancellation, and other ancillary fees.

Key Outcomes Expected:

- System enhancements will provide DOT officials, other decision-makers, and stakeholders with more timely and accurate data for regulatory actions.
- Data form the basis for a greater understanding of the airline industry, which can shape decisions on safety, economic competitiveness, and improved operations.
- Electronic reporting will reduce reporting burden on airlines.

What Is This Program?

Strategic Goal: Safety, Economic Competitiveness, Livable Communities, Environmental Sustainability, State of Good Repair, and Organizational Excellence.

Purpose/Beneficiaries: The comprehensive data necessary for consumer protection and enforcement activities, a major Secretarial priority, and for aviation policy decision making.

Partners: Stakeholders include:

- Decision-makers: The Office of Airline Information (OAI) provides Congress and other policy-makers with robust, timely, and accurate data upon which to base decisions.

- DOT Users:
 - a) The Office of the General Counsel – Enforcement and Proceedings uses the data to monitor airline compliance with consumer protection regulations and collaborates on data dissemination through the Air Travel Consumer Report and other vehicles.
 - b) The Office of Aviation and International Affairs - Office of Aviation Analysis uses the data to monitor and evaluate air carrier performance, economic fitness, and competitiveness and the Essential Air Service (EAS) program.
 - c) The FAA uses the airline data to administer safety and airport improvement programs. The air carrier industry provides the data to BTS as required by regulation.
- Air travel consumer groups, media outlets, and other stakeholders use BTS data to monitor and report on airline performance.
- State and local governments and regional airport authorities use BTS airline data to make strategic investment decisions.
- Airlines, consulting firms, and other entities in aviation use BTS airline data to help better align air transportation services with customer needs.

Description: The program collects and disseminates airline data related to on-time flights and other consumer-related issues, domestic and International passenger and freight traffic, passenger ticket information, airline financial, fuel cost, and consumption, and employment information. The Bureau of Transportation Statistics (BTS) collects data from 130 U.S. airlines and foreign carrier operations to and from the United States. Annually, BTS collects more than 8,000 data reports from U.S. and foreign carriers. This data is reported by the air carriers as required by regulation.

Prior Year Accomplishments:

- BTS successfully implemented processes and procedures to support the new Part 244 Tarmac Delays.
- Completed the implementation of an e-filing system that further automates the procedure for all carrier data submissions.
- Posted monthly, quarterly, and annual airline financial, employment, fuel cost, and fuel consumption data to the BTS Website for stakeholders to gauge the strength of the industry and individual airlines.
- Compiled and checked all monthly air traffic reports on passenger enplanements, flights, freight and mail that signal how the airline system is operating. Data moved into web data base.
- Furnished monthly airline performance data that measured flight delays and cancellations, bumping, and mishandled baggage data to reports to the Assistant General Counsel for Aviation Enforcement and Proceedings.
- Released/posted quarterly ticket data used to track airline fares and itineraries.

Why Is This Particular Program Necessary?

The program is the sole source of the airline operations data required by Federal statute and regulation. This data provides essential information for DOT policy making departments, for Congress, and for the airline industry and the traveling public. Without this funding:

- DOT agencies and Congress will not have the data necessary to provide oversight and make informed policy decisions regarding the airline industry, including operational safety, and its impact on the economy and traveling public.
- The airline industry will lose the ability to schedule and set ticket prices based on objective, industry-wide airline data, with potential industry cost impacts since no private sector entity has the authority to collect industry-wide airline data.
- The public will lose access to consumer information possibly used to make informed travel decisions (such as airline on-time performance).

How Do You Know The Program Works?

Effectiveness Measures: The collection and reporting of airline on-time performance data, including tarmac delay data, are key components of the Secretary's successful efforts to ensure that consumers have the information necessary to make informed decisions about their travel and to provide airlines with an incentive to reduce the inconvenience and added expense to passengers resulting from flight delays. The data also provides stakeholders with important information on the prevalence of the issue to better inform decision-making.

DOT enforcement relies on data to enforce rules on tarmac times, chronically delayed and overbooked flights, and to publish the Air Travel Consumer Report. Airline data is the most requested category on the BTS website, with more than 10,000 requests per month. Industry representatives use the data for their own analyses and maintain links to the BTS webpage. BTS also receives information on customer satisfaction from the American Customer Satisfaction Index. BTS tracks air travel customers registered on social media networks such as Twitter. GAO relies heavily on BTS airline statistics for their studies of airplane delays and of ancillary revenues. (See *GAO-10-542, National Airspace System: Setting On-Time Performance Targets at Congested Airports Could Help Focus FAA Actions*; and *GAO-10-785, Commercial Aviation: Consumers Could Benefit from Better Information about Airline-Imposed Fees and Refunds of Government-Imposed Taxes and Fees*).

Research: Federal statute and regulations require this data collection program. BTS conducts internal quality assurance and reviews of data processes for improved program efficiency.

Efficient: Federal statute and regulations require this data collection program. A key measure of efficiency for the air transportation statistics program is the timeliness with which BTS releases the air carrier data (passenger, flights, and freight) to the public, typically within 30 days. On-time data are released within 15 days of carrier submission.

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

Since FY 2007, the program has been funded by the FAA through a reimbursable agreement at the \$4 million level. Program requirements have increased while budget has remained flat.

Detailed Justification for the Working Capital Fund

What Is The Request And What Will We Get For The Funds?

TOTAL WORKING CAPITAL FUND FY 2014 BUDGET ESTIMATE (In thousands of dollars)

Program	FY 2012 <u>Actual</u>	FY 2013 <u>CR Annualized</u>	FY 2014 <u>Request</u>	Difference from FY 2012 <u>Estimate</u>
WCF DOT Activities	172,000	173,053	182,930	10,930
WCF Non-DOT Activities	341,966	319,120	340,482	(1,484)
Total	513,966	492,173	523,412	9,446

Staffing

Reimbursable Positions	262	256	259	(3)
Reimbursable FTE	222	246	248	26

The Offices of the Assistant Secretary for Administration and Chief Information Officer administer funds for the Working Capital Fund and receive appropriations for Salaries and Expenses. The Office of the Assistant Secretary for Administration also administers reimbursable funds.

The Working Capital Fund (WCF) is a fee-for-service operation that normally receives no direct appropriation; its costs are paid by its customers. For FY 2014, the WCF estimates \$523.412 million in obligations, 259 positions, and 248 FTEs in this request.

What Is This Program/Activity?

Overview:

The WCF supports the **Organizational Excellence** Strategic Goal by providing high quality, timely administrative services to the DOT customers which enable the Operating Administrations to focus on core transportation infrastructure goals.

The WCF is authorized under 49 U.S.C 327 to provide the common administrative services the Secretary of Transportation decides are desirable for the efficiency and economy of the Department.

The WCF, through the Office of the Assistant Secretary for Administration (OASA) and the Office of the Chief Information Officer (OCIO), provides a wide range of technical and administrative services including personnel operations, facilities management, parking management, transit benefit programs, printing and graphics, mail operation, library and dockets management operations, building security, IT security and infrastructure, telecommunications, and procurement and acquisitions services. The Fund's services are delivered to customers

through an organizational structure of individual business lines providing related services or products.

The WCF is a fee-for-service operation which normally receives no direct appropriations. Instead, the WCF is a fully self-sustaining organization and must achieve full cost recovery which includes an equitable distribution of overhead and indirect costs. During the budget formulation stage, the WCF provides cost estimates to the WCF customers based on historical data and projected demand and service levels. During the year of execution, customers are billed for actual use of common services.

The WCF continues to balance mission priorities with customer needs and available resources while building upon a sound administrative infrastructure that consolidates services for common Department-wide functions throughout the Operating Administrations. WCF services are financed through customer reimbursements based on actual customer usage. Customers are provided with estimates based on historical usage and detailed discussions occur to determine new and changing requirements.

The WCF facilitates efficiencies by:

- placing policy offices and service providers together in the same organization;
- making the best use of employee expertise, increasing communication, and reducing costs to the taxpayers;
- identifying and eliminating redundancies and reducing organizational layers;
- providing best value to the government through compliance with OMB and Congressional directives to consolidate and deliver services more efficiently; and
- consolidating Operating Administrations' infrastructures into a single Departmental infrastructure to improve service delivery, increase security, and reduce costs.

The WCF currently maintains an operating reserve capped at 4% of the previous year's revenue to protect the fund from exceeding the amounts authorized and to add an acceptable margin for both flexibility and responsiveness.

The two secretarial offices providing WCF services are:

The **Office of the Assistant Secretary for Administration** (OASA) prioritizes and deploys resources to provide the financial management for the WCF and Departmental services in human resources and systems, security, acquisition and federal acquisitions reporting systems, information services, transportation and facilities, and space management. In addition, the OASA manages the transit benefit program for over 100 agencies nationwide.

The **Office of the Chief Information Officer** (OCIO) delivers information technology services to customers through the operation of an IT infrastructure that includes e-mail services, file and print service, enterprise hosting services, consolidated headquarters network and enterprise help desk support. Operating administrations contract with the OCIO for services and reimburse the WCF for the cost of those services.

FY 2013 Anticipated Accomplishments:

The Office of the Assistant Secretary for Administration is committed to developing and supporting the mission of the Department through fair, equitable and collaborative approaches, which allows the WCF to continue to provide superior administrative services in the Human Resources, Facilities and Print Management, and Physical Security arenas.

The WCF continues to enhance utilization of performance based metrics and expand management control plans. Documentation and testing is performed for the internal controls over financial reporting as required by the Sarbanes-Oxley Act and the Federal Managers Financial Integrity Act.

The WCF will upgrade the Physical Access Control System (PACS) at South East Federal Center (SEFC) and begin the five-year replacement of the security cameras. PACS is a mission critical system for the protection of personnel, information and facilities. The software and hardware upgrade is required to maintain system operability and to support Card Authentication Key (CAK) certificate full-path validation for the turnstile readers and multi-factor authentication for controlled spaces in accordance with HSDP-12, ICAM and M-11-11 Directives. The security camera upgrade is for the life cycle replacement of existing cameras at Headquarters and FAA FOB-10A. These items are mission-critical and are used to ensure the security of our employees, information and facilities.

The Career Development program will be developed to prepare future leaders to step into leadership positions at all levels within an organization. With a goal of yielding a greater return on investment, the Career Development Program will build a leadership pipeline and talent pool to assume leadership roles by developing potential successors in ways that best fit individual strengths tailored to mission critical needs. Additionally, the program will develop employees to close identified competency gaps as required by OPM and GAO.

Three additional E-Gov Initiatives, two acquisition and a new Performance Management Line of Business, will be added to the WCF in FY 2013. This new Line of Business facilitates a transition from print-based Government Performance and Results Act (GPRA) plans and reports to a shared, web-based, Government-wide performance portal as required by the GPRA Modernization act (Sec. 7 and Sec. 10), and will help agencies efficiently meet legal requirements through a shared solution and avoid redundant stove-piped agency development and operation costs.

The Office of the Chief Information Officer's (CIO) will continue to encourage field offices to migrate their desktop support to the Common Operating Environment. The consolidation into the Common Operating Environment will:

- Meet the Office of Management and Budget's mandate to reduce the number of Trusted Internet Connections.
- Achieve efficiencies of scale through centralized procurement and support.
- Eliminate a fragmented network and mitigate security vulnerabilities and risk while ensuring compliance with Federal Information Security Management Act requirements.

Why Is This Particular Program Necessary?

Through the consolidation of services, the WCF is positioned to achieve economies of scale, eliminate redundancies, promote consistency in service, and reduce administrative costs across the Department.

The WCF reduces costs by consolidating administrative management structures. Without this structure, each operating administration would have to negotiate with a service provider, losing economies of scale, leading to inefficiencies and inconsistency in services. Additionally, some programs like Unemployment Compensation are required by other statutes to provide a single Departmental point of payment to the servicing agency.

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

The FY 2014 budget request aligns mission priorities with customer needs and available resources while building upon a sound administrative infrastructure that consolidates services for common Department-wide functions throughout the Operating Administrations.

Specific changes from the FY 2013 request are discussed below:

Overall, the FY 2014 WCF request represents a \$9.4 million net increase over FY 2012 estimates. The change is comprised of a \$1.5 million decrease to Non-DOT Transit Benefits a result of changes in user demand, and a DOT increase of \$10.9 million that reflects the .612 percent increase provided in the FY 2013 CR (\$1.053 million) and the increases discussed below. Some increases are off-set by decreases due to changes in customer demand and priorities.

Customer demand changes include a decrease in Commercial Services Management (\$.3 million); Facilities Services & Utilities (\$.496 million) due to anticipated favorable utility pricing; Building Security (\$.656 million) due to a consolidation of guard posts; and Financial Management, Accounting and Administration due to changes in requirements for contract support (\$.220 million). DOT Transit Benefits and Parking (\$.586 million) and Desktop Services (\$1.1 million) increased due to anticipated changes in user demand. Other small increases and decreases resulting in a net decrease of \$.251 million have been incorporated in various programs and are reflected in the revenue estimates to the WCF customers.

An increase of \$2.52 million is requested for the Departmental Procurement Platform (DP2) integration and modernization. This collaborative effort, led by the Office of the Senior Procurement Executive (OSPE) in coordination with the Department's Chief Financial Officer (CFO) and Chief Information Officer (CIO), including full participation and support from each Operating Administration (OA), will provide an integrated procurement management infrastructure (procedures, systems, and reporting capabilities) to improve mission support of the wide range and complexity of DOT acquisitions.

The integration will significantly reduce the cost of software maintenance, application support and system hosting. Anticipated DOT infrastructure and licensing savings are \$9.2M over 5 years. The integration of the consolidated PRISM system with the Department's financial

system, will provide systematic real time accounting and funds control validations and status of funds reporting.

The Department's modernization plan for DP2 is a phased approach that reduces risk and aligns with the current budget environment and constraints. Each phase will provide delivered usable functionality. Phase 1 – PRISM Consolidation provides a common baseline procurement environment for 6,000 DOT users managing over \$2B in annual procurement obligations and is scheduled for the FY 14-16 timeframe. Phase 2 is the future integration of the consolidated PRISM environment with the DOT Financial System, Delphi, and is planned for the FY16-18 timeframe.

The Substance Abuse Awareness & Testing Office (SAATO) requests the transfer of one position and 1 FTE, the Medical Review Officer (MRO), from the FAA to this program. No additional funding is requested for this position as the MRO is currently on staff at the FAA but is fully funded by SAATO through an Interagency Agreement. It is anticipated that this position would be actively involved in all departmental activities related to health services as well as SAATO.

The Security Operations program is requesting two additional positions and one FTE and an additional \$.911 million in funding.

One position, a Personnel Security Assistant, would enable the WCF to keep up with all incoming requests for periodic reinvestigations and meet the mandated federal hiring timelines. The FTE will also be cross-trained in all ID Media operations ensuring continuous coverage in the issuance of PIV cards, credentials and other media as required.

The Investigation Tracking System (ITS) will be modified to address a variety of federally-mandated requirements to OPM processing, including changes to their e-QIP system that will significantly impact information currently captured in ITS. These changes are a part of e-Government, ICAM, OMB-11-11, and Joint Reform mandates and will allow for significant improvement in OMB-mandated hiring and investigative timelines. Modifications to ITS will also allow for more efficient electronic communication with all DOT HR offices and DOT COTRs requesting the on-boarding of contractors.

Per Executive Orders 10450 and 12968 as amended, DOT employees and contractors must undergo a background investigation commensurate with the position designation assigned to their position per the Web-based OPM designation tool. Security clearances and suitability determinations result from completed investigations. The Personnel Security program includes the initiation and processing of required background investigations on all DOT federal employees and contractors; the review and adjudication of all completed investigations, and as necessary, the granting of security clearances for access to classified information. These duties must all be executed within a strict timeline.

In order for the Office of Security to meet all federally-mandated hiring timelines, additional contractors are needed to initiate in e-QIP, handle e-QIP-user trouble-shooting, create folders, scan all paper into various databases, enter information into ITS, conduct Central Verification System (CVS) checks for reciprocity, and review investigative packages before they are sent to OPM, our investigative service provider.

Of the \$.911 million increase for Security Operations, \$.419 million is for the HSPD-12 Services, cards, and field business lines increases by \$.419 million to address the expected surge in re-issuance of PIV cards as they start to expire in FY 2014.

A second FTE is requested for a Physical Security Specialist to provide support to the mission-critical security systems at SEFC, 10A and 10B which is maintained by only one Security technician. There are 300 card readers and cameras to monitor and maintain in the SEFC and this area represents a “single point of failure” when the current technician is unavailable. This FTE would also function as the back-up to the Contracting Officers Technical Representative (COTR) on the Building Security contracts.

Human Resource Services is requesting \$.600 million, \$.150 million for pre-negotiated contract increases and \$.450 million for the Leading Edge program for Senior Executive Service employees that is sponsored by the President’s Management Council (PMC.) The program prepares federal executives for the considerable challenges on the horizon and inspires shared government-wide identity and vision and provides leadership that results in the better services to US citizens. The request would allow for full participation of the Department’s SES population in this program.

The Department has worked with the PMC training developers to ensure that this training is complementary to training that is currently offered within DOT. As a result, while the Leading Edge offerings address developmental needs identified through our leadership competency assessment, there is little redundancy with the training and development currently being offered or developed by the Department.

The Human Resource Systems program is requesting an increase of \$2.035 million, including the following: The Training Management System (TMS) increase of \$.917 million is the direct result of the addition of the Federal Aviation Administration (FAA) in this business line. The Workers Compensation Information System (WCIS) Management costs increase by \$.107 million in FY 2014 for increased program system support provided by the service provider. The Workforce Transformation Tracking System/Entry On Duty System (WTTS/EODS) program increased by \$.344 million as the result of two factors: full FAA participation in WTTS/EODS and a \$.50 increase in the National Business Center’s (NBC’s) per-W2 charge in FY 2014. The Federal Personnel and Payroll System (FPPS) increase of \$.585 million is the result of NBC increases including a \$4.75 dollar increase in NBC’s per-W2 charge and salary and pre negotiated contract increases.

An increase of \$.253 million is requested in the Financial Assistance Reporting System (FARS) business line for the maintenance and support contract which will be re-competed in FY 2014. The improvements in FARS will allow DOT to move toward the end goal of supporting several Federal grant streaming initiatives to include: 1) reducing the number of individual federal grant systems; 2) standardize data requirement, processes, and policies; and 3) create greater uniformity and interoperability within individuals Operating Administrations and across the Department of Transportation.

The new contract will also have additional requirements to ensure Federal Information Systems Management Act (FISMA) password compliance. It will also contain a requirement to conduct monthly vulnerability scans using a credentialed scanning tool; to update and perform table top

testing of Contingency and Disaster Response Plans; and conduct annual contingency testing and remediation of any identified plan of action and milestones as a result of security testing.

An increase is requested in Rent and Space Management (\$.925 million) as a result of reassignment of space, the rent and joint use space escalation, and other minor adjustments in contracts and personnel costs.

An increase of \$2.89 million is requested to fund additional managing partner requirements in the IAE Loans and Grants E-Gov Initiative business line.

Without the DOT WCF, each operating administration would have to assume responsibility for the common services provided in the WCF. Not providing these activities through the WCF would NOT eliminate the need for them. Instead, it would lead to inherent inefficiencies as each administration would strive to provide services. In programs like Copier, Printing & Multi-media, economies of scale would be lost as each mode would be forced to negotiate with a service provider for individual printing services.

FY 2014 Program Initiatives:

To enhance the WCF operations and ensure centralized services are performed at rates which will return in full all expenses of operations, including depreciation of equipment and an amount necessary to maintain a reasonable operating reserve, the WCF is requesting the following General Provisions:

- (1) Authority to include the operation of the NON-DOT Transit Benefit program under Title 49 U.S.C 327. (This General Provision was included in the FY 2012 DOT Appropriations Act.)
- (2) Designation of the Department of Transportation as the Executive Agency for transit pass transportation fringe benefits responsible for issuing guidance on nationwide implementation of the transit pass transportation fringe benefits program. (This General Provision was proposed in the FY 2013 President's Budget.)
- (3) Language specifying all WCF funding decisions requiring the transfer of funds from the OAs to the WCF must be approved by a majority of the voting members of the WCF Steering Committee and the Secretary. This language is proposed as an alternative to language in previous DOT Appropriations Acts requiring each modal administrator to approve all transfers of funds to the WCF, which has restricted the Secretary's ability to encourage efficiencies and economies of scale by allowing one OA regardless of size, to block a program from being included in the WCF. (This General Provision was included in the FY 2012 DOT Appropriations Act.)

