

U.S. Department of  
Transportation

# **BUDGET ESTIMATES**

**FISCAL YEAR 2011**

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## **OFFICE OF THE SECRETARY OF TRANSPORTATION**

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

**DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY**

**FY 2011 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

FY 2011 resources requested for the Office of the Secretary total \$402 million -- \$352 million of discretionary resources and \$50 million of mandatory resources.

The FY 2011 request includes:

- \$124.6 million for Salaries and Expenses for the Department's Secretarial offices. The Office of the Chief Information Officer is requesting \$23 million, including \$9.2 million for a new initiative focusing on strategic use of technologies across the Department. This initiative will give the Department the tools to make information more transparent both internally and externally and the agility to respond to new requirements as they occur. The Under Secretary of Transportation for Policy is requesting \$13.6 million, including \$1.5 million to fund Transportation Offices at the U.S. Embassies in Kabul, Afghanistan and Baghdad, Iraq in support of the U.S. Government's reconstruction efforts in both countries. In addition, \$7.6 is requested to increase the Department's acquisition workforce capacity and capabilities. While the funds are requested within the Office of the Assistant Secretary for Budget and Programs, the intent is to transfer the funds to other accounts throughout the Department for the purpose of acquisition workforce development. Another \$1 million is requested to establish a departmental Office of Program Evaluation within the Office of the Assistant Secretary for Budget and Programs to enhance the Department's ability to ensure that policies and funding decisions are supported by rigorous analysis, and that decisions are data-driven.
- \$20.0 million for a new Livable Communities program administered by a new office within the Office of the Assistant Secretary for Transportation Policy. Funding would be used to coordinate livability and sustainability work throughout the Department and with the Environmental Protection Agency and the Department of Housing and Urban Development, develop performance standards and metrics, build analytical capacity, and provide grants and direct technical assistance to State, local, and non-profit organizations.
- \$30.0 million for a one-time appropriation for cyber security initiatives to execute time sensitive and essential activities to meet Federal security requirements and close critical cyber security performance gaps. Activities will include improvement of network perimeter controls and identity management, enhancement of information technology validation, implementation of national cyber security initiatives and infrastructure enhancements, implementation of enhanced security controls on network devices, and enhancement of cyber security workforce training tools.