FY2014 REQUEST
WCF DOT & NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)

Description	DOT Obligations	Non-DOT Obligations	2014 Total
Assistant Secretary for Administration			
Acquisition & Procurement Operations	5,260	0	5,260
Building Security	13,118	0	13,118
Commercial Services Management	65	0	65
Consolidated Federal Funds	0	0	0
Copier, Printing & Multimedia	8,382	15	8,397
Disability Resource Center	2,268	280	2,548
Dockets Management and Operations	2,081	249	2,330
E-Gov Initiative	4,693	0	4,693
Facilities Services & Utilities	10,691	346	11,037
Federal Acquisitions Reporting Systems	500	0	500
Federal Laboratory Consortium	26	0	26
COOP Facility	905	0	905
Financial Mgmt, Accting & Admin	7,575	0	7,575
Flexible Spending Account	363	0	363
Human Resource Services	6,693	51	6,744
Human Resource Systems	20,818	0	20,818
Library & Information Services	1,192	0	1,192
Mail Services & Postage	3,507	0	3,507
Publications Distribution	0	0	0
Rent & Space Management	9,300	0	9,300
Security Operations	5,821	0	5,821
Substance Abuse Awareness & Testing	1,902	4,443	6,345
Transit Benefits & Parking	5,903	334,489	340,392
Unemployment Compensation	2,000	0	2,000
Warehouse	710	0	710
Assistant Secretary for Admin Subtotal:	113,773	339,872	453,645
Chief Information Officer			
Campus Area Network	6,731	0	6,731
Desktop Services	20,262	0	20,262
Information Assurance & Privacy	14,857	0	14,857
Enterprise Licenses	1,625	0	1,625
Server & Messaging Services	13,981	0	13,981
Voice, Cable & Wireless	11,701	610	12,311
Chief Information Office Subtotal:	69,157	610	69,767
Grand Total:	182,930	340,482	523,412

FY2013 CR ANNUALIZED**WCF DOT & NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)**

	DOT	Non-DOT	
<u>Description</u>	<u>Obligations</u>	<u>Obligations</u>	<u>2013 Total</u>
Assistant Secretary for Administration			
Acquisition & Procurement Operations	2,740	0	2,740
Building Security	13,774	0	13,774
Commercial Services Management	365	0	365
Consolidated Federal Funds	143	0	143
Copier, Printing & Multimedia	8,490	30	8,520
Disability Resource Center	2,306	290	2,596
Dockets Management and Operations	2,162	206	2,368
E-Gov Initiative	1,804	0	1,804
Facilities Services & Utilities	11,187	360	11,547
Federal Acquisitions Reporting Systems	247	0	247
Federal Laboratory Consortium	26	0	26
COOP Facility	905	0	905
Financial Mgmt, Accting & Admin	7,795	0	7,795
Flexible Spending Account	363	0	363
Human Resource Services	6,093	44	6,137
Human Resource Systems	18,783	0	18,783
Library & Information Services	1,321	0	1,321
Mail Services & Postage	3,371	0	3,371
Publications Distribution	0	0	0
Rent & Space Management	8,375	0	8,375
Security Operations	4,910	0	4,910
Substance Abuse Awareness & Testing	1,872	4,381	6,253
Transit Benefits & Parking	5,317	313,193	318,510
Unemployment Compensation	1,939	0	1,939
Warehouse	689	0	689
Assistant Secretary for Admin Subtotal:	<u>104,977</u>	<u>318,504</u>	<u>423,481</u>
Chief Information Officer			
Campus Area Network	6,862	0	6,862
Desktop Services	18,703	0	18,703
Information Assurance & Privacy	14,980	0	14,980
Enterprise Licenses	1,625	0	1,625
Server & Messaging Services	14,649	0	14,649
Voice, Cable & Wireless	11,257	616	11,873
Chief Information Office Subtotal:	<u>68,076</u>	<u>616</u>	<u>68,692</u>
Grand Total:	<u>173,053</u>	<u>319,120</u>	<u>492,173</u>

FY 2012 ACTUAL
WCF DOT & NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)

Description	DOT Obligations	Non-DOT Obligations	2012 Total
Assistant Secretary for Administration			
Acquisition & Procurement Operations	2,513	0	2,513
Building Security	13,503	0	13,503
Commercial Services Management	265	0	265
Consolidated Federal Funds	62	0	62
Copier, Printing & Multimedia	10,340	15	10,355
Disability Resource Center	2,230	290	2,520
Dockets Management and Operations	2,103	113	2,216
E-Gov Initiative	1,025	0	1,025
Facilities Services & Utilities	10,930	340	11,270
Federal Acquisitions Reporting Systems	197	0	197
Federal Laboratory Consortium	25	0	25
COOP Facility	905	0	905
Financial Mgmt, Accting & Admin	7,690	0	7,690
Flexible Spending Account	363	0	363
Human Resource Services	5,733	42	5,775
Human Resource Systems	18,771	0	18,771
Library & Information Services	1,310	0	1,310
Mail Services & Postage	3,370	0	3,370
Publications Distribution	-	0	0
Rent & Space Management	8,221	0	8,221
Security Operations	5,030	0	5,030
Substance Abuse Awareness & Testing	1,890	4,190	6,080
Transit Benefits & Parking	5,032	336,390	341,422
Unemployment Compensation	1,600	0	1,600
Warehouse	667	0	667
Assistant Secretary for Admin Subtotal:	103,775	341,380	445,156
Chief Information Officer			
Campus Area Network	6,538	0	6,538
Desktop Services	19,322	0	19,322
Information Assurance & Privacy	14,949	0	14,949
Enterprise Licenses	1,625	0	1,625
Server & Messaging Services	14,601	0	14,601
Voice, Cable & Wireless	11,190	586	11,776
Chief Information Office Subtotal:	68,225	586	68,811
Grand Total:	172,000	341,966	513,966

ASSISTANT SECRETARY FOR ADMINISTRATION
WORKING CAPITAL FUND
FY 2014 BUDGET ESTIMATE
(In thousands of dollars)

<u>Program</u>	<u>FY 2012 Actual</u>	<u>FY 2013 CR Annualized</u>	<u>FY 2014 Request</u>	<u>Difference from FY 2012 Estimate</u>
DOT Activities	103,776	104,977	113,773	9,997
Non-DOT Activities	341,380	318,504	339,872	(1,508)
Total	445,156	423,481	453,645	8,489
<u>Staffing</u>				
Reimbursable Positions	230	224	227	(3)
Reimbursable FTE	199	217	219	20

The Office of the Assistant Secretary for Administration continues to meet the challenge to think more globally, respond to customer needs, anticipate and plan for future impacts of services offered, and strategically define what should be done in order to best prioritize and deploy resources.

MISSION/VISION/VALUES

The OASA provides the Department with a competitively priced, comprehensive range of administrative services while continuously improving administrative activities to ensure effective performance through the use of best practices. The Office provides expertise to the Department on human resource management, administrative and internal security management, headquarters building and space management programs, procurement and federal acquisitions reporting while ensuring administrative support services are responsive to limitations and DOT's strategic policy direction.

The OASA staff plans, develops, evaluates, and provides support programs in the areas of: security; personnel; procurement; employee wellness; occupational health and safety; personal property; mail and copy management; motor pool; parking and transit benefits; graphics; printing, photography, warehousing, distribution, and library services; and space management. The staff consists of experienced government FTE and contractors who oversee the technical and business operations.

FY 2014 BUSINESS LINES BY PROGRAM

Acquisitions & Procurement Operations

\$5.260 million

The Procurement Operations Program provides the full range of procurement functions from acquisition planning through contract closeout including pre-award contract and grant services, post award contract and grant services, simplified acquisition services, and purchase card administration and oversight. This program acts as the servicing procurement office for the Office of the Secretary (OST), Research Information Technology Administration (RITA)^{1/}, Office of the Inspector General, and Surface Transportation Board and does limited procurement work for other customers as requested. Acquisition Services awards between \$250 million and \$450 million in new obligations annually, processing over 1200 transactions per year. At any one time, Acquisition Services is managing well over \$500 million in existing contracts and grants. Acquisition Services also manages DOT's \$200 million per year purchase card program. Contracts meet all applicable Federal Government procurement regulations.

^{1/} The FY 2013 Budget proposes to convert RITA into the office of the Assistant Secretary for Research and Technology.

Departmental Procurement Platform

This program supports PRISM Consolidation which is Phase 1 of the Department's approved Procurement Systems Modernization plan. The Department's Procurement Systems Modernization plan is a modular, phased approach that is compliant with OMB's Federal IT Management plan and DOT OCIO objectives. Consolidation of the multiple Operating Administration's procurement systems will significantly enhance Department-wide spend analysis and contract efficiency initiatives while reducing the cost of software maintenance, application support and system hosting. PRISM consolidation will enhance mission and user support by providing increased functional capability and improving process standardization. Future integration of the consolidated PRISM system with Delphi, the Department's financial system, will provide systematic real time accounting and funds control validations and status of funds reporting. The program provides for the assignment of government and contracted support personnel to manage the PRISM consolidation effort. The work effort includes project and schedule control, development of the baseline configuration of the consolidated environment; management of data consolidation and test; and establishment of a Level 2 Help Desk responsible for production support and change control processes. The consolidated PRISM environment will support over 6,000 departmental personnel processing and managing over \$2B in annual procurement obligations.

Anticipated accomplishments during FY2014 will be:

- Configuration and testing of the consolidated PRISM environment
- Documentation of the data conversion approach including development and testing of conversion code and components
- System Integration Testing (SIT), User Acceptance Testing (UAT) and a complete dry-run mock conversion
- Implementation planning including identification of tasks and timelines to include in a go-live checklist
- Change management activities, training, and end-user documentation

Building Security

\$13.118 million

The Building Security program provides security for the three DOT Headquarters buildings (Southeast Federal Center, FAA FOB-10A, and FAA FOB-10B), which includes contract guard services on a 24-hour per day basis and other physical security access control functions.

At all DOT Headquarters buildings, contract security guards perform entry control functions for both pedestrians and vehicles. They are the first responders for security and life safety incidents. In addition, they escort special visitors (VIPs) within the building when enhanced security is required. They also escort employees and contractor employees who are being dismissed from employment and/or from the building, in situations where it is necessary to monitor a person's actions until he or she leaves the building. The security guards monitor alarms (fire, intrusion, and duress) and the CCTV system (security cameras) at all of the buildings.

Building security functions include updating security equipment, such as surveillance monitors, cameras, X-ray inspection systems, magnetometers, and access control systems, within the buildings and on the perimeters, as well as procuring contract support to handle the installation and maintenance, ensuring a safe and secure work environment for employees, contractors, and visitors.

The Lenel OnGuard® system installed at the Headquarters facility is an access control and alarm monitoring system. The basic purpose of this system is to control access to secure areas via proximity card and reader technology, as well as to monitor alarm points for intrusion detection. Other functions include credential production, visitor management, and video and graphical map displays to assist in video surveillance and deployment of assets in response to an incident.

Commercial Services Management

\$.065 million

This activity provides mandatory training to all operating administrations and services for the Purchase Card Program and its support systems throughout the Department.

Copier, Printing & Multimedia

\$8.397 million

Visual Information and Printing (VIP):

The VIP Program utilizes the Government Printing Office's (GPO) Simplified Purchase Agreement Program (SPA), and Direct Deal Contracts to procure both printing and graphic services. This allows faster processing time by going directly to the vendors, plus receiving top quality with volume prices. The SPA program offers Graphics access to five-hundred vendors to obtain competitive pricing, faster processing time and quick turnaround deliveries. Contract Printing is approved to the maximum \$10,000 limit for the SPA program. Direct Deal Term Contracts allows DOT to write contracts that fit DOT's specific needs for print and graphic design procurement. These contracts allow DOT to deal directly with the vendor and submit paperwork to GPO. This provides the staff the ability to calculate the final price before the job is released; jobs are processed faster and with knowledgeable print buyers, thus savings cost when used properly. Graphics provides expert consultation including design specifications, multimedia presentations, and CD-ROM layout services, web pages, publications, posters, plaques, and certificates. Contract Printing, through GPO's access to over 15,000 printing contractors

nationwide, offers a complete range of printing, binding and finishing services with volume pricing. Contract Printing will evaluate job requests to be produced in the Digital Document Center as a first option before sending jobs out through the GPO procurement methods.

The VIP also provides on-site, state-of-the-art, high-speed digital copying and document automation and conversion. It provides basic office documents and reports, multi-colored digital copying and the conversion of “hard copy” documents to a variety of digital file formats. The center also provides finishing services such as drilling, collating, perfect binding, spiral/comb-binding and saddle stitching.

Multi-Media & Photography Services:

Multi-Media Center (MMC) & Photography Services provides on-demand multi-media services to the Secretary of Transportation, and the DOT operating administrations. These services produce results that meet the communication objectives of the diverse DOT customer base through technical support and execution of press conferences, live and prerecorded press interviews and teleprompter presentations, web casting, on site and on location presentation/meeting video documentation, video teleconferencing support, satellite uplink programming, and satellite downlinks. MMC and Photography are in-house resources that provide digital prints and creation of audiovisual and video programs, which are distributed via tape, CD, DVD and the internet.

The photographers interpret programs and situations and use innovative and improvised techniques and methods to achieve high quality photographs using digital technology, producing prints of a professional, technical, and artistic standard. The photographers photograph the Secretary and other members of the highest offices of the government, and foreign dignitaries.

Multi-functional Printers:

The MFP (Multifunctional Printer Program) provides upgraded equipment which copies prints, faxes, and scans for all DOT organizations in the Washington Metropolitan area and in OIG regional offices at a competitive cost. Program charges include machine lease costs, all supplies including paper, and on-site maintenance support. Centralizing this service opens the door to many advantages for the WCF customers and the Department. The MFP Program currently has 271 machines in active use.

Disability Resource Center

\$2.548 million

The DOT Disability Resource Center (DRC) is a centralized resource that provides reasonable accommodation, technical assistance, training and outreach to all modal employees and job applicants under DOT. Program costs are allocated to modes based on national population of staff with adjustments made to exclude certain position series (i.e., Air Traffic Controller-2152).

The DOT DRC continues to provide valuable services and support to agencies throughout DOT including regional and field offices. The services can be divided into three main categories:

- Accommodations Support – these are the core of what DRC provides;
- Technical Assistance – consultation, explaining the accommodation process, information on products and services;

- Customer Outreach/Selective Placement – including disability awareness, and information and support for hiring, retention and promotion of individuals with disabilities.

DRC also assists agencies in understanding accessibility and Section 508 compliance issues related to training, video and multimedia presentations.

In addition to direct costs, DRC provides the staff time required in supporting the assessment, identification and procurement of the products and/or services and the follow-up conducted to ensure products/services are provided and are fulfilling the customers' needs. This relieves the programs employing people with disabilities not only of the costs for products/services needed, but the indirect costs to manage contracts, locate qualified providers, monitor costs, and consistently manage performance and activities in accordance with various procurement and HR regulations.

Docket Services

\$2.330 million

The Dockets Operations Program uses image-based technology to provide the public with on-line access to DOT rulemaking and adjudicatory docketed material. Members of the public can electronically submit comments to the DOT Docket. The OA's docket offices are consolidated into Docket Operations, which processes all DOT-generated material and public comments into the docket, provides docketing support to all DOT Counsel Offices, and conducts research assistance. Additionally, the system includes the Data Quality and Peer Review initiatives for the OCIO.

The Department utilizes the Federal Docket Management System (FDMS) managed by EPA. FDMS serves as a central, electronic repository for all Federal rulemaking dockets, which include Federal Register notices, materials such as scientific or economic analyses, and public comments as well as non-rulemaking dockets. It empowers and encourages all segments of the public to participate in the rulemaking process while achieving significant costs savings by eliminating redundant regulatory information technology systems across the Federal Government.

E-Gov Initiative

\$4.693 million

In response to the E-Government Act of 2002, the Office of Management and Budget and Federal agencies identified 24 E-Gov Initiatives to provide high-quality, common solutions such as citizen tax filing, Federal rulemaking, and electronic training. The E-Gov Initiatives serve citizens, businesses, and Federal and state government employees by delivering high quality services.

This business line transferred into the WCF in FY 2012 and consolidated 84 separate interagency agreements into six agreements. In FY 2013 two E-Gov initiatives for acquisitions and one for Performance Management will be added for a total of Nine E-Gov initiatives processed by the WCF.

Facilities Services & Utilities**\$11.037 million**

Transportation & Facility Services manages a diversified and complex, mission-essential, building management program for the DOT Headquarters facility totaling over 1,350,000 square feet of space which houses the Secretary of Transportation and over 5,500 employees. The following program responsibilities are carried out by the office:

Facility Services:

The Facilities Office is the first point of contact for all facilities support. The office receives and tracks all customer requests for service. The office is also responsible for lease management of the facility. This effort entails conducting periodic inspections to ensure compliance with lease terms, maintaining a record of all complaints and their resolutions and written notification to the building owner to take corrective action on items which are included in the lease. The Facilities Office monitors building custodial services ensuring that the building owner provides custodial services in accordance with the terms in the lease agreement. The office conducts daily inspections to ensure that the facilities are clean, healthful and present an attractive environment. The office also coordinates with the Operating Administrations for special cleaning services not included in the lease, coordinates concession activities such as facilities operated by the blind under the Randolph-Sheppard Act, and provides oversight responsibility for the contracted cafeteria. As such, the Facilities Office oversees functional management reviews and performs analytical duties related to food service management. It formulates, develops, and implements nutritional awareness, menu initiatives, and equipment requirements. The office identifies, installs, and maintains signage throughout DOT HQ facilities ensuring office suites, utility rooms and common areas are easily identified. The Facilities Office is also responsible for handling all customer requests for special events, audio visual services and equipment, managing and operating the Central Receiving Office, and the receipt for all deliveries to the DOT Headquarters facility.

Building Maintenance and Utilities:

The Facilities Office manages the DOT Headquarters annual energy budget, and the electrical and mechanical operating system's distribution infrastructure required to light, heat and cool the facilities. The office ensures that maintenance and recurring repairs are completed on electrical transformers and other electrical and mechanical systems. This office is also responsible for implementing the National Energy Conservation Program requirements in the DOT headquarters building. The office ensures all Government-maintained mechanical, electrical and utility systems are operated in accordance with energy conservation guidelines contained in the Federal Property Management Regulation (FPMR) 101-20-107. The office maintains an energy management and conservation plan in accordance with the lease and an established preventive maintenance program for the building operating systems. Such a program requires a complete inventory of the equipment to be maintained, with identification of maintenance to be performed and frequencies. The office also manages and performs a continuous/retro-commissioning program on all its operating equipment, driven by the best practices of the industry, to promote the highest levels of sustainability and energy conservation.

Special Facility Services:

The office manages all internal WCF tenant renovation and alteration projects, including installing or removing walls and configuring/reconfiguring system furniture. This effort entails maintaining a record of all projects and financial reports of completed alteration projects, and updating all as-built drawings showing all changes made to the building as a result of the

completed work. The office manages and coordinates all major construction and improvement projects required under the building lease renewals and ensures that all work is completed in accordance with the lease specifications; schedules phases of work with contractors and develops sketches and diagrams to be included as part of contract specifications; and reviews work requests and consults with requesting organizations to ascertain specific requirements, time schedules, special materials, manpower requirements, labor costs, material costs, and other factors.

Contract Labor Support:

The Facilities Office provides labor support to the DOT workforce. Such support is generally requested to assist in event planning, setting up conference rooms, moving equipment and or furniture, hanging/removing photos and portraits and other special requests.

Motor Pool:

The Motor Pool provides transportation/fleet management support to the DOT headquarters through the operation of an executive vehicle service program, U-drive vehicle service, and courier service. The Motor Pool program provides professional, cost effective, dependable motor vehicle service and support to the Operating Administrations (OAs) within the Headquarters Department of Transportation. The program implements Departmental administrative policy for motor vehicle operations; maintains a physical environment which supports the needs of the OAs; and provides innovative fleet solutions ensuring safe, dependable, transportation utilizing cost effect fleet strategies and efficient repair and replacement methods. The office manages the vehicle lease agreement with GSA; prepares the monthly billing report, and ensures vehicle accidents, abuses, and damages are investigated; serves as a liaison to GSA Fleet Management Center (FMC)/Fleet Management Offices (FMO) for vehicle matters; reviews vehicle lease requirements annually; and manages the U-Drive fleet of vehicles.

Funding for the program is on a fee for service basis; with 70% of the budget supported by usage fees and 30% supported by the DOT Operating Administrations.

Conference Center:

The Conference Center in the DOT Headquarters is available to meet the needs of DOT occupants in the Headquarters Building. The facilities are used by DOT organizations for purposes related to DOT mission, programs, and activities.

Personal Property/Records Management:

This program provides personal property, asset (acquisition, use and disposal), and inventory management, shipping and receiving, storage, transporting materiel, property repair and rehabilitation, computer donation to schools, and records management. The office conducts comprehensive reviews and evaluations on departmental programs, systems and procedures ensuring procedures are consistent with governmental laws and regulations, and applicable industry standards and practices. As the Department's representative to external groups such as Central Managing Agencies, General Services Administration, and Government Accountability Office, the office negotiates, and defends DOT on matters related to personal property policies, programs, systems and procedures. The office manages the development, implementation and maintenance of an automated property management system, maintaining a data base of all personal property and equipment (minus IT equipment). The office conducts a 100% physical inventory annually of all accountable property and ensures property records accurately reflect on-hand quantities. Additional services provided include:

- Manage Reports of Survey for property which is destroyed, lost, or damaged.
- Manages the Utilization/Surplus Personal Property and Exchange/Sale Transaction Program.
- Develops, recommends, and implements standardized electronic record retrieval and disposal processes.
- Manages the Department's loan agreements for art work on loan to the Office of the Secretary of Transportation from National Galleries.

Occupational Safety and Health/Emergency Preparedness:

This program is responsible for maintaining a viable safety program for the DOT HQ which includes ensuring alarm monitoring systems are adequately maintained and reporting all incidents resulting in personal injury related to building design to the proper authorities. This program conducts periodic fire, safety and health inspections and air quality inspections. Provide employees with a comprehensive occupational safety and health program which includes evaluating, assessing and monitoring the facility to reduce operational risks to employees, thereby providing a safe and healthful workplace. It also provides DOT Headquarters employees with the basic emergency preparedness procedures to include evacuation of the building and sheltering-in-place drills.

Fitness Center:

The DOT Health and Fitness Program develops and promotes Department-wide employee health and fitness policy and guidelines thereby improving employees' ability to enhance their work performance. The core programs offered by the DOT Fitness Center are well-rounded and are designed to address lifestyle behaviors, nutrition education, stress reduction, and other programs that are appropriate to the prevention of disease and other health conditions. The Center conducts health appraisals, lifestyle and physical risk factor assessments; including better ways to incorporate healthy strategies and approaches for improved intervention in Body Mass Index, pulse, blood pressure, aerobic strength and flexibility levels; which are vital to optimal health. These strategies provide employees with increased knowledge in handling self-care and thereby may decrease absenteeism and health care costs. Funding for the program is through membership fees, and a small portion supported by the DOT Operating Administrations.

Financial Assistance Reporting System (FARS)

\$500 million

With an enterprise perspective, the OSPE Grants Management Program consists of the Financial Assistance Reporting System (FARS), which is a system that records awards of grants and other financial assistance actions (loans, cooperative agreements, and other transactions). The FARS captures all DOT Financial Assistance data from the Operating Administrations (OA) and transmits that data to other government agencies and directed sources for Departmental reporting purposes, as a result of statute or regulation.

This program also includes contracting for Program Management support for E-Grants. In order to implement the required government wide E-Grant initiatives within DOT, it is essential to have a Program Manager oversee data, business process and systems analysis within DOT. The Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107) requires all Federal Financial Assistance agencies to work collaboratively in effectively managing E-Grants objectives. The scope of Federal grants streamlining goals are three-fold: 1) to reduce the number of individual federal grant systems; 2) to standardize data requirements, processes, and

policies; and 3) to create greater uniformity and interoperability within individual agencies and across government.

Federal Laboratory Consortium

\$.026 million

The Federal Laboratory Consortium Program provides centralized billing services. This program processes payments to the National Institute of Standards and Technology for the support of the Federal Laboratory Consortium. The Federal Laboratory Consortium provides a linkage between Governmental agencies and industry in order to promote the transfer of Federal technology to improve the domestic economy. This transfer of funds is required by Title 15 U.S.C. Section 3710. The National Institute of Standards and Technology requires a central billing point of contact in each cabinet level office for these costs. Distribution is based on the National Science Foundation's *Federal Obligations for Total Research and Development by Agency and Performer* report for each fiscal year.

COOP Facility

\$.905 million

This program provides centralized billing services for the Department's Continuity of Operations (COOP) facility utilized by DOT leadership. This activity includes costs associated with leasing the Secretary's (COOP) relocation site, and provides funding for equipment and services necessary for the operation of the facility.

Financial Management, Accounting & Administration

\$7.575 million

Office of Financial Management:

The Office of Financial Management (OFM) provides financial administration, guidance and support to the OASA and the program offices within the WCF to include the OCIO. It manages budget formulation and execution; provides financial management and accounting services; and manages the overall financial operations of the WCF. The OFM is an overhead function within the WCF.

The OFM funds all of the accounting service functions, including the preparation and issuance of WCF financial statements and reports. The OFM ensures that a sound system of financial management controls exist in all programs, organizations, and functions and meets the objectives and requirements of the Federal Managers' Financial Integrity Act and OMB Circular A-123, Management's Responsibility for Internal Control. The OFM provides monthly financial reports to program managers; manages customer agreements and performs billings; identifies and resolves overdue balances and charge backs; manages invoice processing to maintain minimal interest penalties; and develops and distributes monthly performance indicator charts.

The OFM provides services to approximately 130 DOT and non-DOT customers and has an established interagency agreement for each customer. The OFM meets annually with all the DOT Operating Administrations to discuss the WCF revenue estimates and ongoing services. The OFM conducts the WCF Steering Committee meetings that provide oversight to the fund and ensures that WCF goods and services are provided to all DOT OAs in the most cost-effective and efficient manner. Specific functions and activities of the Committee include: recommending goods and services that comprise the WCF; approving all WCF funding levels; evaluating the WCF performance in meeting service plans; and evaluation of capital asset purchases in excess of \$50,000.

Office of the Deputy Assistant Secretary for Administration:

The Office of the Deputy Assistant Secretary for Administration is responsible for planning, coordinating and implementing cross-organizational and Departmental objectives, especially those supporting DOT's Strategic Plan. Objectives include communication strategies, program reviews, and ad-hoc strategic project support. The customer base is the entire Office of the Assistant Secretary for Administration organization as well as senior management across the Department.

Flexible Spending Account

\$363 million

This program provides centralized billing services for the Flexible Spending Account fees. The Flexible Spending Account (FSA) program resulted from the National Defense Authorization Act for Fiscal Year 2004, Public Law 108-136. The FSA program is administered government-wide, through a contract held by the Office of Personnel Management (OPM). The WCF is the Departmental point of contact for these payments. The costs are distributed to the OAs based on actual usage information provided by OPM.

Human Resource Services

\$6.744 million

Personnel Operations:

The Personnel Operations Program provides human resource services to the Office of the Secretary (OST) and the Research and Innovative Technology Administration (RITA)^{1/}. This program provides human resource services and training that includes recruitment, skill and competence assessment; payroll support and time-and-attendance administration; workforce and succession planning; employee recognition and performance management; employee relations, benefits; labor management; workers compensation and unemployment compensation assistance; and management of the automated human resources personnel systems. In addition, the program evaluates human resources management activities; adherence to merit principles and prevention of prohibited personnel practices. Training includes classes and activities to develop human resource skills for managers and employees.

^{1/} The FY 2013 Budget proposes to convert RITA into the office of the Assistant Secretary for Research and Technology.

Organizational Planning & Initiatives:

The Organizational Planning & Initiatives program office assures that DOT satisfies statutory and regulatory requirements to conduct workforce analyses, competency assessments, and reporting on the department's leadership development and other learning programs in support of the human capital initiatives. OST partners and modal HR organizations fill OA gaps and leverage services in order to meet the increasing requirements of statute and those related to the human capital initiatives. In addition, the office works with OAs to identify positions and develop recruitment strategies, and ensures OAs are aware of the commitments for hiring individuals for these programs (e.g., training and rotational requirements, developing individual development plans, and monitoring intern performance).

Organizational Planning and Initiatives established a Career Development Program in FY 2013 that will prepare a pipeline of future leaders to fill an anticipated shortfall in qualified executive candidates and mid-level leadership positions. DOT's current supervisors, managers and executives, represent an older workforce, of whom many are currently eligible to retire or will

become eligible soon. DOT's leadership profile faces several human capital challenges representing a major risk to DOT's ability to accomplish its mission. Organizational Planning and Initiatives implemented a centrally managed succession planning program to develop future leaders while capitalizing on existing OA programs as well as establishing partnerships with other federal agencies. DOT serves in both a program design and program management role with collaboration and input from the OAs.

Organizational Planning & Initiatives manages the Senior Executive Service Leadership Development Program Leding Edge. Leding Edge is sponsored by the President's Management Council (PMC.) and provides executive level training to one half of the Departments SES population annually.

All of these activities are required under the Chief Human Capital Officers Act of 2002 and the Federal Workforce Flexibility Act of 2004, and implementing regulations.

Departmental Programs:

The Departmental Special Programs Office provides centralized coordination of programs that cross all DOT operating administrations, Secretarial offices, and the Surface Transportation Board (STB). Program responsibilities include: Secretary's Annual Awards Program, Combined Federal Campaign, Incentive Awards Program, various OPM Performance Management Awards Programs, Public Service Recognition Week, Blood Donor Program, Volunteer Program, IdeaHub, and the Voting Assistance Program.

IdeaHub is an online community that facilitates innovation and collaboration within the DOT and the OAs. It is designed to bring comprehensive, cultural change to the DOT through the use of a collaborative website. It empowers employees to develop and rate programs and technological processes and improve the work environment. By supporting communication through a transparent and accountable process, IdeaHub is an important component of DOT's Open Government Strategy. IdeaHub will bring DOT into the world of social media, and inspire cultural change in traditional business procedures. IdeaHub depends on the active participation of employees to accomplish its mission of open communication, and dedicated agency improvement.

Executive and Political Resources Program:

The Executive and Political Resources Program coordinates Departmental approvals for SES actions including providing support to the DOT Executive Resources Board; manages Departmental SES allocations; assists OAs in position establishment and classification; advises OAs on the full range of technical and procedural requirements involving performance management, bonuses and awards, staffing, adverse and performance-based actions.

Outcomes from this program include increased accountability of executives, increased diversity and outreach among the SES recruitments and hires, SES Performance Management system certification, maintaining a high level of Qualifications Review Board approvals, Merit Staffing Reviews, and improvement in the time it takes to hire an SES member.

This program also provides advisory services to the Secretary's White House Liaison and Chief of Staff for all Departmental political appointees including case processing for all Departmental political hires; advises OAs on the full range of technical and procedural requirements for all political actions; serves as liaison to OPM for all human resources matters pertaining to the

Department's political workforce; serves as liaison to the White House Clerk's Office and the Department of State for matters pertaining to Presidential appointees confirmed by the Senate; prepares comprehensive reports on each political position; and prepares for Presidential/senior leadership transitions.

DOT Work-life Program:

The Work-Life Program provides information, resources and referral support to employees nationwide on a wide range of issues including, but not limited to, life transitions, wellness, telecommuting, time management, effective communication, financial health, parenting, child care, elder care, and long-term care planning. Support is provided over the phone, by e-mail, and via one-on-one work-life coaching consultations under the guidance of a work-life professional.

The Child Care Advisor, a component of the Work-Life Program provides DOT child care centers with training for their boards of directors, directors, teachers, and family resource coordinators. In addition to the training, the Child Care Advisor performs on-site visits, which include observations of classrooms, mentor teaching in classrooms, and accreditation preparation. The Advisor is also available to work one-on-one with child care coordinators and directors on program design, evaluation of RFP's, and assist with needs assessment and interpretation of new accreditation guidelines.

Health Services:

DOT Health Services provides a full health service program with the goal of improving the health of its employees. Health Services will be staffed by Federal Occupational Health (FOH) staff eight hours per day, and will service a Federal population of approximately 3,607.

Health Services offer a full range of services including: individualized health counseling, periodic bed rest, blood pressure monitoring, glucose monitoring, allergens and other medications administered by injection (employee provides allergy medication), and immunizations (Flu, tetanus and Pneumococcal), traveler's health and immunization information.

HR Systems

\$20.818 million

The Departmental Office of Human Resource Management (HRM/HR Systems M-12) provides program management, oversight and support for all consolidated HR systems and associated services, which include the Federal Personnel and Payroll System (FPPS), the Training Management System (TMS), the Enterprise Human Resources Integration (EHRI) Electronic Official Personnel Folder (eOPF) and Analytic Tools, the Human Resources Management Suite (HRMS), and the Workers' Compensation Information System (WCIS), as well as for ongoing HRIT transformation under the HR systems modernization which includes the Contractor Tracking System (CTS), the Personnel Classification System (PCS), and the Position Description Library.

- FPPS provides HR and payroll support and processing for all of DOT. FPPS facilitates movement toward achieving strategic management of Human Capital by providing reports that enable diversity management plans to sustain a workforce that represents the face of America in all occupations and at all grade levels and by providing support to workforce planning reporting to identify mission critical competencies and gaps in those competencies.

- TMS provides system support for the delivery of on-line learning, learner registration, learner training completion, the delivery and recording of assessments, and the reporting of TMS data to OPM. DOT is able to identify competency and resource gaps and develop improvement strategies for mission-critical occupations and is able to identify competency and resource gaps and develop improvement strategies for mission-critical occupations. Competency models are being developed and gap analyses conducted for six critical occupations to support career path development and integration of the resulting products into the TMS Competency Management System (CMS). eOPF allows secure access to official employee HR records for employees and HR staff. The centralized management of and access to the data provides the technological means for consolidating HR operations and improves the government's ability to share and transfer data about employees moving between agencies.
- WCIS provides the efficient and effective use of an automated system to transmit workers compensation claims to the Department of Labor and to allow workers compensation specialists and managers to monitor and manage the workers compensation cases. WCIS funding also funds management of workers compensation cases by FAA.
- EHRI Analytic Tools allows DOT to develop 5-year projections for Departmental mission-critical occupations using the EHRI Forecasting Tool.
HRMS provides Departmental integration and operation of the HRMS Workforce Tracking and Transformation System (WTTS) and Entrance on Duty System (EODS). This module provides automated staffing and entry on duty support for all of DOT improving DOT's ability to (1) track projected gains; (2) track transfers and losses of federal staff and (3) allow HR specialists to develop checklists for entrance on duty, as well as providing on-line forms for new employees to complete information required on entrance to duty.
- CTS will provide the ability to track, monitor, and report data associated with managing contractor's staff and maintain pertinent information required for generating HSPD-12 badging information, maintain the history of contractor assignments, status of security training, and assignment/status of access to systems. This system can support HSPD-12 requirements for timely cutoff of access to systems and facilities.
- PCS will provide supervisors and HR with automated tools to more easily develop information needed for determining the proper job series category and grade for classifying position descriptions. Today this task can be laborious and time consuming. The PCS will provide automated tools that will allow position descriptions to be created from scratch or re-use information from existing classified position descriptions. This system will support goals under HRLOB.
- Position Description Library will include a library of classified positions that will be maintained in a centralized area and will be accessible to HR and hiring managers for reuse in creating new positions.

Library & Information Services

\$1.192 million

The National Transportation Library is one of the largest transportation libraries in the United States. Its collection of electronic and in-house resources provides answers and to and satisfies needs for over 850 information requests per day. The Library collects materials in all areas of transportation studies, in both print and digital format. In addition to its research assistance work and extensive training programs, NTL provides interlibrary loan, serials routing, circulation, acquisitions and cataloging services. NTL is continuously accelerating the transition in its

collection and selection practices from hard-copy to electronic formats. This increase in electronic access to NTL's collections continues to save the Department and its customer's money by centralizing the purchasing and management of multiple research subscription contracts.

Mail Services & Postage

\$3.507 million

Mail Services Program:

The Mail Services Program provides complete office and mail delivery services to the DOT HQs and its satellite locations. Over 10 million pieces of government mail are handled annually. The services include managing the DOT and FAA Mail Centers and all associated duties to include: sorting and distributing all incoming mail, processing Federal Express and UPS Mail, and delivering all accountable mail through an automated tracking system.

An A-76 review of the operation during the late 1980s and early 1990s found that a contractor workforce would be more cost-effective for the department. The Department chose to stay with the NISH vehicle in support of national disability initiatives. The vendor, Service Source, is flexible and through contract modification can meet emerging requirements quickly due to their size and background in the field.

Postage Program:

This program is responsible for the direct billing of actual postage and shipment fees by each operating administration at all locations throughout the Washington Metropolitan area. These fees are for Standard Ground shipment of large packages and parcels to include large boxes.

Headquarters Space Management and WCF Rent

\$9.300 million

Headquarters Space Management:

The Space Management Program provides oversight and management of all DOT headquarters workspace and provides various support services, as required, involving the Department's nationwide real property and field space inventory. The program manages three buildings totaling 2,147,400 square feet.

A key goal of this program is to improve space utilization and reduce costs. The specific services include:

- acquisition, assignment, release or disposal of space and other real property; review of major real property acquisitions and disposals;
- space requirements development; space planning and interior design;
- tenant "build out" coordination and oversight;
- on-site real property and space utilization surveys;
- coordination and preparation of Departmental real property reports;
- maintenance of a Department-wide real property inventory and Headquarters space assignment data; and
- acts as DOT's liaison with GSA and other Federal agencies for real property actions and issues.

Rent Program:

The WCF rent obligation in the amount of \$8.7 million, which includes the Federal Protection Services cost, is tracked under this business line and distributed to the other WCF programs.

Security Operations

\$5.821 million

Security & Investigations (S&I):

The Security and Investigations Program is an integral and crucial part of DOT's effort to ensure a safe working environment for its federal and contractor employees and visitors; and to protect DOT facilities, equipment, and sensitive and classified information.

Security Personnel coordinate criminal and administrative investigations of individuals and incidents occurring within the DOT headquarters facilities, and assist in resolving security-related problems for DOT regional offices. Personnel review and conduct follow-up investigations on guard incident reports and serve as liaisons with their security counterparts in Federal, state, and local law enforcement agencies, as well as at the DOT headquarters buildings. Security personnel are part of a crisis management team that works with human resources and law enforcement offices, employee assistance programs, and managers to help resolve potential workplace violence situations, and are frequently present during volatile disciplinary actions. Staff also provide security awareness seminars for DOT employees on topics such as theft deterrence to ensure adequate protection of government and personal property.

The S&I program staff includes federal employees who coordinate and oversee the installation, operation, and maintenance of security systems, CCTV cameras, monitors, X-Ray inspection systems, magnetometers, and card access systems located within the three DOT Headquarters buildings. Installation and maintenance are mostly handled by contractors who are funded out of the SEFC Building Security budget. Equipment purchases are mostly funded by the specific building security budget for which there is a need, although some equipment funds are in the S&I program to purchase general inventory for emergencies at all of the DOT Headquarters buildings.

This program also includes servicing lock and key requests and conducting periodic combination safe changes within our DOT headquarters buildings (SEFC, 10A, 10B and 55 M Street – DOT space only). On staff is one locksmith (federal employee) who maintains a proprietary lock and key system for the DOT Headquarters buildings.

Personnel Security Program:

The personnel security program includes the initiation and processing of required background investigations on all DOT federal and contractor employees; the review and adjudication of all completed investigations; and, as necessary, the granting of security clearances for access to classified information. The security staff provides this service for all OAs except FAA, which has delegated authority to run its own personnel security program. Under this program, the security staff is responsible for ensuring that DOT complies with laws, Executive Orders and regulations pertaining to personnel security. The staff also provides DOT liaison with other Federal agencies on behalf of the OAs.

Homeland Security Presidential Directive 12 (HSPD-12) Policy for a Common Identification Standard for Federal Employees and Contractors has increased the personnel security program's workload because of more stringent requirements to integrate personnel security operations with

the process of issuing identification cards to federal and contractor employees. This requires adjudicating the results of criminal history checks prior to issuing any ID cards and conducting background investigations on certain personnel to whom DOT did not previously issue ID cards (e.g., contractor employees requiring HSPD-12 cards for logical access).