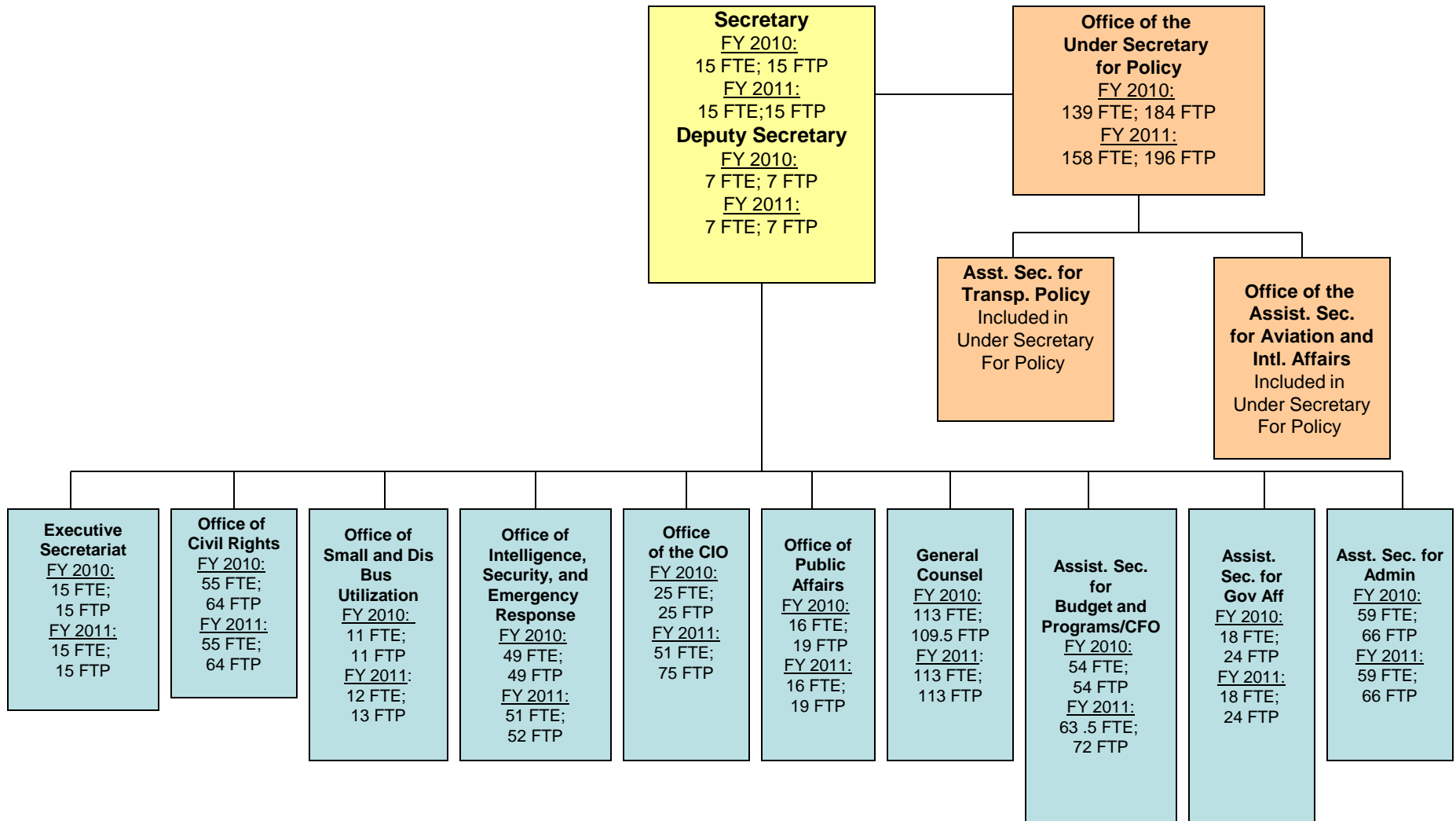
- A total of \$182.0 million for the Essential Air Service (EAS) program, including an estimated \$50 million of mandatory resources from overflight fees collected by the Federal Aviation Administration as authorized in the Federal Aviation Reauthorization Act of 1996 (P.L. 104-264) and \$132 million of discretionary funds from the Payments to Air Carrier appropriation. If \$182 million is insufficient to meet the cost of the EAS program, the Administration is proposing that amounts to cover the shortfall would be transferred from funds available to the Federal Aviation Administration. In addition, the Administration is proposing to cap the program for the 48 contiguous States by limiting the program size to communities that are receiving subsidized service as of October 1, 2010. This would remove the contingent liability of tens of millions of dollars that currently exists due to the requirement that all communities that received service on the date the Airline Deregulation Act was signed are guaranteed air service, with subsidy if necessary.
- \$21.0 million for a multi-year project to upgrade DOT's financial systems and processes as part of the Financial Management Business Transformation (FMBT) initiative. FY 2011 marks an important year for the FMBT. Building on the planning and process engineering occurring in FYs 2009 and 2010, FY 2011 efforts will focus on major system applications, analytics, reporting, and hardware acquisitions.
- \$9.8 million for the Department's Transportation Planning, Research and Development program, including activities and studies needed to support the Secretary's responsibilities in the formulation of national transportation policies.
- \$9.8 million for the Departmental Office of Civil Rights (DOCR) to continue to support and advance internal and external civil rights initiatives, administer Federal civil rights statutes, investigate EEO complaints, support the Disability Resource Center and the Shared Neutrals Alternative Dispute Resolution Program, and oversee and ensure compliance of environmental justice programs throughout the Department.
- \$4.3 million for the Minority Business Resource Center (MRBC) and Minority Business Outreach (MBO) activities, including \$0.2 million to expand the Small Business Transportation Resource Centers funded through the MBO program. Both the MBRC 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.

The FY 2011 request includes the following funding levels to support the Department's key strategic objectives: \$6.0 million for Safety; \$193.7 million for Reduced Congestion; \$6.3 million for Global Connectivity; \$8.0 million for Environmental Stewardship; \$9.0 million for Security, Preparedness and Emergency Response; and \$178.5 million for Organizational Excellence.

In the fall of 2009, the President sought ideas from Federal employees to make government operations more efficient through the SAVE Awards program. DOT examined over 200 SAVE Award nominations submitted by its employees and found several themes needing attention Department-wide. Therefore, in addition to finding cost savings agency-by-agency, DOT will also seek Department-wide savings in key support functions including human resources management, acquisition management, ‘green’ opportunities, and efficiencies gained by better use of information and communications technology. DOT will study and implement the potential savings enabling DOT to redirect those savings to more efficient support activities.