Industrial Security Program:

The Industrial Security program ensures that National Security clearances for contractors working on classified contracts are obtained by the contractor, through the Department of Defense, before the contractor can access classified information in the performance of their duties on a DOT contract. Personnel Security staff process and maintain this program, while Information Security staff perform overall management including conducting investigations into any problem areas and issuing recommendations as needed. With an increasing number of contractor employees working on-site at DOT facilities, it is especially important to ensure that background investigations have been conducted on these contractors and that they are suitable to work on classified contracts.

Identification Media Program:

With the exception of FAA, the Volpe Center, and a few field OA offices, the security staff issues federal and contractor employee photo identification cards and official credentials to DOT personnel at headquarters and in the field. The identification media automated system assists in identifying persons working within the DOT buildings and is essential for proper management of both identification cards and credentials.

HSPD-12: HSPD-12 requires the Office of Security to establish and follow stringent procedures to ensure a separation of functions in the issuance of Personnel Identification Verification (PIV) ID cards. Specifically, those who register and enroll DOT personnel may not serve as issuers. Contractors perform all duties associated with the registration and enrollment of DOT personnel, and DOT federal employees are responsible for initiating background investigations and issuing PIV cards. FAA is the HSPD-12 service provider for the technical infrastructure required to run the HSPD-12 program. It is anticipated that the initial issuance of PIV cards will be completed by the end of FY 2012, but there will be a surge of expiring PIV cards in FY 2014 requiring reissuance.

Passport Program:

The Secretary of State has designated the Office of Security as the Passport Agent for DOT, which provides this office the authority to execute and verify official passports on behalf of the Department of State. The Office of Security maintains a passport unit to support all DOT personnel, in all OAs and Secretarial offices, who require official passports and visas. Obtaining passports and visas in a timely manner is crucial to DOT personnel meeting foreign travel requirements. Because of the various DOT programs that provide assistance to foreign countries, travel requirements often occur with little advance notice and it is important for the Office of Security to respond promptly to the passport and visa requests. Requirements for U.S. citizens to have passports to travel to countries where they did not previously need them, such as Canada and Mexico, have increased the passport processing workload.

Information Security Program:

This program provides technical direction for the protection and safeguarding of classified materials at DOT Headquarters, as well as advice, assistance and training to all DOT OAs on matters pertaining to classified information. The Information Security Specialist develops and delivers initial and annual training to roughly 1,100 clearance holders at DOT (non-FAA) that is required by Executive Order 13526 as a condition of holding a security clearance. Executive Order 13556 directs executive agencies to develop and manage a program to identify and protect sensitive but unclassified information under a single banner identified as Controlled Unclassified Information (CUI), which will replace all previous labels such as For Official Use Only (FOUO) or Sensitive But Unclassified (SBU). The Office of Security will coordinate DOT's transition to CUI by providing training to all employees and contractors department-wide.

The Information Security Program also conducts non-criminal investigations, and issues findings and recommendations, including possible disciplinary or remedial actions with respect to deficiencies or security violations/infractions. Finally, this program manages a contract for the destruction of classified and sensitive information at the DOT and FAA Headquarters buildings and maintains records for all security containers (safes) used within the Department that are serviced by the locksmith. This includes periodic inspections to ensure that classified information is properly stored in accordance with GSA container standards.

Technical Security Program:

The Office of Security manages several security programs that fall under a general security category called Technical Security. These programs include communications security (COMSEC), control of compromising electronic emissions (TEMPEST), and technical surveillance countermeasures (TSCM), and require the expertise of persons highly trained in complex technical matters. This expertise is provided to the OAs and covers the protection of classified national security information and other sensitive information when discussed or processed during meetings or on information technology systems, or when electronically transmitted.

The Office of Security directly manages the COMSEC program for DOT Headquarters and field facilities (excluding FAA) that process classified information. This responsibility includes management of the DOT COMSEC account, conducting required inventories of controlled cryptographic equipment and material, and issuance of secure communications equipment, including the Sectera vIPer phones, which are in the process of replacing the existing Secure Terminal Equipment (STE) units, and secure wireless and satellite phones.

Substance Abuse Awareness & Testing**\$6.345 million**

The DOT Federal Employee Drug and Alcohol Testing Program, mandated by Executive Order 12564 and the Omnibus Employee Testing Act of 1991, is the second largest program in the Federal Government with over 80,000 federal employees in the testing pool. Services under this program are provided to all DOT operating administrations, the U.S. Merchant Marine Academy and to the following agencies within the Department of Homeland Security (DHS): Transportation Security Administration (TSA), U.S. Coast Guard (USCG) and the Federal Air Marshals (FAM) program. Services are provided on a nationwide basis and include setting program policy requirements; briefings to unions on policy changes; providing testimony at third party hearings; random selection process; follow-up drug and/or alcohol testing program for employees who have completed rehabilitation; urine collection and laboratory testing services

for pre-employment, random, return-to-duty, follow-up, reasonable suspicion, and post-accident; breath alcohol testing services for random, return-to-duty, follow-up, reasonable suspicion, and post-accident; split specimen testing services; medical review officer services; managing, coordinating and conducting employee awareness programs and mandatory supervisory training; and coordination of the Employee Assistance Program. Drug and alcohol collection and testing services are provided through contract vendors.

Transit Benefits & Parking

\$340.392 million

Transportation Services (TRANServe) delivers transit benefit services to DOT operating administrations and Non-DOT agencies and provides parking management services to DOT employees. This program receives funding under three different authorities in performing its various roles in support of DOT and Non-DOT agencies.

- Working Capital Fund (WCF) cost reimbursable agreements under Title 49 U.S.C 327.
- Non-DOT WCF reimbursable agreements under the Economy Act of 1932.
- Employee Parking Deposits for parking spaces to DOT employees under GSA Federal Management Regulation.

Transit Benefit Program:

The TRANServe Program office is a Federal Government provider for transit benefits to 100 Federal agencies with over 230,000 participants worth in excess of \$300 million annually. Historically, TRANServe has provided these fringe benefits in the form of a transit voucher.

From the perspective of providing an efficient, economical means to distribute transit benefits, TRANServe enables agencies to make use of a single established distribution system, with extensive and effective internal controls over the receipt, maintenance, and distribution of the fare media provided to Federal employees under the program. It eliminates the need to establish multiple systems duplicating these functions at agencies and individual offices throughout the country. There is no mandate to make use of TRANServe for transit benefit distribution; rather, each of the agencies now making use of its services decided it was in their interest to use TRANServe for transit benefit distribution.

Participating agencies, TRANServe, and transit benefit recipients all have specific responsibilities to help ensure that the transit benefit program functions effectively and that individuals participating in the program receive only the fare media they are eligible for, and use it appropriately.

DOT's Implementation of the Transit Benefit Program

TRANServe operates a highly sophisticated program (the Program) for ordering fare media, maintaining inventory control, and distributing such media to approximately 100 agencies. The Program is supported by a complex and dynamic network of activities, such as statistical forecasting for nationwide distribution, multi-million dollar contract awards, support arrangements for travel and distribution, and an elaborate array of financial analysis for agency billing. Over time, the commercial marketplace supporting the transit benefit delivery system has evolved to a more technologically advanced discipline. For instance, many Transit Authorities are re-engineering their transit media delivery system by eliminating paper and moving to electronic fare media. This has compelled a nationwide transit benefit distribution shift from a paper based system (Vouchers) to an electronic fare media structure.

- TRANServe historically distributed transit benefits in the form of a *transit voucher* for use at approximately 556 transit authorities, reinforcing a costly and inefficient framework for voucher distribution.
- TRANServe is shifting distribution from paper fare media to electronic to support Green Government, tighten internal controls, and meet Transit Authorities changing requirements.
- The goal is to use a single fare media MCC-restricted debit card with extensive internal controls to deliver transit benefits in an effective, fiscally responsible manner.

TRANServe executed a Memorandum of Understanding (MOU) with the Department of Treasury, Financial Management Service (FMS) to provide the ability to partner with a federally approved Bank for nationwide delivery of electronic fare media across the Federal government. The terms of the MOU required that Treasury FMS select a Financial Agent to work with TRANServe in the implementation of a nationwide debit card for the delivery of the qualified transportation benefit. TRANServe has partnered with J.P. Morgan Chase, the Financial Agent selected by FMS, and has established an electronic fare media product in the form of a debit card.

TRANServe has collaborated with the Department of Treasury and Internal Revenue General Counsels' Offices to ensure the program would be compliant with IRS tax code and the benefit would maintain its tax-free status. The IRS has determined that while the program doesn't fit in any of the 4 situations currently outlined in their guidance, the IRS believes that it does meet the spirit of the guidance published and IRS may publish additional guidance to support this exception.

The implementation of the electronic fare media began with the roll-out in New York in June 2011 and is expected to be completed nationwide by the end of FY 2013. To date TRANServe has transitioned approximately 103,000 transit benefit participants to an electronic fare media component.

The Parking Management Program:

The Parking Management Program sells, issues, and administers weather-secure parking spaces in the new DOT headquarters building. In addition, the program provides oversight to FAA for the management of their parking fees. The Parking Office collects money from the sale of parking permits for the regular monthly parking, temporary parking, and FAA parking.

Unemployment Compensation

\$2.000 million

The Department of Labor requires a central billing point in each cabinet agency for the unemployment costs of employees. The Working Capital Fund accepts unemployment compensation charges from the Department of Labor and bills each operating administration for their costs through a centralized billing service. Department of Labor (DOL) bills the Department of Transportation on a quarterly basis for their unemployment charges. Current actual billing trends for the department are significantly higher than anticipated; obligations have been requested to cover this additional amount.

Warehouse

\$.710 million

The Warehouse Program provides storage for furniture, equipment, bulk materials such as computers and copy paper, publications and forms, and other items as required for all DOT organizations in the Washington Metropolitan area. The Warehouse stores over 1,500 skids of furniture and publications monthly. As part of this program, truck services are provided for delivering internal mail, receiving and delivering furniture, equipment, bulk supplies and other items as required between the Warehouse facility in Landover, MD and the DOT Headquarters Buildings in Washington, DC.

Excess personal property is received, reported, and transferred for all DOT organizations in the Washington Metropolitan area. The excess program handles on average 850 pieces of furniture or equipment every month, sending almost half of the computer equipment to schools throughout the country as part of Executive Order 12999.

In addition, customers can search, view and download desired publications from the On-line Publication (OLP) System. Subsequent Distribution serves over 5,000 DOT publications via the Internet and is working to make more information available via OLP and to reduce the amount of publications being stored in the Warehouse.

OFFICE OF THE CHIEF INFORMATION OFFICER
WORKING CAPITAL FUND
FY 2014 BUDGET ESTIMATE
(In thousands of dollars)

<u>Program</u>	<u>FY 2012 Actual</u>	<u>FY 2013 CR Annualized</u>	<u>FY 2014 Request</u>	<u>Difference from FY 2012 Estimate</u>
DOT Activities	68,225	68,076	69,157	932
Non-DOT Activities	586	616	610	24
Total	68,811	68,692	69,767	956

Staffing

Reimbursable Positions	32.0	32	32	0
Reimbursable FTE	22.8	29	29	6

Background

The Office of the Chief Information Officer (OCIO) has the responsibility for the management and administration of the IT Shared Services portion of the Department's WCF organization, which supports the operation of an infrastructure that includes telecommunications, e-mail/directory services, a fully consolidated DOT headquarters network, help desk and other support.

A small cadre of government employees provide technical direction and oversight of approximately 200 contractors.

IT Shared Services has expanded to the field and the current request will provide oversight and guidance of the \$69.1 million in IT services to the Department's OAs on a cost recovery basis.

MISSION/VISION/VALUES

WCF OCIO/IT Shared Services provides the Department with a single source for a competitively priced, comprehensive wide range of IT services while continuously improving the technology and safety of the IT infrastructure for the Department. WCF/OCIO IT Shared Services provides expertise to the Department with state-of-the-market technical expertise, institutional IT knowledge, and historical data that is not readily available from other sources.

WCF/OCIO IT Shared Services staff maintain, operate, design, implement, and oversee communications and core IT infrastructure for the Department. The Federal staff oversees the technical and business operations, with the majority of the day-to-day operations provided by contractors.

FY 2014 OCIO BUSINESS LINES BY PROGRAM

Campus Area Network (CAN)

\$6.731 million

The Campus Area Network provides support services for the network infrastructure and Internet connectivity for the DOT headquarters and connectivity between DOT HQ and other DOT buildings in the DC Metro area, including the FAA HQ (FOB-10A).

The FY 2014 request includes continued infrastructure funding to remediate security vulnerabilities, including those identified by the DHS/US-CERT, Cyber Security Management Center (CSMC) and Federal Information Security Management Act (FISMA) audits. The estimate includes support for the Incident Management Center (IMC) and maintenance, support for new security software and appliances, support of the additional bandwidth for Internet connectivity, and the increased level of monitoring as required by DHS and the Trusted Internet Connection.

Desktop Services

\$20.262 million

The IT Shared Services desktop, laptop, and engineering PC program provides quality, cost effective seat management, and related support under service level agreements with customers. In FY 2012 IT Shared Services supported more than 8,800 desktop users.

There are plans to expand consolidation to include additional regional and field users during FY 2013 and FY 2014. The affected operating administrations currently pay for this support directly (i.e. outside of the Working Capital Fund). In FY 2014 the support will be provided by IT Shared Services and funded by the modes through the WCF.

The OCIO ITSS Desktop Services program has established a new optional service for the COE user community – Mobile Device Management (MDM) – which will allow users to access email, check their calendars, and keep up with work contacts remotely via a secure connection to the DOT network. MDM technology will provide secure access for different kinds of mobile devices, such as iPhones and iPads.

The FY 2014 customer estimates for both field consolidation and MDM are currently being established and are not reflected in the OA-specific budgets at this time. A placeholder has been established in the DOT unspecified amount.

Information Assurance & Privacy

\$14.857 million

The Information Assurance and Privacy program is composed of the following five program areas:

Information Assurance:

The Information Assurance program is designed to ensure the protection, integrity, availability, and confidentiality of the DOT IT infrastructure across the DOT's hundreds of geographically separated locations. The program's primary function is to manage DOT's compliance with the Federal Information Security Management Act (FISMA) and other statutory requirements.

FISMA support includes managing and reporting on security issues and remediation activity. Information is maintained on the Cyber Security Asset Management System (CSAM).

The Information Assurance program supports continuous operations of the DOT CSMC, which has responsibility to detect, protect against, and report all cyber events across the entire DOT enterprise and coordinate reporting efforts to the US-CERT. The CSMC identifies cyber events, privacy violations and network interruptions. CSMC coordinates with DOT CIO's, ISSO's, the intelligence community, and DHS for incident management, monitoring, cyber threat analysis and responding to modal requests.

The Information Assurance program also supports Security Awareness training to the entire DOT community. The cost of these services will continue to be proportionately allocated to the OAs.

The Information Assurance program also supports the continual Certification and Accreditation process for all of the major systems that are managed by DOT ITSS. The C&A process within ITSS is also the core baseline for most of the modal systems as the consolidated infrastructure is an inherent component for the completion of the C&A processes and annual audits of financial systems.

Enterprise Network Operations Center (ENOC) is responsible for the monitoring, notification, and facility management in support of IT Shared Services. ENOC was established to provide twenty-four hour handling of calls, problem management, staff notification, and system monitoring. Areas monitored 24 X 7 include:

- Network monitoring
- Server monitoring
- Telecom systems monitoring
- Automated problem ticket generation and escalation
- After-hours service desk support.

These services are provided twenty-four hours a day regardless of physical location. ENOC costs are proportionally distributed to IT Shared Services programs.

Network Engineering provides planning, design, and implementation services for the network infrastructure, including:

- IP Address Management
- Network Design
- Network diagnoses and optimization
- Secure Remote Access

The Network Engineering Program is one of the focal points in enabling the consolidation of services under IT Shared Services and establishing a consistent and secure network across DOT.

In FY 2014, IT Shared Services will

- Continue to develop and implement processes and procedures for network monitoring and validation of network availability.
- Refresh and continue to enhance remote access for security and usability.

DOT has invested in and deployed the necessary equipment and software to provide system redundancy at our COOP/DR site as well as network access control, enhancing network security so that only those users with patched operating systems, current anti-virus signatures, and authorized access certificates have access to the DOT network. Approximately 10,000 users in the DOT have the ability to utilize Secure Remote Access.

IT Admin & Special Projects supports the overall management of the IT Shared Services programs and certain special projects. The program costs are recovered through an equitable distribution to each IT Shared Services program.

Financial Management Group provides business management and full back-end accounting support to the IT Shared Services programs and special projects. The program costs are recovered through an equitable distribution to each IT Shared Services program.

Logistics & Support Services include direct management and oversight of IT Shared Services programs, Continuity of Operations (COOP) and Disaster Recovery (DR) activities for IT Shared Services programs, Inventory Management/Help Desk software implementation and maintenance, Stockroom, and Administrative services. The program costs are recovered through an equitable distribution to each IT Shared Services program.

Enterprise Licenses

\$1.625 million

Software Assurance, up until FY 2012, DOT funded and managed the Microsoft (MS) Enterprise Licensing Agreement (ELA) separately by each mode. This created significant operational and coordination responsibilities for each mode without giving them the efficiencies of a consolidated, centralized enterprise wide purchase. Additionally, the previous Microsoft ELA did not include the option to upgrade to the next version of the software. The current plan is to have ITSS pay the cost of the individual OA payments until a new agreement is reached late in FY 2013. The new agreement amounts will be determined at that time and are not included in the current estimates. The current estimates only include the individual OA quoted annual amounts provided to ITSS by the vendor.

Server and Messaging Services

\$13.981 million

Server Operations:

The Server Operations program consists of the following functional areas: Departmental Internet, Server Administration, Net Backup, Storage and Backup, and Server Hosting.

The Departmental Internet program provides server hosting and limited web design support for the DOT web page, as well as the GovDocs subscription service for e-mail management, and enhanced Google search capabilities. Departmental Internet Charges reflect increases in FY 2013 to support transparency of the DOT web site and web infrastructure improvements.

Off-site server hosting services for HQ servers and other devices for Operating Administrations (with the exception of FAA) provides server hosting for most OA mission critical systems in a primary data center external to the Headquarters building. Direct costs to support the remote hosting location, including limited growth capacity and some security and hardware costs, have been spread proportionally to customers based on each OAs power requirements (watts) for direct usage, while the infrastructure costs are spread to the OAs based on the adjusted total population of OA devices. Ongoing efforts are underway to study the current data center locations throughout the Department and strategies for consolidation which include virtualization, consolidation, and cloud computing.

Directory & Messaging Services:

The Directory and Messaging program supports DOT directory services, message routing, enterprise messaging backup, custom directory services, email security and spam filtering and virus protection mail server hosting, mailbox administration, and wireless email support. Further consolidation of e-mail systems beyond DOT HQ to include field and regional users will continue into FY 2014. IT Shared Services has planned for capital asset purchases in FY 2013 to support the Microsoft Exchange Upgrade and Mail Failover capabilities. The costs for annual equipment replacement reserves and increased maintenance and support are included in the FY 2014 estimates.

ITSS currently manages more than 10,000 accounts, providing mailbox administration, mail storage and backup. Consolidation has increased IT Shared Service's messaging infrastructure and management responsibilities which were previously managed by the OAs.

Voice, Cable & Wireless

\$12.311 million

The IT Shared Services Voice, Cable, and Wireless (VCW) component offers customers a wide range of telecommunications services such as desktop telephone service with voice mail, wireless telephony, circuit analysis, cabling, billing analysis, inventory management, telecom coordination/customer service, teleconferencing and customer special projects.

Supporting both DOT's Washington, D.C. campus and remote communications, VCW services are an essential component of the DOT's IT support mission, and currently includes more than 17,000 telephone lines and 12,000 voice mailboxes, supported by the Southeast Federal Center's telecommunications switch.

A large amount of costs in this program area, more than \$5 million per year, support local and long-distance communications and utilities costs for telephone, T-1 lines and circuits between regional offices and other remote sites, internet communications, and redundant systems to ensure continuity of operations.

IT Shared Services has contained rising telecommunications costs over the past seven years, absorbing labor and maintenance increases by aggressively negotiating for better rates with its local and long distance service providers.

Explanation of Funding Changes
for the
Working Capital Fund (DOT Activities only)

FY 2012 Actuals	172,000
Increase of .612 percent enacted in P.L. 12-175	<u>1,053</u>
FY 2013 CR Annualized	173,053

FY 2014 Program Changes (+/-)

All programs include annualization of FTE and inflationary contract costs. Other increases are explained below:

<u>Description</u>	<u>Explanation</u>	<u>Difference</u>
<i>Assistant Secretary for Administration</i>		
Acquisition & Procurement Operations	DP2 initiative.	2,520
Building Security	Reduction in contract staffing.	(656)
Commercial Services Management	No customer demand	(300)
E-Gov Initiative	Increase in Managing Partner requirements IAE for L&G	2,889
Facilities Services & Utilities	Anticipated favorable utility rates	(496)
Federal Acquisitions Reporting Systems	Anticipated higher contract support rates and FISMA compliance reporting requirements	253
Financial Mgmt, Accting & Admin	reduced support requirements	(220)
Human Resource Services	Senior Executive Leadership Development Program (\$450K), pre-negotiated contract increases and personnel related expenses.	600
Human Resource Systems	Service provider increases, new customer (FAA), and pre-negotiated contract increases	2,035
Rent & Space Management	Reassignment of space to WCF, rent and joint use space escalation	925
Security Operations	New FTE, ITS development, HSPD-12 workload surge, and new background investigation requirements	911
Transit Benefits & Parking	Anticipated change in usage	586
Other	Pre-negotiated contract increases, adjustments in customer usage, and personnel related expenses such as annualization of new hires	(251)
Assistant Secretary for Admin Subtotal:		8,796
<i>Chief Information Officer</i>		
Chief Information Office Subtotal:	Desktop Services - changes in customer usage and demand	1,081
Total FY 2014 Request		182,930

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WORKING CAPITAL FUND
PROGRAM AND FINANCING
(In thousands of dollars)

Identification Code		FY 2012 ENACTED	FY 2013 REQUEST	FY 2014 REQUEST
021-04-4520-0				
Obligations by program activity:				
08.01	DOT service center activity	158,699	172,128	182,930
08.02	Non-DOT service center activity	258,318	319,120	340,482
09.00	Total new obligations	417,017	491,248	523,412
Budgetary resources available for obligations:				
10.00	Unobligated balance available, start of year	102,067	92,016	92,016
10.21	Recoveries of prior year unpaid obligations	29,834	0	0
10.29	Unobligated balance withdrawn	0	0	0
10.50	Unobligated balance (total)	131,901	92,016	92,016
New budget authority (gross), detail:				
Spending from offsetting collections:				
Discretionary				
17.00	Collected	396,717	491,248	523,412
17.01	Change in uncollected customer payments from Federal sources (unexpired)	-19,584	0	0
17.50	Spending authority from offsetting collections (total)	377,133	491,248	523,412
19.30	Total budgetary resources available	509,033	583,264	615,429
19.41	Unexpired unobligated balance, end of year	92,016	92,016	92,016
Change in obligated balances:				
3000	Unpaid obligations, brought forward, Oct 1 (gross)	125,671	93,033	42,945
3060	Uncollected pymts, Fed sources, brought forward, Oct 1	-96,081	-76,497	-76,497
3100	Obligated balance, start of year (net)	29,590	16,536	-33,552
3010	Obligations incurred, unexpired accounts	417,017	491,248	523,412
3020	Outlays (gross)	-419,821	-541,336	-565,303
3070	Change in uncollected pymts, Fed sources, unexpired	19,584	0	0
3040	Recoveries of prior year unpaid obligations, unexpired	-29,834	0	0
3050	Unpaid obligations, end of year (gross)	93,033	42,945	1,054
3090	Uncollected pymts, Fed sources, end of year	-76,497	-76,497	-76,497
3200	Obligated balance, end of year (net)	16,536	-33,552	-75,442
Outlays (gross), detail:				
40.00	Budget authority (gross)	377,133	491,248	523,412
40.10	Outlays from new discretionary authority	333,604	486,336	518,178
40.11	Outlays from discretionary balances	86,218	55,000	47,125
40.20	Total outlays (gross)	419,821	541,336	565,303
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
40.30	Federal sources	-394,606	-489,248	-521,412
40.33	Non-federal sources	-2,110	-2,000	-2,000
40.40	Offsets against gross budget authority and outlays (total)	-396,717	-491,248	-523,412
Against gross budget authority only:				
40.50	Change in uncollected customer payments from Federal sources (unexpired)	19,584	0	0
40.60	Additional offsets against budget authority only (total)	0	0	0
40.80	Outlays, net (discretionary)	23,105	50,088	41,891
41.90	Outlays, net (total)	23,105	50,088	41,891

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

OBJECT CLASSIFICATION
(In thousands of dollars)

Identification Code	FY 2012	FY 2013 CR	FY 2014
021-04-4520-0	ACTUAL	ANNUALIZED	REQUEST
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	\$18,859	\$23,104	\$23,683
11.2 Accrued leave	0	180	225
11.3 Other than full-time permanent	1,607	1,985	1,006
11.5 Other personnel compensation	252	461	386
11.8 Special personal services payments	0	0	0
11.9 Total personnel compensation	20,718	25,730	25,301
12.1 Civilian personnel benefits	5,677	6,841	7,063
13.0 Benefits for former personnel	2,464	2,000	2,000
21.0 Travel and transportation of persons	357	885	750
22.0 Transportation of things	243	527	578
23.1 Rental payments to GSA	7,255	9,077	9,926
23.3 Communications, utilities, and miscellaneous charges	15,827	14,058	14,523
24.0 Printing and reproduction	0	0	0
25.1 Advisory and assistance services	0	0	0
25.2 Other services	211	373	400
25.3 Other purchases of goods and services from Government accts.	102,702	104,444	109,196
25.4 Operation and maintenance of facilities	0	0	0
25.7 Operation and maintenance of equipment	6,948	12,679	14,040
26.0 Supplies and materials	248,751	305,673	330,135
31.0 Equipment	5,864	9,875	9,488
42.0 Insurance claims and indemnities	0	11	11
99.9 Total obligations	\$417,017	\$492,173	\$523,412

PERSONNEL SUMMARY

Identification Code	FY 2012	FY 2013 CR	FY 2014
021-04-4520-0	ACTUAL	ANNUALIZED	REQUEST
2001 Reimbursable civilian full-time equivalent employment	221.7	241	246

OFFICE OF THE SECRETARY OF TRANSPORTATION**IMMEDIATE TRANSPORTATION INVESTMENTS****What Is The Request and What Will We Get For the Funds?**

(\$000)				
ITEM	FY 2012 Actual	FY 2013 CR Annualized	FY 2014 Request	Difference from FY 2012 to FY 2014
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Other Costs	\$0	\$0	\$6,000,000	\$6,000,000
TOTAL	\$0	\$0	\$6,000,000	\$6,000,000

STAFFING

Direct Positions	0	0	0	0
Direct FTEs	0.00	0	0	0
Reimbursable Positions	0	0	0	0
Reimbursable FTEs	0.00	0	0	0

1/ One fourth of one percent of the available funds can be used for administrative expenses.

The FY 2014 budget includes \$50 billion of mandatory funding for immediate investments to support critical infrastructure projects, improving America's roads, bridges, transit systems, border crossings, railways and runways. Of this amount, \$4.0 billion is for Transportation Infrastructure Grants and Financing and \$2.0 billion is for Transportation Leadership Awards that would be administered by the Office of the Secretary of Transportation.

Detailed Justification for Immediate Transportation Investments (ITI)

What Is This Program?

The FY 2014 Immediate Transportation Investments (ITI) program provides \$50 billion to support critical infrastructure projects, improving Americas roads, bridges, transit systems, border crossings, railways, and runways. As part of this overall program, the FY 2014 ITI program would provide \$4 billion for Transportation Infrastructure Grants and Financing. Grants and credit assistance would be awarded on a competitive basis for projects across all surface transportation modes that would have a significant impact on the Nation, a metropolitan area, or a region. The Secretary would publish criteria on which to base competition for the grants and credit assistance within 90 days of enactment, with priority for distribution of funds given to projects expected to be completed within three years of the date of enactment of the funding.

In addition, the FY 2014 ITI program would provide \$2 billion for Transportation Leadership Awards. Grants would be awarded on a competitive basis for projects that would incentivize State departments of transportation, metropolitan planning organizations, tribal governments, and other transportation agencies to make the reforms necessary to institutionalize best practices and innovations in transportation policy. Of the \$2 billion for Transportation Leadership Awards funding, \$200 million would be provided to communities that include enhanced resilience to extreme weather and other impacts of climate change in their planning efforts, and that have proposed or are ready to break ground on infrastructure projects to improve resilience.

Why Is This Particular Program Necessary?

The Transportation Infrastructure Grants and Financing program would address the need to upgrade the U.S. transportation infrastructure, focusing on transportation investments that provide innovative approaches to moving people and goods. Competitive national programs such as this facilitate creative and innovative approaches at the State and local level and leverage substantial resources for major transportation investments. In addition, the Transportation Leadership Awards program would focus on reforming the way transportation investments and decisions are made and implemented to realize better performance outcomes and to integrate performance management into the budget and project selection process.

How Do You Know The Program Works?

Modeled after the successful Transportation Investment Generating Economic Recovery, or TIGER Discretionary Grant program, the Transportation Infrastructure Grants and Financing program has the ability to invest in the full range of surface transportation infrastructure options – highways, transit, rail and port facilities – to support solutions that no other program at the Department can offer.

The Transportation Leadership Awards program has the potential to reform the way transportation investments and decisions are made, implemented, and funded to achieve National transportation outcomes, including improved safety, economic competitiveness, livability, state of good repair,, environmental sustainability, and climate resilience. The competitive grant program is designed to incentivize the adoption of bold, innovative strategies and best practices in transportation planning, investments decision-making, management, and project delivery. Eligible applicants would have to demonstrate the capacity to fully implement proven strategies to further the Department's goals; strengthen collaboration among different levels of government; allocate funding to projects based on performance and outcomes; and encourage the development of a multimodal transportation system focused on connecting people to opportunities and goods to markets.

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

The Administration is proposing \$4 billion for the Transportation Infrastructure Grants and Financing program and \$2 billion for the Transportation Leadership Awards in FY 2014. The program will provide needed transportation infrastructure and reform, while spurring investment beyond the Federal government and the way transportation investments are made and implemented.

OFFICE OF THE SECRETARY OF TRANSPORTATION

IMMEDIATE TRANSPORTATION INVESTMENTS

Explanation of Funding Changes

(\$000)

ITEM	AMOUNT	FTEs
FY 2012 Actual	\$0	0.00
Increase of .612 percent enacted in P.L. 112-175	\$0	0.00
FY 2013 CR Annualized	\$0	0.00
<u>Adjustments to Base</u>		
Annualization of New Positions Requested in FY 2013	\$0	0.00
FY 2014 Pay Raise	\$0	0.00
GSA Rent	\$0	0.00
Working Capital Fund Changes	\$0	0.00
Inflation	\$0	0.00
FY 2013 Adjusted Base	\$0	0.00
<u>FY 2014 Program Changes (+/-):</u>		
Program Increase:		
Transportation Infrastructure Grants and Financing	\$4,000,000	
Transportation Leadership Awards	\$2,000,000	
Total, FY 2014 Request	\$6,000,000	0.00

**OFFICE OF THE UNDER SECRETARY OF TRANSPORTATION FOR POLICY
FY 2014 RD&T PROGRAM SUMMARY**

RD&T PROGRAM: Transportation Planning, Research and Development

AMOUNT REQUESTED FOR FY 2014: \$9.750 million

Projects

Objective:

Conduct research on transportation standards, technical aspects of industry proposals, and transportation industry indicators. Research and review of cost benefit analyst of policy.

Description:

The TPR&D program within the Office of the Under Secretary for Policy focuses on identifying improvements in transportation through new and innovative approaches to assisting the travelling public, mitigating adverse environmental effects, and lessening impacts to industry. The program fosters improvements in safety, technology and efficiency through research and studies. Once standards are developed and approved through the research conducted, the information is used to create policy and regulation for the transportation system.

Outputs:

The TPR&D program within the Office of the Under Secretary for Policy provides economic research reports to develop and refine departmental policy positions. RD&T studies also update the state-of-the-art on economic modeling of, and data for, the aviation industry, in support of the mission of the Office of Aviation and International Affairs.

RD&T Partners:

Partners include other operating administrations, especially the Office of the Assistant Secretary for Research and Technology, FAA, FHWA, FRA and FTA; the network of University Transportation Centers (UTCs), and other private and not-for-profit organizations that engage in transportation research, including the Transportation Research Board. The research promotes the economic competitiveness of the U.S. airline industry, benefiting the U.S. travelling public, and U.S. air carriers seeking access to foreign markets. The travelling public and emerging industry will benefit from research into High Speed Rail. The public also benefits from research to improve the safety of the transportation system and reducing adverse environmental impacts.

Economic Competitiveness Strategic Goal: (\$2,213,098 in contract/project development research)

Aviation Data Modernization: \$533,405

The Aviation Data Modernization Program will continue to provide the appropriate data required to administer statutorily mandated aviation programs. An updated methodology will enable analytical alignment with proposed reporting requirements under the Aviation Data Modernization program and the initiation of a la carte pricing by many carriers.

The program seeks to reduce the reporting burden on the airline industry (which also uses this data intensively in planning its business) while enhancing the quality, utility, and accessibility of the data. The collection of accurate data that is uniform for all markets is necessary in order to perform the cost/benefit analysis that is vital for wise spending of tax dollars.

The Department relies upon these data for its mandated responsibilities, including the review of antitrust immunity applications, airline mergers, Essential Air Services carrier selection orders, airline congestion claims, Small Community Air Service Development Program grant awards, and slot transfers.

The current system dates largely from the 1970s and needs to be updated to better address contemporary needs. The Department also conducted a detailed review of stakeholders' data needs through an Advance Notice of Proposed Rulemaking, subsequent research and dialogue with industry stakeholders, and a Notice of Proposed Rulemaking, which confirmed the importance of the Department's data modernization initiative.

Profit Essentials Software Support	\$73,730
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Consulting & Analysis Support (<i>optional</i>)	\$7,800
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Profit Essentials combines airline schedule data, airline demand data, and a series of historical statistical relationships on passenger choice to model airline services. Profit Essentials' numerous data inputs are not static; they necessarily change as the airline industry changes and as updated demand data becomes available. Profit Essentials uses numerous of data files that must be updated regularly by Sabre to ensure that the model's parameters keep up with changes in the airline industry. Airline schedule data is updated monthly. Demand data (containing price and quantity information) is updated quarterly. The model's factors (the statistical relationships used to determine how airline traffic is distributed across numerous competing alternatives) are also updated quarterly. Other essential support tables (e.g. the aircraft capacity table and minimum connecting times) are also updated on a recurring basis. We run Profit Essentials via a remote server hosted by Sabre. We also rely on Sabre for support when we are modeling novel scenarios.

The Office of Aviation Analysis relies extensively on the Profit Essentials Airline Network Analysis Model to evaluate airline schedule issues and to analyze airline codeshare and alliance agreements. Profit Essentials is mission-critical to the work of X-

50. The model has a broad range of applications for providing critical assessments of the evolving competitiveness of domestic and international aviation markets, rational economic bases for carrier selection decisions, and forecasts on the effects on competition of proposed mergers and alliances. Use of this model is critical to analysis required to support the Department's strategic policy to enhance competition and growth in domestic and international aviation. It is used for support in all divisions of The Office of Aviation Analysis (Essential Air Service and Small Community Air Service Development Programs, Competition and Policy Analysis, and the Air Carrier Fitness Division).

Consulting and Analysis support is an optional allocation for DOT to utilize Sabre delivery and consulting resources to assist in larger analysis and/or to provide guidance on specific business cases or projects being accomplished by the DOT. *If the DOT does not request the optional service, we will not be billed for the service.*

International Regulatory Cooperation and Research: \$125,000

This program continues prior outreach efforts to (a) unlock economic opportunities made possible by open-skies regimes to facilitate greater air service and (b) provide more effective access to global markets by U.S. airlines, passengers, and shippers. It will also foster a market- and commercial-oriented approach to the economic oversight activities of foreign aviation and competition authorities in countries critical to U.S. economic interests.

The Department also continues its ongoing economic dialogue ("ED") with the General Administration of Civil Aviation of China ("CAAC"). The ED, which began in 2007, consists of a series of meetings and information exchanges. Because CAAC does not participate in the Transportation Forum, the ED offers a direct connection to aviation policymakers and an opportunity for the Department to share important aviation competition tenets with those policymakers. In addition, the meetings provide a unique opportunity to receive briefings from Chinese regulators to better understand the existing and potential environment in which U.S. carriers compete.

The Department's request for FY 2014 would be used to continue the existing programs with India and China and initiate additional regulatory cooperation programs with two additional countries (one "mature" and one "emerging") that the Department and industry view as critical to the future of our country's global competitiveness.

Airline Alliance and Joint Venture Competition Research: \$110,000

In 2008, DOT and the European Commission (DG Competition) launched a new joint research project aimed at deepening their understanding of how alliances have affected competition in transatlantic markets and the potential impact of the new U.S.-EU Air Transport Open Skies Agreement that began in March 2008. This agreement, which, for the first time, allows EU and U.S. airlines to serve any route between Europe and the United States, calls for developing a common understanding of trends in the airline industry in order to promote compatible regulatory approaches in competition policy.

Air Carrier Fitness Case Management System: \$50,000

The Air Carrier Fitness Division (Fitness Division) analyzes and evaluates all applications for new economic authority to determine if applicants are “fit, willing, and able” to conduct commercial airline operations and are U.S. citizens as defined by statute. This involves analysis of the applicants’ managerial capabilities and experience, the financial resources available for the proposed operations, its service plan, and the ability of the management personnel to comply with U.S. laws, as well as the ownership of the applicant.

The Fitness Division also monitors on a regular basis the operations and financial conditions of all licensed U.S. airlines to ensure that they continue to be fit to hold their operating authority and to serve the U.S. public. The Fitness Division analysts work closely with the Department’s Office of Consumer Affairs which is responsible for monitoring compliance with the Department’s aviation economic, consumer protection, and civil rights requirements and the Federal Aviation Administration which is responsible for the safety oversight and licensing of U.S. airlines.

Currently, most case activities related to air carrier fitness are managed using Microsoft applications such as Word and Excel. The current volume of data maintained electronically is the equivalent to a text export of 1.3 gigabytes. Further, the Fitness Division continues to archive a large volume of historical data in hard copy form.

A case management system has broad uses for analysis and support for the Essential Air Service and Competition and Policy Analysis.

Women in Transportation: \$50,000

The project will (1) collect data to measure progress related to gender policy; (2) create a compendium of best practices so each Economy can learn and improve from each other (3) institutionalize regular dialogue in APEC on Women in Transportation in the Transportation Working Group of APEC; (4) hold a workshop to develop ways to mentor and educate young women (from the public and private sectors). While APEC will serve as the initial region of focus, if successful, it is anticipated this project will be replicated over various regions at a minimal incremental cost to the Department.

National Export Initiative: \$538,163

The Secretary of Transportation is a member of the Export Promotion Cabinet, which is tasked with doubling U.S. exports by 2014 as outlined under National Export Initiative (NEI). Several key country markets have been identified for intensified interagency focus under the NEI; China, Brazil and India are identified as top-tier country markets which can yield increased U.S. exports, especially in the infrastructure and transportation sector. Nine other priority markets are also highlighted for their U.S. export potential. China, Brazil, and India, share similar transportation-related challenges and have significant expertise in developing and maintaining large and complex transportation systems. These high-level forums will provide a formal mechanism under which our countries can maintain an ongoing dialog regarding how best to meet these challenges,

and will provide an opportunity to share best practices and work toward compatible regulatory frameworks, to our mutual economic benefit.

\$422,750 will be used to fund contractors to implement research studies on transportation sector characteristics and markets in key NEI countries with which we intend to establish or continue ongoing Transportation Forums or Partnerships. Contractors will be funded to implement studies on special transportation topics in support of multimodal bi-national working group objectives. For example, Intelligent Transportation Systems will clearly present a large market opportunity for U.S. exporters in these markets, given the large transportation infrastructure projects they are preparing to invest in. In some NEI countries, definitional studies will be required to consolidate information about the current state and understanding of ITS technology in these countries, identify obstacles to implementing the U.S. ITS protocol, create inventories of likely ITS requirements for each project. Such a definitional document would help position U.S. ITS vendors for these opportunities and to develop and appropriate Transportation Partnership agenda supporting these efforts. DOT has advocated successfully for U.S. vendors, for example, with other U.S. agencies, in support of a U.S. locomotive manufacturer in Turkey on a \$81 million transaction. However, better definition of technical barriers to market opportunities will enable DOT to more effectively support U.S. vendors in these key markets. Contractors will also provide support of biennial plenary technical meetings with each NEI country to be hosted in the United States. These annual plenary meetings will focus on the exchange of best practices and federal and private sector research and technology.