# U.S. Department of Transportation

## Office of the Secretary



**EXHIBIT II - 1**  
**COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY**  
**OFFICE OF THE SECRETARY**  
**(\$000)**

<b><u>ACCOUNTS</u></b>	<b><u>FY 2009 ACTUAL</u></b>	<b><u>FY 2010 ENACTED</u></b>	<b><u>FY 2011 REQUEST</u></b>
<b>SALARIES &amp; EXPENSES</b>			
Office of the Secretary (S-1)	2,400	2,631	2,667
Office of the Deputy Secretary (S-2)	759	986	1,000
Office of the Under Secretary for Transportation Policy (S-3)	10,107	11,100	13,568
Office of the Executive Secretariat (S-10)	1,595	1,658	1,683
Office of Small and Disadvantaged Business Utilization (S-40)	1,369	1,499	1,513
Office of Intelligence and Security and Emergency Response (S-60)	8,675	10,600	10,999
Office of the Chief Information Officer (S-80)	12,885	13,215	22,995
Office of the General Counsel (C)	19,838	20,359	19,711
Office of the Assistant Secretary for Governmental Affairs (I)	2,400	2,504	2,530
Office of the Assistant Secretary for Budget and Programs/CFO (B)	10,200	10,559	20,022
Office of the Assistant Secretary for Administration (M)	26,000	25,520	25,695
Office of Public Affairs (A)	2,020	2,055	2,240
Subtotal	98,248	102,686	124,623 <sup>2/</sup>
<b>OFFICE OF CIVIL RIGHTS</b>	9,384	9,667	9,767
<b>COMPENSATION FOR AIR CARRIERS - Rescission</b>	-848	0	0
<b>TRANSPORTATION PLANNING, RESEARCH &amp; DEVELOPMENT</b>	18,300	18,168 <sup>1/</sup>	9,819
<b>WORKING CAPITAL FUND Limitation</b>	[128,094]	0	0
<b>MINORITY BUSINESS RESOURCE CENTER PROGRAM</b>	912	923	913
MBRC Guaranteed Loan Subsidy reestimate- Mandatory	3	1	-
(Limitation on guaranteed loans)	[18,367]	[18,367]	[18,367]
<b>MINORITY BUSINESS OUTREACH</b>	3,056	3,074	3,395
<b>ESSENTIAL AIR SERVICE PROGRAM:</b>			
<b>PAYMENTS TO AIR CARRIERS</b>	86,213	150,000	132,000
(Airport & Airway Trust Fund)			
<b>ESSENTIAL AIR SERVICE - Mandatory</b>	12,286 <sup>3/</sup>	50,000	50,000
Total: Essential Air Service	98,499	200,000	182,000
<b>FINANCIAL MANAGEMENT CAPITAL</b>	5,000	5,000	21,000

<sup>1/</sup> Includes \$2 million for the Mississippi-Missouri Rivers study pursuant to P.L. 111-117 Section 195.

<sup>2/</sup> Includes \$7.623 million for Acquisition Workforce Development per proposed Section 194, General Provision - Department of Transportation.

<sup>3/</sup> 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.

**EXHIBIT II - 1**  
**COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY**  
**OFFICE OF THE SECRETARY**  
**(\$000)**

<b><u>ACCOUNTS</u></b>	<b><u>FY 2009 ACTUAL</u></b>	<b><u>FY 2010 ENACTED</u></b>	<b><u>FY 2011 REQUEST</u></b>
SURFACE TRANSPORTATION DISCRETIONARY GRANTS			
ARRA - National Surface Transportation System	1,500,000	0	0
National Infrastructure Investments		600,000	0
Subtotal	1,500,000	600,000	0
LIVABLE COMMUNITIES	0	0	20,000
CYBER SECURITY INITIATIVE	0	0	30,000
<b>TOTAL</b>	<b>1,732,553</b>	<b>939,519</b>	<b>401,518</b>
<b>PROPRIETARY AND OTHER GOVERNMENTAL RECIEPTS:</b>			
MBRC Guaranteed Loans Downward Subsidy Reestimate	67	58	-

**EXHIBIT II-2**  
**FY 2011 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT**  
**OFFICE OF THE SECRETARY**  
**Appropriations, Obligation Limitations, Exempt Obligations, and Mandatory EAS**  
**(\$000)**