\$115,413 will support essential DOT participation in interim working group and plenary technical exchange meetings in partner countries, at which they will present and assess the results of joint studies and technical research.

China Transportation Forum (China TF)

In support of the National Export Initiative (NEI) and building upon the success of the U.S. – China Transportation Forum between the Department of Transportation (USDOT) and China's Ministry of Transport, USDOT will broaden and deepen its working relation with Chinese agencies with equities in transportation, which have a direct impact on the US transportation policies and exports. Under the TF, issue-specific working groups would be formed to focus on five or six transportation topics of mutual importance. As the TF develops, the working groups may change topics or composition to reflect changing modal issues or broader policy concerns. The working groups will collaborate throughout the year and report on their progress and findings at an annual high-level meeting that to ratify and direct the work between the USDOT and China's Ministry of Industry and Information Technology (MIIT), General Administration of Quality Inspection, Supervision and Quarantine (AQISQ), and Ministry of Railways (MOR). The annual TF Meeting will be held at either the Minister/Secretary or Vice Minister/Deputy Secretary level on the margins of the annual U.S. – China Strategic and Economic Dialogue (S&ED) meeting. Participation would also include state and municipal decision-makers (sub-national) and industry participation to afford companies and associations the

opportunity to meet and create productive partnerships, deepening commercial ties between the countries

Freight Planning to Support National Exports: \$240,000

National Export Initiative, initiated in 2010, set out to double U.S. exports by 2015. In support of that Initiative, the Department is expanding its analysis of the U.S. freight transportation network to examine how adequately that network supports the needs of U.S. exporters. Forecasts of likely export flows over the next 20 years have been conducted, and analyzing the freight transportation requirements necessary to support those flows. The adequacy of the highway system to meet those freight transportation requirements was also analyzed. This included an analysis of highway bottlenecks that were most likely to affect freight export movements. The next step is to focus analysis on rail and port infrastructure to assess requirements, capacity, bottlenecks, and capacity gaps in those areas. Conduct a detailed analysis of the effect of the expansion of the Panama Canal on freight transportation flows. Together, these studies constitute the beginning of an expanded effort to respond to repeated Congressional requests to develop a freight transportation strategic plan.

Additionally, the Department has established a Freight Policy Council to coordinate multimodal freight planning and research, and this initiative will be staffed by OST Policy. The recent transportation bill--Moving Ahead for Progress in the 21st Century, or MAP21-- reestablishes a national freight policy and calls for the creation of a National Freight Strategic Plan. DOT's Freight Policy Council will develop these and work on other key freight provisions in the legislation. Finally, DOT has announced the establishment of a National Freight Advisory Committee to provide recommendations aimed at improving the national freight transportation system. By engaging stakeholders representing diverse geographic, modal, and policy interests, such as safety, labor and the environment, the Advisory Committee will provide recommendations to the Secretary of Transportation on how DOT can improve its freight transportation policies and programs. OST Policy will support both the Freight Policy Council and the National Freight Advisory Committee with TRPD funds.

Related research will improve our ability to analyze the benefits of transportation infrastructure investments on reducing freight transportation costs. Freight transportation costs are complex, varying greatly with the nature of the commodity, the supply chain strategy of the shipper, and the spatial distribution of production, distribution, and retail centers. Complex modeling is needed to analyze the effects of a given transportation infrastructure investment on the costs of the varied carriers and their shippers who will make use of the infrastructure. .

International Transportation Forum: \$40,000

The International Transportation Forum (ITF) is the only international organization representing transportation interests across the world, and continues to expand to developed and developing member nations. The ITF was established by a European Conference of Ministers of Transport (ECMT) ministerial declaration in May 2006

within the legal framework of the ECMT Protocol signed in Brussels, Belgium in October 1953 to reflect the international nature of the transportation sector. Member and Associate Member countries of the ECMT are considered members of the ITF and participate in programmatic decisions such as work priorities and conference agenda. Members that provide financial contributions participate in financial decisions. The ITF is supported by work of the Organization of Economic Cooperation and Development (OECD)/ECMT Joint Transport Research Center (JTRC), an organization that the United States supports both programmatically and financially. DOT's Operating Administrations have benefited from participation in JTRC research projects ranging from improving highway pavement to congestion mitigation and motorcycle safety. The ITF has provided us the opportunity to cooperate in infrastructure financing, high speed rail, and the environment. ITF will contribute to a pool of fund managed by the ITF Secretariat which is used to develop a common transportation research agenda, to conduct the identified research program (through research contracts), and to present and assess the results of this research at the annual ITF meetings in Leipzig, Germany. Funds may be used to support ITF Secretariat costs, including staff, contractors, and logistics and meeting costs. (Note that the U.S. provides the smallest contribution to this pooled fund of any of the ITF members.)

Research on Improving Benefit-Cost Analysis: \$150,000

It is widely recognized, at both the federal and state levels of government, that better economic analysis of transportation infrastructure investment is essential to getting greater economic competitiveness outcomes from our transportation infrastructure investment resources. Promising initiatives have begun in the use of benefit-cost analysis (BCA) in support of competitive grant programs such as the National Infrastructure Investments (NII)/TIGER Grant and High-Speed and Intercity Passenger Rail programs. As a result of their experience in preparing BCAs as part of the process of applying for these programs, a growing numbers of states and local authorities are making greater use of BCA in their own transportation infrastructure investment decision-making. As they do so, they encounter the limitations of existing BCA methodologies. While some categories of benefits are readily estimated, others are not, including some which are critical to meeting federal, state, and local transportation policy objectives. Livability-related benefits remain a challenge to estimate accurately, and economic development related benefits of transportation infrastructure investment are difficult to estimate in a way that both captures the real benefits of these investments and that is consistent with accepted economic principles.

The Department's request for FY 2014 would be used to continue research initiated in FY2012 on improving the methodology of transportation benefit-cost analysis. Initial efforts have focused on livability-related benefits; subsequent efforts will focus more on economic development related benefits, including effects of transportation infrastructure investment on land use, trip lengths, agglomeration effects, and economic productivity. This analysis is particularly important in connection with surface passenger transportation investments, such as transit and high-speed rail, but also has important applications in analyzing freight-related investments.

“Best-Practices” Initiative for Implementing Open-Skies Aviation Agreements: \$120,000

Concurrent with the continuation of the Department’s highly successful Open-Skies initiative to liberalization the international aviation operating environment, the Department is seeking to make the legally available rights exercisable by airlines with the minimum necessary regulatory oversight and with necessary infrastructure being available on a fair and transparent basis. Broad-based international adherence to practices that streamline the process of exercising international operating rights will yield significant benefits to airlines, communities, consumers and the U.S. economy as marketing strategies, including new services and pricing initiatives, can be implemented more quickly in response to market demands.

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

Business Aviation Initiative: \$175,000

The general aviation industry is a growing and increasingly important segment of the international aviation community. New operating paradigms, such as “fractional” aircraft ownership programs, not only have made non-commercial aviation more accessible and affordable but also have raised issues about whether these operations continue to be “private” carriage. For this industry sector to reach and maintain its market potential, it is essential that it not be subjected to the international regulatory regime and market access constraints that apply to commercial operations. The flexibility to “fly anywhere anytime” is the cornerstone for this sector’s further development.

As general aviation becomes increasingly visible, particularly as an adjunct to the globalization of business in general, it is essential that international aviation regulators are sensitized to the economic importance of these services and their operational needs. Growth of this sector has the potential to yield benefits not only for user but also importantly for aircraft manufacturers. Many foreign authorities, particularly in the Asia-Pacific region are just starting to develop their approaches to this sector, and it is critical that these approaches recognize the full-range of general aviation operations as private carriage.

Building on the Department’s successes with Canada, Mexico, and Europe, the Department through this initiative would work under the auspices of APEC to develop a set of agreed core principles that would facilitate the development of this sector. The Department’s in-house expertise would be supplemented by contractor collection and

analysis of data in developing the economic case for the importance of the sector from both the user and manufacture perspectives. We anticipate that analytical support to create an inventory of current regulatory regimes and airport access criteria will provide an important underpinning for the proposed policy approach and help the Department to target specific countries for bilateral outreach in conjunction with the regional initiative through APEC. The requested funds would support both the contractor participation and staff travel associated with this initiative.

Environmental Sustainability Strategic Goal: (\$395,977 in contract research)

The OSEE environmental sustainability work to date has provided research and analytical support to the Department's senior management for many key Departmental and national initiatives, including environmental and energy aspects of NII/TIGER grant assessments, support for interagency policymaking in climate, energy, and alternative fuels, assessment of transportation impacts. Examples of OSEE research include preparing technical documents, writing the transportation chapter and providing additional support on the transportation system and climate impacts to support the National Assessment. To integrate climate adaptation, OSEE oversaw the preparation of DOT's climate adaptation action plan and is overseeing implementation. Research has been initiated on identifying non-CO2 GHG emissions by mode. Research will continue to support these administration initiatives.

Requested funding would advance research to support policy decisions and transportation response to emerging policies on climate change, alternative fuels and strategies to reduce transportation related pollution and impacts on the natural environment, making the transportation sector more environmentally sustainable. For additional technical transportation input to the National Assessment, OSEE will organize additional transportation stakeholder outreach and continue to serve as DOT's ex officio representative to the National Assessment's advisory committee. This research will assist DOT in attaining performance goals specified in the DOT Strategic and Performance Plans, especially the environmental sustainability goal of advancing policies and investments that reduce carbon and other harmful emissions from transportation sources.

This funding will support major White House initiatives:

- The Global Change Research Program is conducting a National Climate Assessment mandated by the Global Change Research Act. The Assessment is establishing an ongoing process for future assessments in order to meet climate change needs. DOT is playing a key role in supporting the National Assessment with respect to transportation.
- The Council on Environmental Quality is leading an interagency effort to integrate adaptation planning in all Federal agencies policies and programs. The work will support the DOT policy to incorporate climate change considerations into transportation programs and operations and assist state and local transportation agencies to evaluate risks and protect critical infrastructure.

This funding will support a major White House initiative on infrastructure project review. It will allow DOT to continue work on reducing time required to make decisions in permitting and review of surface transportation and aviation projects while improving environmental and community outcomes (EO 13604). The research would assist the DOT in improving environmental review processes, including performance metrics, technological improvements and other practices, and would provide needed data for required reports. The research would also support the government-wide initiative by providing tools for better integrating transportation and resource planning to enhance ecosystem-based planning and community enhancements. The funding will support continued research on reducing impact of transportation-related noise, air quality and water quality.

DOT actions to implement adaptation to climate are being coordinated through DOT's Center for Climate Change & Environmental Forecasting/Office of Climate Change directed to be established by the Energy Independence and Security Act of 2007 EISA. In support of both the National Climate Assessment, agency adaptation planning and climate mitigation, DOT's research program will identify methodological and data gaps and develop methods and tools to assist national, state and local transportation system and infrastructure operators in developing practical approaches to planning for and adapting to climate change and land subsidence. Efforts will need to be expanded on risk and vulnerability assessments to best inform such efforts.

DOT has a critical role because long-lived existing and planned infrastructure will be at risk from sea level rise, storm surge, extreme events, changing precipitation patterns and other climate change consequences. The strategy development will identify areas where work is needed to prepare for climate change impacts. Risk and vulnerability assessments will assist modal administrations and stakeholders in developing standardized approaches to incorporating climate change into departmental decision-making through environmental impact statements, cost-benefit risk analyses, and other funding approval and regulatory processes.

Research on Intermodalism: Improving Surface Connections:

The Office of Aviation Analysis participates on a Department-wide task force on intermodalism. The Task Force identifies steps that can be taken at the Federal level to ensure more effective planning and coordination of intermodal projects. The staff-level working group is focusing on two areas: (1) improving planning around transit stations, which was conceived as part of the Department's livability and high-speed rail initiatives, and (2) improving surface connections to airports, which was conceived as a follow-up item to the Future of Aviation Advisory Committee. This program will help U.S. airlines and the diverse customers they serve across all segments of the economy by improving access to U.S. airports, which are gateways to the global economy and economic development centers in their own right. The Department's efforts to coordinate its own separate programs, and to provide leadership for States and localities in multi-modal planning, are important to ensure that the large amounts of Federal funds spent on infrastructure are working towards compatible purposes.

OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY FY 2014 RD&T PROGRAM SUMMARY

ALTERNATIVE FUELS RESEARCH

AMOUNT REQUESTED FOR FY 2014: \$499,000

Objective: To leverage funds across DOT to address the impacts of alternative fuels on our nation's transportation systems, and to ensure the safe and efficient deployment of these fuels.

Description: The program is the only intermodal, multidisciplinary program assessing alternative fuels' impacts on our nation's transportation systems, and working to ensure these fuels' safe and efficient deployment. It supports the activities of the DOT's Alternative Fuels Working Group, an expert panel of modal researchers that competitively allocate these funds to intermodal and multimodal projects advancing the state of knowledge in this important area. The funding also supports stakeholder needs in alternative fuels as part of the Administration's strategic goal of environmental sustainability. Without the program's seed money, Office of the Assistant Secretary for Research and Technology's ability to lead on these important topics by leveraging would be lost.

Outputs:

- Outcomes that will advance the state of alternative fuel technologies and applications, such as patents and technology demonstrations.
- Increased scientific knowledge through publications and citations.
- Effective and timely development of safety standards, rules and regulations.
- Better adaptation and/or application to transportation of long-term enabling research performed by other Federal agencies, including the Department of Energy, the National Science Foundation, and the National Biomass R&D Board.

RD&T Partners:

- DOT Operating Administrations.
- DOT-funded researchers including Office of the Assistant Secretary for Research and Technology University Transportation Centers and FAA Centers of Excellence.
- External stakeholders including other federal agencies, the Transportation Research Board and its hundreds of committees, TRB cooperative research programs, and the Association of State Highway and Transportation Officials Research Advisory Committee.

FY 2014 Funding: \$499,000

RD&T Strategies:

- Improve DOT's ability to meet Administration goals on alternative fuels development and deployment.
- Improve DOT's ability to meet Administration goals on mitigating climate change impacts through peer-reviewed funding awards.
- Fund research to enhance the use of alternative fuels.

RESEARCH, DEVELOPMENT & TECHNOLOGY COORDINATION

AMOUNT REQUESTED FOR FY 2014: \$509,000

Project: *Planning and Coordination*

Objective: Coordinate, facilitate and review the Department's investment in research, development and technology (RD&T).

Description: This program promotes coordination and collaboration for the Department's RD&T programs through the RD&T Planning Council and RD&T Planning Team. These groups are convened at the Assistant Secretary and Deputy Assistant Secretary levels, respectively, to provide a forum for inter-agency crossmodal coordination. This program manages and coordinates the strategic planning and execution process for transportation RD&T across the Department. It promotes excellence in research management, developing guidance on peer review processes and research ethics, and increases DOT participation in initiatives of the Office of Science and Technology Policy (OSTP)/National Science and Technology Council (NSTC).

Outputs:

- Monthly RD&T Planning Team meetings.
- Semi-annual RD&T Planning Council meetings.
- Implementation of the five-year USDOT RD&T Strategic Plan.
- RD&T section V budget guidance
- Annual analysis of the Department's RD&T budget to ensure alignment with the Secretary's priorities, the USDOT Strategic Plan and the President's budget.
- Annual Departmental RD&T Program Reviews.
- Annual US DOT RD&T Funding Report to Congress.
- USDOT representative to the International Transport Forum's Joint Transport Research Committee (ITF/JTRC)

RD&T Partners:

- DOT Operating Administrations.
- Stakeholders including the Transportation Research Board (TRB) and its hundreds of committees, TRB cooperative research programs, the Association of State Highway and Transportation Officials Research Advisory Committee, academic institutions, state DOTs, transit authorities, local, regional and state planning entities, local, state and regional governmental entities, and the private sector including the owners and operators of transportation infrastructure.

FY 2014 Funding: \$334,000

RD&T Strategies:

- Improve the transparency, accountability and coordination of DOT's RD&T investments.
- Increase as well as leverage intermodal RD&T activities across the Department and among DOT-funded researchers and other stakeholders.
- Fund small, time critical research projects.

Project: *USDOT Research Hub*

Objective: To provide the information needed to foster research coordination and collaboration, promote excellence in research management, and increase RD&T transparency within the Department and with stakeholders.

Description: This project consists of a web-based, publicly-available central repository of RD&T project records obtained from each modal administration (provided online at www.rita.dot.gov/researchhub). The database supports research coordination by providing project-level access to DOT's extensive RD&T portfolio, ensuring transparency and leveraging opportunities for cross-agency collaboration. The database is used by RITA staff to develop reports on pertinent research topics, and to identify gaps and duplication in ongoing research activities across the Department. Beneficiaries include DOT staff, transportation research program managers and researchers, external stakeholders, transportation system managers and users, OMB, and Congress. FY14 funds will be used to maintain up-to-date database content, add new information on research implementation, and upgrade the web interface to enhance ease of use and search capabilities.

Outputs:

- Increased leveraging of knowledge, funds and products that come from the expenditure of DOT RD&T investments.
- Tracking of DOT RD&T spending and types of research investments.
- Use of the database to identify research gaps, overlaps, and potential synergies, and to answer inquiries on DOT RD&T activities.

RD&T Partners:

- DOT Operating Administrations.
- DOT-funded researchers including the Office of the Assistant Secretary for Research and Technology's University Transportation Centers and FAA Centers of Excellence.
- Stakeholders including the Transportation Research Board and its hundreds of committees, TRB cooperative research programs, the Association of State Highway and Transportation Officials Research Advisory Committee, academic institutions, State DOTs, transit authorities, local, regional and state planning entities, local, state and regional governmental entities, and the private sector including the owners and operators of transportation infrastructure.

FY 2014 Funding: \$100,000

RD&T Strategies:

- Improve the transparency and accountability of DOT's RD&T investments.
- Increase and leverage intermodal RD&T activities among the modes and among DOT-funded researchers and other stakeholders

Project: *Technology Transfer*

Objective: To promote excellence in research management and impact by more effectively transferring information and results from science and technology findings to potential users for application in the public domain. The program also supports Office of the Assistant Secretary for Research and Technology overall RD&T coordination mission.

Description: Technology Transfer is the process the Federal Government uses for its research to become known and used by transferring scientific information (technologies) to stakeholders and users who may further develop it for public or private needs. It includes various elements of transferring technologies and augments the Department's marketing and deployment of Technology Transfer. This program ensures the full use of the Department's investment in research and development, and it protects intellectual property through securing patents and issuing licenses (where applicable) that facilitate commercialization of these technologies.

Outputs:

- Establish a cross-modal technology transfer team and respond to the Presidential Memorandum on Accelerating Technology Transfer and Commercialization of Federal Research in Support of High-Growth Businesses.
- Number of executed agreements with government and non-government partners.
- Number of projects, studies and other outputs shared with federal partners and external stakeholders.

RD&T Partners:

- DOT Operating Administrations.
- DOT-funded researchers including Office of the Assistant Secretary for Research and Technology's University Transportation Centers.
- Stakeholders including the Transportation Research Board and its hundreds of committees, TRB cooperative research programs, the Association of State Highway and Transportation Officials Research Advisory Committee, academic institutions, State DOTs, transit authorities, local, regional and state planning entities, local, state and regional governmental entities, and the private sector including the owners and operators of transportation infrastructure.

FY 2014 Funding: \$50,000

RD&T Strategies:

- Improve the transparency and accountability of DOT's RD&T investments.
- Increase awareness about DOT's technology transfer activities among the modes, DOT-funded researchers and other stakeholders.
- Increase awareness of availability of technologies for application with potential users.

Project: *Education and Outreach*

Objective: To provide the information needed to promote excellence in DOT research management and to increase transparency within the Department and with stakeholders.

Description: This project strengthens existing public-private technology partnerships and promotes new collaborations through expanded educational opportunities such as seminars, workshops, and newsletters increasing Departmental and stakeholder awareness of the RD&T Coordination program's various activities. This project also broadens stakeholder and public awareness of Departmental research priorities and opportunities to transfer research results and emerging technologies.

Outputs:

- A communications plan and approach that:
 - Reviews and supports dissemination of current publications of DOT-funded university research.
 - Sponsors seminar and lecture activities on DOT-funded research pursuits and in critical topics of interest.
 - Maintains web sites, and other public communications efforts.
 - Explores the resources devoted to outreach activities by other program offices, specifically the Department's ITS Joint Program Office, and pursues effective coordinated approaches.
 - Provides technical support to RD&T program managers.
 - Recommends strategic improvements to these activities to further enhance Office of the Assistant Secretary for Research and Technology ability to execute their mission.

RD&T Partners:

- DOT Operating Administrations.
- DOT-funded researchers including Office of the Assistant Secretary for Research and Technology's University Transportation Centers and FAA Centers of Excellence.
- Stakeholders including the Transportation Research Board and its hundreds of committees, TRB cooperative research programs, the Association of State Highway and Transportation Officials Research Advisory Committee, academic institutions, State DOTs, transit authorities, local, regional and state planning entities, local, state and regional governmental entities, and the private sector including the owners and operators of transportation infrastructure.

FY 2014 Funding: \$25,000

RD&T Strategy(ies):

- Improve the transparency and accountability of DOT's RD&T Investments.
- Increase and leverage intermodal RD&T activities and knowledge among the modes and among DOT-funded researchers and other stakeholders.
- Increase knowledge transfer through multiple approaches and use of Web 2.0 technologies.

POSITIONING, NAVIGATION, AND TIMING

AMOUNT REQUESTED FOR FY 2014: \$1,610,000

Objective: To serve as the lead for Positioning, Navigation, and Timing (PNT) requirements, architecture development, and GPS acquisition, development, and operations for all United States Government civil departments and agencies.

Description: The PNT program coordinates DOT PNT technology, policy, and spectrum management, as well as provides civil PNT systems analysis which is critical to intermodal transportation applications in support of the DOT Safety and Environmental Sustainability Strategic Goals.

RITA serves as the civil lead of the National PNT Architecture effort, a cross-modal interagency effort, to guide future PNT system-of-systems investment and implementation decisions.

Outputs:

- Federal Radionavigation Plan in conjunction with DoD and DHS
- DOT Biennial Spectrum Plan
- Spectrum interference standards for systems operating in the band adjacent to GPS
- Civil PNT Requirements Document
- Coordinated analysis based on National PNT Architecture Implementation Plan
- Updates to National PNT Architecture
- Summary Record of Civil GPS Service Interface Committee (CGSIC) meetings
- Oversight of GPS III and Next Generation GPS Operational Control Segment to meet civil requirements

RD&T Partners:

- DOT Operating Administrations
- Department of Defense
- Department of Homeland Security
- Civil government agency PNT stakeholders
- External stakeholders including other federal agencies, the Transportation Research Board and its hundreds of committees, TRB cooperative research programs, as well as the Association of State Highway and Transportation Officials Research Advisory Committee.

FY 2014 Funding: \$1,610,000

RD&T Strategy(ies):

Through participation in the National PNT Architecture effort, DOT can leverage work conducted by the Department of Defense (DoD) in the development of new PNT capabilities and explore technology transfer to civil applications. This effort is important to mitigate the growing vulnerability of GPS to jamming and potential spoofing of the signal and increase resiliency of critical infrastructure that uses GPS. Conduct a GPS Spectrum Adjacent Band Compatibility Assessment to ensure that adjacent radiofrequency bands to GPS contain compatible signals and services that will not interfere with GPS. This assessment is in response to work conducted in

2011 to evaluate a proposal by LightSquared LLC to deploy a wireless broadband service in the radiofrequency band adjacent to GPS which demonstrated widespread interference to GPS.

INTELLIGENT TRANSPORTATION SYSTEMS PROGRAM SUMMARIES

RESEARCH

AMOUNT REQUESTED FOR FY 2014: \$79,590,000

Objective: To carry out multi-modal, short-term intermodal, and exploratory research administered as a collaborative partnership between the ITS Joint Program Office (JPO) and modal administrations.

Description: The ITS Research Strategic Plan includes the following multi-year research activities:

- **Vehicle-to-Vehicle (V2V) Communications for Safety:** This research will investigate key questions such as “are vehicle based safety applications using V2V communications for crash avoidance applications effective?” The research will determine whether regulatory action by the National Highway Traffic Safety Administration is warranted to speed the adoption of these safety capabilities for heavy vehicles.
- **Vehicle-to-Infrastructure (V2I) Communications for Safety:** This research will investigate the use of smart infrastructure to support warning drivers of road hazards such as intersection collision warnings, slippery road surfaces, curved speed warnings, and other conditions that present hazards to drivers. The purpose is to accelerate the next generation of safety applications through widespread adoption of V2I communications to reduce crashes, injuries, and fatalities.
- **Real-Time Data Capture and Management:** This research will assess what traffic, transit and freight data are available today from various sources, and consider how to integrate data from vehicles acting as “probes” in the system. The goal is to accelerate the adoption of transportation management systems that can be operated in the safest, most efficient and most environmentally friendly way possible.
- **Dynamic Mobility Applications:** This research will examine the use of multiple data types including road weather data, arterial and highway traffic conditions, transit vehicle arrival and departure times, real time navigation routing, construction zones, and incidents from multiple sources and technologies to help people and goods effortlessly transfer from one mode of travel (car, bus, truck, train, etc.) or route to another for the fastest and most environmentally-friendly trip possible. The research seeks to make cross-modal travel possible for people and goods, and enable agencies and companies to optimize the management of their systems.
- **Applications for the Environment: Real-Time Information Synthesis (AERIS):** This research will explore how vehicle data can be combined with environmental data. The goal is to provide transportation managers with the capability to manage the transportation network while accounting for environmental impact.
- **Human Factors:** Additional technology in vehicles may have the potential to overload drivers and increase safety risks. The human factors research will examine the effect of in-vehicle devices to minimize or eliminate distraction risks.

- **Short-term Intermodal Research:** This research program includes active traffic management, international border crossing, smart roadside infrastructure, commercial vehicle efficiency, electronic payment, and maritime applications.
- **Exploratory Research:** This research program includes safety research for rail, technology scanning, and initial work on automated vehicle research.
- **Cross-Cutting Activities:** This program includes architecture, standards, professional capacity building, technology transfer, and evaluation.

Outputs:

- Large scale demonstration of cross modal V2V and V2I safety applications (cars, trucks, buses) to support the Department's regulatory process.
- Requirements for V2V and V2I safety applications.
- Human factors research to guide the implementation of crash avoidance technology in a manner that is safe and non-distracting.
- Connected vehicle-based mobility applications providing a connected, data-rich travel environment. Demonstration of the use of real time data for enhanced mobility, efficiency, and environmental sustainability.
- Innovative use of exploratory research through broad non-traditional exposure to the public and research communities.
- Integrated Departmental program plan and road map for automated vehicle research.

ITS Partners:

- Federal Highway Administration (FHWA)
- Federal Motor Carrier Safety Administration (FMCSA)
- Federal Railroad Administration (FRA)
- Federal Transit Administration (FTA)
- Maritime Administration (MARAD)
- National Highway Traffic Safety Administration (NHTSA)
- Pipelines Hazardous Materials Safety Administration (PHMSA)
- Automotive manufacturers
- Academia
- State and local transportation agencies
- ITS industry

FY 2014 Funding: \$79,590,000

ITS Strategy(ies): Pursue the capabilities of wireless technologies to make transportation safer, smarter, greener and, ultimately, enhance livability for Americans, is encapsulated in research for establishing connectivity among vehicles and the infrastructure through advanced wireless communications. The research is aimed towards achieving a deployable system in which vehicles of all types (automobiles, trucks, motor coaches, transit vehicles, and other fleets), infrastructure, and mobile devices can interact through secure communications to optimize the transportation system.

TECHNOLOGY TRANSFER

AMOUNT REQUESTED FOR FY 2014: \$15,410,000

Objective: To conduct multi-modal, short-term intermodal, and exploratory research administered as a collaborative partnership between the ITS Joint Program Office (JPO) and modal administrations.

Description: The ITS Technology Transfer and Evaluation area consists of professional capacity building, ITS deployment evaluation, standards, and architecture. Professional capacity building involves the training of transportation professionals on the acquisition, use, and maintenance of ITS technologies in the transportation field. Professional capacity building is conducted and delivered through a number of mechanisms to include: seminars, webinars, workshops, online training, and classroom training.

Evaluations of ITS research progress are critical to ensuring progress toward the vision of integrated intelligent transportation systems. Evaluations are also critical to an understanding of the value, effectiveness, and impacts of the ITS Program activities as a whole and to allow for the continual refinement of the ITS Program's strategy. Each ITS research element incorporates evaluation into the program design.

Outputs:

- Approved internationally harmonized industry standards for V2V and V2I safety applications
- Multi-modal ITS training programs for transportation professionals
- Independent evaluations of ITS Program research activities.
- ITS Deployment Tracking surveys and analysis.
- ITS Deployment Evaluation — Planning for, conducting, and reporting on evaluations of deployments conducted outside of the ITS Research Program.
- ITS Program evaluation for conducting and reporting on the overall effectiveness of the ITS Program.
- Knowledge Transfer — Reporting research, deployment, and program evaluation results and implications to stakeholders both internal and external to ITS. Identifying and applying Knowledge Transfer "best practices," including user-friendly media and formats, user skill-building efforts, application demonstrations, etc., to encourage and facilitate deployment. Establish methods to incentivize ITS Deployment.

ITS Partners:

- AASHTO
- SAE
- IEEE
- ITE
- APTA
- ITSA
- CVTA
- Academia

- Private industry
- Training organizations

FY 2014 Funding: \$15,410,000

ITS Strategy(ies):

- Apply, refine, and test ITS standards required to support V2V and V2I safety applications and other ITS deployments.
- Add to the successful, on-line ITS Benefits, ITS Costs, and ITS Lessons Learned databases, and augment the ITS Deployment statistics with results from the 2013 survey. Fund further updating and testing of other standards, including those covering infrastructure, vehicle, transit, and motor carrier, and other ITS technologies.
- Develop and maintain a National ITS Architecture that provides a definitive and consistent framework to guide the planning and deployment of ITS technologies across jurisdictions and regions to ensure interoperability across all 50 states and across the Canadian and Mexican borders.
- Provide deployment support and incentives for public agencies to assist with development, maintenance, and improvement of their regional ITS architectures.

ITS PROGRAM SUPPORT

AMOUNT REQUESTED FOR FY 2014: \$5,000,000

Objective: To provide administrative and technical support and management oversight and accountability within the program to ensure research investments maximize benefits to the public.

Description: The program support function provides the support necessary to meet program requirements and tracks all ITS expenditures, invoices, milestones, deliverables, and overall progress and performance of ITS research projects.

In order to provide the ITS-JPO Program Managers the programmatic support needed to accomplish their work activities effectively and with high quality, an Enterprise Program Management Office (EPMO) was established. The EPMO provides technical and project management assistance and thought leadership in: identifying, and defining programmatic research outcomes and measures; developing and implementing project management processes and documentation to enable uniform collection and analysis of performance data; and providing management recommendations based on the data collected.

ITS Program Support includes technical and administrative support to carry out the program and requirements such as the ITS Advisory Council; Strategic Plan Development; and International Agreements.

Outputs:

- An online, centralized Automated Tracking System (ATS) to provide real time project monitoring of over 5 different internal management databases to all ITS staff.
- Monthly status reports on all project status.
- ITS Advisory Council Report.
- DSRC Study Report.
- ITS Deployment Incentive Plan.

ITS Partners:

- DOT modal administrations

FY 2014 Funding: \$5,000,000

ITS Strategy(ies):

- Apply an enterprise management methodology for all ITS research investments
- Utilize formal risk management techniques to measure, monitor, and control programmatic risks with a continuous improvement process.
- Meet reporting and regulatory requirements as identified in MAP21.

**Transparency Paper:
Total Program Resources for
Office of the Assistant Secretary for Administration
and
Office of the Chief Information Officer**

The information contained in this Transparency Paper identifies the amount of funding received and requested by the Office of the Chief Information Officer and the Office of the Assistant Secretary for Administration from direct appropriations, and the amount of funding for those two offices from WCF reimbursements; a clear description of the WCF work that is completed under the appropriations cap, exempt from the cap, and completed under reimbursable agreements; and full supporting information for any request to modify the WCF appropriations language.

INTRODUCTION

The Working Capital Fund (WCF) was authorized under the Department of Transportation (DOT) Act, Public Law 89-670, enacted October 15, 1966, to provide technical and administrative services that allow the DOT Operating Administrations (OAs) to focus on core missions while reducing costs by consolidating administrative management structures. The WCF is funded through negotiated agreements with its customers. The WCF is an intra-governmental revolving fund established in order to finance a cycle of operations in which the customers reimburse the costs of goods and services received. Costs reimbursed by customers include direct and indirect costs including accrued annual leave and capital asset depreciation. To extend efficiencies and to increase economies of scale, the WCF also services customers outside of the DOT. These Non DOT customers include the Department of Homeland Security, specifically Coast Guard and Transportation Security Administration, and more than 100 agencies nationwide, including the House of Representatives, that use the WCF to manage transit benefits to their employees.

The WCF, through the Office of the Assistant Secretary for Administration (OASA) and the Office of the Chief Information Officer (OCIO), provides a wide range of technical and administrative services, including personnel operations and systems, facilities management, parking management, transit benefit programs, printing and graphics, mail operation, library and dockets management operations, building security, IT security and infrastructure, telecommunications, and procurement and acquisitions services. The fund's services are delivered to customers through an organizational structure of individual business lines providing related services or products. This consolidation of services allows the WCF to achieve economies of scale, eliminate redundancies, promote consistency in service, and reduce administrative costs across the Department.

The WCF is a fee-for-service operation which normally receives no direct appropriations. Instead, the WCF is a fully self-sustaining organization and must achieve full cost recovery which includes an equitable distribution of overhead and indirect costs. During the budget formulation stage, the WCF provides cost estimates to the WCF customers based on historical data and projected demand and service levels. During the year of execution, customers are billed for actual use of common services.

A WCF Steering Committee (Committee) was established in fiscal year (FY) 2003 to facilitate shared accountability by both WCF and the operating administrations, and ensure a transparent and effective working environment that invites everyone involved to operate with shared responsibilities. The Committee ensures common goods and services are provided in the most cost effective and efficient manner. The Committee is comprised of Associate Administrators of Administration and Chief Financial Officers/Budget Officers from each OA. Specific functions and activities of the Committee include: recommending goods and services that comprise the WCF; approving all WCF funding levels for each service; evaluating the WCF performance in meeting service plans; ensuring that systematic measures of performance against approved service plans are in place; and evaluating and approving capital asset purchases in excess of \$50,000.

The Office of the Assistant Secretary for Administration administers funds for the Working Capital Fund, receives appropriations for Salaries and Expenses for non-WCF functions, and administers a Reimbursable Program. The Office of the Chief Information Officer provides IT services, technical management, and business support through the WCF. The OCIO also receives Salaries and Expenses and a Cyber Security Initiatives appropriations.

The following table shows the breakout of funds for both offices.

TOTAL OBLIGATIONAL AUTHORITY BY OFFICE

(In thousands of dollars)

	FY 2012 <u>Enacted</u>	FY 2013 <u>Estimate</u>	FY 2014 <u>Request</u>	Difference from FY 2013 <u>Estimate</u>
Assistant Secretary for Administration				
Salaries and Expenses	25,469	25,625	27,468	1,843
Working Capital Fund				
DOT	103,775	104,977	113,773	8,796
NON-DOT	341,380	318,504	339,872	21,368
Reimbursable	1,412	1,598	1,762	164
TOTAL	472,036	450,704	482,875	32,171
Chief Information Officer				
Salaries and Expenses	14,988	15,080	16,560	1,480
Cyber Security Initiatives	10,000	10,061	6,000	(4,061)
WCF DOT Activities	68,225	68,076	69,157	1,081
WCF NON-DOT Activities	586	616	610	(6)
TOTAL	93,799	93,833	92,327	(1,506)

Major Responsibility
Source of Funds
FY 2014 Request (in thousands)

Office of the Assistant Secretary for Administration Overview:

The Assistant Secretary for Administration is the policy and operations leader and principal advisor to the Secretary of Transportation on Department-wide and Office of the Secretary administrative functions. The Assistant Secretary serves as the:

- Department's Chief Human Capital Officer and provides leadership on all matters associated with the Chief Human Capital Officers Act of 2002. In this role, oversees the planning, implementation, reporting, and evaluation of personnel policies, programs, operating procedures, and systems that support DOT strategic objectives and performance goals.
- Deputy Chief Acquisition Officer for DOT (49 CFR §1.59(a) (6)). Formulates departmental policy, controls and standards to ensure that procurement and financial assistance management programs are in accord with applicable laws, regulations, and good business practices to meet departmental missions in support of the national transportation system.

The Assistant Secretary also delivers administrative services to DOT and Non-DOT customers through the WCF operations and ensures administrative support services are responsive to OST customer requirements and DOT strategic policy direction.

For FY 2014, the Office of the Assistant Secretary for Administration will administer three sources of funding in performing its various roles in support of the DOT. Each funding stream is maintained and reported independently. OASA funding directly tracks to the OASA three areas of responsibility:

- Annually appropriated Salaries and Expenses (S&E) for carrying out human resources and procurement policy, security management and follow-up, promoting environmental strategies and technologies, and resolution of Government Accountability Office and Inspector General audit reviews of department programs, including preparation of required reports.
- Reimbursable funding for providing formal Administrative Procedure Act (APA) hearings to DOT operating administrations.
- Working Capital Fund cost reimbursements for providing and supporting Department-wide core administrative, security and facilities functions such as executive and political personnel operations, building security, and facilities management.

Specific breakdown of the uses of these funds follows.

FY 2014
(\$000)

Assistant Secretary for Administration - Salaries and Expenses \$27,468

The OASA provides oversight and leadership for major programs such as acquisition reform, human capital planning and recruitment, sustainable operations and environmental compliance, physical and facility security policy outreach and oversight, and emergency preparedness. This program also administers the resources to pay for consolidated rent payments to GSA and OST payments to the Working Capital Fund.

The Assistant Secretary for Administration serves as the principal advisor to the Secretary and Deputy Secretary on Department-wide administrative matters. The Assistant Secretary is the Department’s Chief Human Capital Officer (CHCO), with statutory responsibility for developing and reviewing policies and programs to ensure that high-quality, diverse talent is both continuously available and properly deployed to support DOT objectives. Reforms mandated by the Service Acquisition Reform Act (P.L. 108-16) and the Energy Policy (E.O. 13514) have also significantly enlarged the responsibilities of the Assistant Secretary, who is the Deputy Chief Acquisition Officer. In that capacity, the OASA formulates departmental policy, controls, and standards to ensure that procurement and financial assistance programs are in accord with applicable laws, regulations, and good business practices. Under the authority delegated by the Secretary, the Assistant Secretary carries out the responsibilities of the Competitive Sourcing Officer as specified in OMB Circular A-76, Performance of Commercial Activities. The Assistant Secretary is also the senior departmental security executive and provides leadership and direction to departmental organizations to ensure the safety, security, and protection of DOT personnel, information, facilities, and other assets.

Assistant Secretary for Administration - Working Capital Fund \$453,645

DOT: \$113,773
NON-DOT: \$339,872

The Working Capital Fund (WCF) provides Departmental services in human resources, security, acquisition and grants, information services, transportation and facilities, and space management. In the transit benefits area, the WCF manages the program for over 100 agencies nationwide. These services include financial management of DOT’s WCF.

The DOT’s WCF provides an array of services in support of the Department’s Office of the Secretary and Operating Administrations. The WCF is a full cost recovery, fee-for-service organization that normally receives no directly appropriated funds, but recovers costs through cost reimbursable and interagency service level agreements. The WCF has an obligation ceiling set by Congress which limits the amount of business the WCF may do for the Department that fiscal year.

Assistant Secretary for Administration - Reimbursable Program

Office of Hearings

\$1,762

The Office of Hearings is located in the Office of the Assistant Secretary for Administration in order to separate the Office from all investigatory and prosecution functions. The Office of Hearings is composed of administrative law judges, who hold hearings under the Administrative Procedure Act (5 U.S.C. § 551 et seq.) (APA) for the Department's Office of the Secretary (primarily in aviation matters) and the Department's component modal administrations that need formal APA hearings, including the Federal Aviation Administration, Federal Motor Carrier Safety Administration, and the Pipeline and Hazardous Materials Safety Administration.

Office of the Chief Information Officer Overview:

The Department of Transportation Chief Information Officer (DOT CIO) is the principal information technology (IT) and cyber security advisor to the Secretary. In this strategic departmental role, the CIO provides leadership on all matters associated with the Department's \$3.5 billion IT portfolio. This includes security, investment management, and improvements in the delivery of services to the American taxpayer through electronic government initiatives.

The DOT OCIO also supports the CIO function for Office of the Secretary. Similar to the role of an operating administration CIO, the OST CIO ensures that IT needs of OST employees are met and sound investment decisions are made, consistent with mission and business requirements of the DOT CIO. Funding is included in this request to address the CIO's strategic departmental, OST and infrastructure roles.

The DOT CIO delivers IT services to DOT customers through the operation of an IT infrastructure that includes e-mail services, a backbone network, and help desk support. Historically, operating administrations contract with the CIO for services and reimburse the CIO for the cost of those services. The WCF is the reimbursement mechanism for these services.

DOT CIO Managed Resources Overview:

For FY 2014, the Office of the Chief Information Officer (OCIO) will administer three sources of funding in performing its various roles in support of the DOT. Each funding stream is maintained and reported independently. OCIO funding directly tracks to the CIO's three areas of responsibility:

- Annually appropriated Salaries and Expenses (S&E) for carrying out IT policy, security and other mandates, guidance, monitoring and reporting; and
- WCF cost reimbursements for providing and supporting Department-wide core IT functions, such as information assurance and support, voice, cable and wireless, campus area network (CAN), desktop services, and server and messaging services.
- A Cyber Security Initiatives appropriation to properly build out and maintain a more secure Wide Area Network (WAN) for the US Department of Transportation, building on and continuing the accomplishments achieved with the FY 2013 Cyber Security Initiatives appropriation.

A specific breakdown of the uses of this funding request follows.

FY 2014
(\$000)

Office of the Chief Information Officer - Salaries and Expenses \$16,560

The OCIO annual Salaries and Expenses appropriation provides pay, compensation and benefits for the Department's CIO, and Deputy CIO and Chief Technology Officer, the CIO for OST, as well as technical and administrative government staff. Annual OCIO S&E funding provides resources necessary for the CIO to meet responsibilities to the Department as well as other Executive and Legislative Branch requirements, and for improving practices in the design, modernization, use, sharing, and performance of information resources. The CIO develops recommendations for information technology management policies, procedures, and standards and leads e-government projects to improve service delivery, and foster the effective use of IT communication technologies to enhance business activities performance.

Cyber Security Initiatives \$ 9,468

The DOT OCIO is requesting \$9.468 million of cyber security funding for FY 2014. A major focus of the FY 2014 Cyber Security Initiatives request will be for necessary upgrades to the wide area network and information technology, building on and continuing accomplishments achieved in FYs 2012 and 2013. The funding will position DOT to address evolving risks in cyber security by expanding and strengthening the environment that will properly align the WAN and existing Campus Area Network (CAN). The appropriation will provide funding to continue upgrades for the WAN to strengthen cyber security, replacing failing pieces of the existing infrastructure, and properly implementing infrastructure components to support critical federal initiatives, including Trusted Internet Connection (TIC), Domain Name System Security Extensions (DNSSEC), and Compliance Monitoring. The end goal is to implement an adequate WAN to shift the Department from a reactive posture to a proactive approach that avoids system compromise and information loss to the maximum extent practicable.

Office of the Chief Information Officer - Working Capital Fund \$ 69,767

DOT	\$ 69,157
NON-DOT	\$ 610

The DOT's Working Capital Fund provides an array of services in support of the Department's Office of the Secretary and OAs. The WCF is a full cost recovery, fee-for-service organization that normally receives no directly appropriated funds, but recovers costs through cost reimbursable and interagency service level agreements. The WCF has an obligation ceiling set by Congress which limits the amount of business the WCF may do that fiscal year.

WCF organizationally consists of two major components, personnel/facilities services, and IT shared services. The IT shared services fall organizationally and operationally under the OCIO. OCIO's WCF IT operations are essentially an outsourced environment, consisting primarily of contractors and a small cadre of government project managers and technicians. In addition to providing the DOT Washington metro area's campus-wide telephony, communications backbone infrastructure, and firewall security, OCIO WCF IT operations also provide a common IT operating environment, server hosting facilities, desktop management, as well as IT engineering and DOT intranet/internet support.

The following tables show the Budget Estimates, with a break out for both offices, for FY 2014, FY 2013, and FY 2012:

FY 2014 REQUEST SUMMARY BY OFFICE

ASSISTANT SECRETARY FOR ADMINISTRATION

	Salaries & Expenses	Working Capital Fund	Reimb Programs
<u>FUNDING LEVELS</u>			
Personnel Compensation			
and Benefits	7,951	27,177	1,226
Travel	17	729	4
Other Costs	<u>19,500</u>	<u>425,739</u>	<u>532</u>
 TOTAL	 27,468	 453,645 ^{1/}	 1,762

1/ Of the \$454 million, \$340 million is for the Transit Benefits and Parking Program.

STAFFING

Direct Positions	59	0	0
Reimbursable Positions	0	227	9

OFFICE OF THE CHIEF INFORMATION OFFICER

	Salaries & Expenses	Working Capital Fund	Cyber Security Initiatives	Reimb Programs
<u>FUNDING LEVELS</u>				
Personnel Compensation				
and Benefits	5,505	5,187	0	0
Travel	15	21	0	0
Other Costs	<u>11,040</u>	<u>64,559</u>	<u>6,000</u>	<u>0</u>
 TOTAL	 16,560	 69,767	 6,000	 0

STAFFING

Direct Positions	35	0	0	0
Reimbursable Positions	0	32	0	0

FY 2013 ESTIMATE SUMMARY BY OFFICE**ASSISTANT SECRETARY FOR ADMINISTRATION**

	Salaries & Expenses	Working Capital Fund	Reimb Programs
<u>FUNDING LEVELS</u>			
Personnel Compensation			
and Benefits	7,583	25,529	1,524
Travel	25	847	11
Other Costs	18,017	397,105	63
TOTAL	25,625	423,481 ^{1/}	1,598

1/ Of the \$423 million, \$319 million is for the Transit Benefits and Parking Program.

STAFFING

Direct Positions	59	0	0
Reimbursable Positions	0	224	9

OFFICE OF THE CHIEF INFORMATION OFFICER

	Salaries & Expenses	Working Capital Fund	Cyber Security Initiatives	Reimb Programs
<u>FUNDING LEVELS</u>				
Personnel Compensation				
and Benefits	5,464	7,042	0	0
Travel	15	38	0	0
Other Costs	9,601	61,612	10,061	0
TOTAL	15,080	68,692	10,061	0

STAFFING

Direct Positions	35	0	0	0
Reimbursable Positions	0	32	0	0

FY 2012 ENACTED SUMMARY BY OFFICE**ASSISTANT SECRETARY FOR ADMINISTRATION**

	Salaries & Expenses	Working Capital Fund	Reimb Programs
<u>FUNDING LEVELS</u>			
Personnel Compensation and Benefits	7,865	23,836	1,338
Travel	25	703	11
Other Costs	<u>17,579</u>	<u>420,615</u>	<u>63</u>
TOTAL	25,469	445,154 ^{1/}	1,412

1/ Of the \$445 million, \$341 million is for the Transit Benefits and Parking Program.

STAFFING

Direct Positions	66	0	0
Reimbursable Positions	0	230	9

OFFICE OF THE CHIEF INFORMATION OFFICER

	Salaries & Expenses	Working Capital Fund	Cyber Security Initiatives	Reimb Programs
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	5,423	6,890	0	0
Travel	18	19	0	0
Other Costs	<u>9,547</u>	<u>61,903</u>	<u>10,000</u>	<u>0</u>
TOTAL	14,988	68,812	10,000	0

STAFFING

Direct Positions	35	0	0	0
Reimbursable Positions	0	32	0	0

The following tables show the total Working Capital Fund estimate and a break out for both offices.

**ASSISTANT SECRETARY FOR ADMINISTRATION
WORKING CAPITAL FUND
FY 2014 BUDGET ESTIMATE**
(In thousands of dollars)

<u>Program</u>	<u>FY 2012 Enacted</u>	<u>FY 2013 Estimate</u>	<u>FY 2014 Request</u>	Difference from FY 2013 <u>Estimate</u>
DOT Activities	103,775	104,977	113,773	8,796
Non-DOT Activities	341,380	318,504	339,872	21,368
Total	445,155	423,481	453,645	30,164

Staffing

Reimbursable Positions	230	224	227	3
Reimbursable FTE	214	217	219	2

**OFFICE OF THE CHIEF INFORMATION OFFICER
WORKING CAPITAL FUND
FY 2014 BUDGET ESTIMATE**
(In thousands of dollars)

<u>Program</u>	<u>FY 2012 Enacted</u>	<u>FY 2013 Estimate</u>	<u>FY 2014 Request</u>	Difference from FY 2013 <u>Estimate</u>
DOT Activities	68,225	68,076	69,157	1,081
Non-DOT Activities	586	616	610	(6)
Total	68,811	68,692	69,767	1,075

Staffing

Reimbursable Positions	32	32	32	0
Reimbursable FTE	27	29	29	0

The following tables display the WCF/OCIO cost estimates by Operating Administration:

**Working Capital Fund
Operating Administration Costs
And Other Expenses Estimate
(\$000)**

Operating Administration	FY 2012 Enacted			FY 2013 Estimate			FY 2014 Request		
	WCF Administration	WCF OCIO	Total	WCF Administration	WCF OCIO	Total	WCF Administration	WCF OCIO	Total
OST	9,358	8,576	17,934	10,026	8,662	18,688	10,304	8,681	18,984
FAA	36,728	9,981	46,709	37,707	9,982	47,688	39,696	9,946	49,642
FHWA	10,427	16,065	26,492	10,674	16,336	27,010	12,193	16,176	28,369
FRA	3,825	3,638	7,464	3,884	3,770	7,655	4,225	3,830	8,054
NHTSA	5,548	6,166	11,714	5,511	6,252	11,762	6,087	6,136	12,223
FTA	3,687	4,479	8,166	3,674	4,525	8,199	3,861	4,513	8,374
SLSDC	275	393	668	272	407	679	225	434	658
VOLPE	474	110	584	463	110	573	908	204	1,111
MARAD	3,516	3,563	7,079	3,690	3,803	7,493	4,792	3,774	8,566
OIG	2,706	1,073	3,778	2,922	1,100	4,022	2,970	1,148	4,118
STB	165	38	203	179	38	217	197	44	241
FMCSA	5,197	3,568	8,765	5,221	3,626	8,847	5,912	3,692	9,604
RITA	2,285	3,595	5,880	2,581	3,627	6,208	3,115	3,456	6,571
PHMSA	5,956	4,814	10,770	3,530	4,862	8,392	3,393	4,764	8,157
DOT Unspecified	1,567	7,717	9,284	1,791	5,301	7,092	1,105	7,380	8,485
SUBTOTAL	91,713	73,777	165,490	92,125	72,401	164,526	98,982	74,176	173,158
<u>Other Expenses</u>									
Capital Assets	304	4,579	4,883	0	5,405	5,405	91	5,405	5,496
Depreciation	(224)	(7,446)	(7,670)	(220)	(7,379)	(7,599)	(167)	(7,404)	(7,571)
Net NON-DOT Intrafund Costs	9,679	0	9,679	9,139	0	9,139	9,885	0	9,885
Net WCF Intra Fund Costs	2,303	(2,685)	(382)	3,933	(2,351)	1,582	4,981	(3,020)	1,961
TOTAL	103,775	68,225	172,000	104,977	68,076	173,053	113,772	69,157	182,930

Note: Totals may not add due to rounding

The FYs 2013 and 2014 Budgets propose to convert RITA into the Office of the Assistant Secretary for Research and Technology.

Crosswalk of DOT Operating Costs/Expenses

The WCF is a fee-for-service operation which normally receives no direct appropriations. Instead, the WCF is a self-sustaining reimbursable fund. During the budget formulation stage, the WCF provides to its customers operating cost estimates they will need to contribute to the WCF. These estimates are based on historical data and projected on-demand service levels. The preceding chart is a summary of the DOT operating cost estimates to our customers based on full cost recovery. These operating costs represent the costs provided to each Operating Administration during the fiscal year.

To crosswalk the DOT customer operating costs to DOT obligations, it is necessary to account for items that are (a) at the time of budget formulation were not directly attributable to a specific customer or (b) not directly collected as operating costs.

- DOT Unspecified represents costs where the scope of the work for individual customers is not yet determined and it is not possible to determine a specific billing methodology or customer base, such as for IT consolidation.
- Capital Asset obligations will be expensed over the expected life of the asset and collected in the future as asset replacement reserve.
- Depreciation expenses are treated as a replacement reserve to enable capital assets to be refreshed on a regular cycle. These assets are typically significant technology investments, such as networking and telecommunications equipment that have a useful life of two or more years.
- Net Non DOT Intra Fund Costs provide support services to NON-DOT programs that are not reflected in the DOT cost numbers
- Net WCF Intra Fund Costs are the indirect expenses shared between WCF programs.

	<i>FY 2014</i> (\$000)
Customer Operating Costs:	
DOT Customer Total	164,673
DOT Unspecified	8,485
DOT Operating Administrations' Costs	173,158
Capital Assets	5,496
Depreciation	(7,571)
Net Non-DOT Intra Fund Costs	9,885
Net WCF Intra Fund Costs	1,961
Total WCF Obligations	182,930

The DOT unspecified amounts in FY 2014 relate primarily to on-demand services such as facility services, personnel services, and the phased implementation of IT field consolidation and enterprise license consolidations. These services are subject to fluctuations in customer demand. A breakout of these amounts is provided in the following chart:

Service	Amount (\$000)	Reason
Transit Benefits and Parking	\$194	Changes in Customer Demand
Human Resource Services	\$450	Leading Edge Program Participation
Facilities Services & Utilities	\$203	Potential Increased Customer Base (Personal Property)
Security Operations	\$258	Changes in Workload
Desktop Services	\$6,765	Changes in Customer Demand
Voice, Cable & Wireless	\$615	Changes in Customer Demand
Total	\$8,485	

Capital Asset obligations will be expensed over the expected life of the asset and collected in the future as asset replacement reserve. A breakout of these amounts being purchased is provided in the following chart:

Program Area	Asset Description	Budgeted Asset Value	Useful Life (Months)
Campus Area Network	Network Infrastructure Optimization	\$ 1,550	48
Information Assurance & Privacy	Remedy Upgrade	\$ 270	48
Information Assurance & Privacy	ArcSight Logger	\$ 185	36
Server & Messaging Services	Server Hosting/Infrastructure Build-out	\$ 2,000	48
Server & Messaging Services	Messaging Enhancements	\$ 400	48
Server & Messaging Services	Google Search Appliance	\$ 250	24
Voice, Cable & Wireless	Additional Telecomm Infrastructure	\$ 750	36
Building Security	X-Ray Machine (Loading Dock)	\$ 91	36
	Total FY 2014 Assets	\$ 5,496	

The following tables show WCF obligations by business line:

FY 2014 REQUEST
WCF DOT AND NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)

	DOT	Non-DOT	
<u>Description</u>	<u>Obligations</u>	<u>Obligations</u>	<u>2014 Total</u>
Assistant Secretary for Administration			
Acquisition & Procurement Operations	5,260	0	5,260
Building Security	13,118	0	13,118
Commercial Services Management	65	0	65
Consolidated Federal Funds	0	0	0
Copier, Printing & Multimedia	8,382	15	8,397
Disability Resource Center	2,268	280	2,548
Dockets Management and Operations	2,081	249	2,330
E-Gov Initiative	4,693	0	4,693
Facilities Services & Utilities	10,691	346	11,037
Federal Acquisitions Reporting Systems	500	0	500
Federal Laboratory Consortium	26	0	26
COOP Facility	905	0	905
Financial Mgmt, Accting & Admin	7,575	0	7,575
Flexible Spending Account	363	0	363
Human Resource Services	6,693	51	6,744
Human Resource Systems	20,818	0	20,818
Library & Information Services	1,192	0	1,192
Mail Services & Postage	3,507	0	3,507
Publications Distribution	0	0	0
Rent & Space Management	9,300	0	9,300
Security Operations	5,821	0	5,821
Substance Abuse Awareness & Testing	1,902	4,443	6,345
Transit Benefits & Parking	5,903	334,489	340,392
Unemployment Compensation	2,000	0	2,000
Warehouse	710	0	710
Assistant Secretary for Admin Subtotal:	<u>113,773</u>	<u>339,872</u>	<u>453,645</u>
Chief Information Officer			
Campus Area Network	6,731	0	6,731
Desktop Services	20,262	0	20,262
Information Assurance & Privacy	14,857	0	14,857
Enterprise Licenses	1,625	0	1,625
Server & Messaging Services	13,981	0	13,981
Voice, Cable & Wireless	11,701	610	12,311
Chief Information Office Subtotal:	<u>69,157</u>	<u>610</u>	<u>69,767</u>
Grand Total:	<u>182,930</u>	<u>340,482</u>	<u>523,412</u>

FY 2013 ESTIMATE
WCF DOT AND NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)

Description	DOT Obligations	Non-DOT Obligations	2013 Total
Assistant Secretary for Administration			
Acquisition & Procurement Operations	2,740	0	2,740
Building Security	13,774	0	13,774
Commercial Services Management	365	0	365
Consolidated Federal Funds	143	0	143
Copier, Printing & Multimedia	8,490	30	8,520
Disability Resource Center	2,306	290	2,596
Dockets Management and Operations	2,162	206	2,368
E-Gov Initiative	1,804	0	1,804
Facilities Services & Utilities	11,187	360	11,547
Federal Acquisitions Reporting Systems	247	0	247
Federal Laboratory Consortium	26	0	26
COOP Facility	905	0	905
Financial Mgmt, Accting & Admin	7,795	0	7,795
Flexible Spending Account	363	0	363
Human Resource Services	6,093	44	6,137
Human Resource Systems	18,783	0	18,783
Library & Information Services	1,321	0	1,321
Mail Services & Postage	3,371	0	3,371
Publications Distribution	0	0	0
Rent & Space Management	8,375	0	8,375
Security Operations	4,910	0	4,910
Substance Abuse Awareness & Testing	1,872	4,381	6,253
Transit Benefits & Parking	5,317	313,193	318,510
Unemployment Compensation	1,939	0	1,939
Warehouse	689	0	689
Assistant Secretary for Admin Subtotal:	104,977	318,504	423,481
Chief Information Officer			
Campus Area Network	6,862	0	6,862
Desktop Services	18,703	0	18,703
Information Assurance & Privacy	14,980	0	14,980
Enterprise Licenses	1,625	0	1,625
Server & Messaging Services	14,649	0	14,649
Voice, Cable & Wireless	11,257	616	11,873
Chief Information Office Subtotal:	68,076	616	68,692
Grand Total:	173,053	319,120	492,173

FY 2012 ENACTED BUDGET
WCF DOT AND NON-DOT OBLIGATIONS BY BUSINESS LINE (\$000)

Description	DOT Obligations	Non-DOT Obligations	2012 Total
Assistant Secretary for Administration			
Acquisition & Procurement Operations	2,513	0	2,513
Building Security	13,503	0	13,503
Commercial Services Management	265	0	265
Consolidated Federal Funds	62	0	62
Copier, Printing & Multimedia	10,340	15	10,355
Disability Resource Center	2,230	290	2,520
Dockets Management and Operations	2,103	113	2,216
E-Gov Initiative	1,025	0	1,025
Facilities Services & Utilities	10,930	340	11,270
Federal Acquisitions Reporting Systems	197	0	197
Federal Laboratory Consortium	25	0	25
COOP Facility	905	0	905
Financial Mgmt, Accting & Admin	7,690	0	7,690
Flexible Spending Account	363	0	363
Human Resource Services	5,733	42	5,775
Human Resource Systems	18,771	0	18,771
Library & Information Services	1,310	0	1,310
Mail Services & Postage	3,370	0	3,370
Publications Distribution	-	0	0
Rent & Space Management	8,221	0	8,221
Security Operations	5,030	0	5,030
Substance Abuse Awareness & Testing	1,890	4,190	6,080
Transit Benefits & Parking	5,032	336,390	341,422
Unemployment Compensation	1,600	0	1,600
Warehouse	667	0	667
Assistant Secretary for Admin Subtotal:	103,775	341,380	445,156
Chief Information Officer			
Campus Area Network	6,538	0	6,538
Desktop Services	19,322	0	19,322
Information Assurance & Privacy	14,949	0	14,949
Enterprise Licenses	1,625	0	1,625
Server & Messaging Services	14,601	0	14,601
Voice, Cable & Wireless	11,190	586	11,776
Chief Information Office Subtotal:	68,225	586	68,811
Grand Total:	172,000	341,966	513,966