<u>ACCOUNTS</u>	<u>FY 2009</u> <u>ACTUAL</u>	<u>FY 2010</u> <u>ENACTED</u>	<u>FY 2011</u> <u>REQUEST</u>
<b>SALARIES &amp; EXPENSES</b>			
Office of the Secretary	2,400	2,631	2,667
Office of the Deputy Secretary	759	986	1,000
Office of the Under Secretary for Policy	10,107	11,100	13,568
Office of the Executive Secretariat	1,595	1,658	1,683
Office of Small & Disadvantaged Business Utilization	1,369	1,499	1,513
Office of Intelligence, Security and Emergency Response	8,675	10,600	10,999
Office of the Chief Information Officer	12,885	13,215	22,995
Office of General Counsel	19,838	20,359	19,711
Office of Governmental Affairs	2,400	2,504	2,530
Office of the Assistant Secretary for Budget & Programs/CFO	10,200	10,559	20,022
Office of the Assistant Secretary of Administration	26,000	25,520	25,695
Office of Public Affairs	2,020	2,055	2,240
<b>TOTAL: SALARIES &amp; EXPENSES</b>	<b>98,248</b>	<b>102,686</b>	<b>124,623 <sup>2/</sup></b>
<b>TRANSPORTATION PLANNING RESEARCH &amp; DEVELOPMENT</b>			
Transportation Planning Research & Development	18,300	18,168	9,819
<b>TOTAL: TRANSPORTATION PLANNING, RESEARCH &amp; DEVELOPMENT</b>	<b>18,300</b>	<b>18,168 <sup>1/</sup></b>	<b>9,819</b>
<b>OFFICE OF CIVIL RIGHTS</b>			
Office of Civil Rights	9,384	9,667	9,767
<b>TOTAL: OFFICE OF CIVIL RIGHTS</b>	<b>9,384</b>	<b>9,667</b>	<b>9,767</b>
<b>MINORITY BUSINESS OUTREACH</b>			
Minority Business Outreach	3,056	3,074	3,395
<b>TOTAL: MINORITY BUSINESS OUTREACH</b>	<b>3,056</b>	<b>3,074</b>	<b>3,395</b>
<b>MINORITY BUSINESS RESOURCE CENTER PROGRAM</b>			
Minority Business Resource Center Program - Discretionary	912	923	913
MBRC Guaranteed Loan Subsidy Reestimate - Mandatory	3	1	0
<b>TOTAL: MINORITY BUSINESS RESOURCE CENTER PROGRAM</b>	<b>915</b>	<b>924</b>	<b>913</b>

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

2/ Includes \$7.623 million for Acquisition Workforce Development per proposed Section 194, General Provision - Department of Transportation.

**EXHIBIT II-2**  
**FY 2011 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT**  
**OFFICE OF THE SECRETARY**  
**Appropriations, Obligation Limitations, Exempt Obligations, and Mandatory EAS**  
**(\$000)**

<b><u>ACCOUNTS</u></b>	<b><u>FY 2009 ACTUAL</u></b>	<b><u>FY 2010 ENACTED</u></b>	<b><u>FY 2011 REQUEST</u></b>
<b>ESSENTIAL AIR SERVICE PROGRAM</b>			
Payments to Air Carriers - Discretionary	86,213	150,000	132,000
Essential Air Service - Mandatory	12,286 <sup>3/</sup>	50,000	50,000
<b>TOTAL: ESSENTIAL AIR SERVICE</b>	<b>98,499</b>	<b>200,000</b>	<b>182,000</b>
 <b>COMPENSATION FOR AIR CARRIERS</b>			
Compensation for Air Carriers Rescission - Mandatory	-848	0	0
<b>TOTAL: COMPENSATION FOR AIR CARRIERS</b>	<b>-848</b>	<b>0</b>	<b>0</b>
 <b>FINANCIAL MANAGEMENT CAPITAL</b>			
Financial Management Capital	5,000	5,000	21,000
<b>TOTAL: FINANCIAL MANAGEMENT CAPITAL</b>	<b>5,000</b>	<b>5,000</b>	<b>21,000</b>
 <b>SURFACE TRANSPORTATION DISCRETIONARY GRANTS</b>			
ARRA - National Surface Transportation System	1,500,000	0	0
National Infrastructure Investment	0	600,000	0
<b>TOTAL: SURFACE TRANSPORTATION DISCRETIONARY GRANTS</b>	<b>1,500,000</b>	<b>600,000</b>	<b>0</b>
 <b>LIVABLE COMMUNITIES</b>	<b>0</b>	<b>0</b>	<b>20,000</b>
 <b>CYBER SECURITY INITIATIVE</b>	<b>0</b>	<b>0</b>	<b>30,000</b>
 <b>TOTAL APPROPS, OBLIG. LIMITATIONS, AND EXEMPT OBLIGATIONS</b>	<b>1,732,553</b>	<b>939,519</b>	<b>401,518</b>

<sup>3/</sup> 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.

**EXHIBIT II-3**  
**FY 2011 BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT AND STRATEGIC GOAL**  
**OFFICE OF THE SECRETARY**  
**Appropriation, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

<b>APPROPRIATION/PROGRAM ACTIVITY/PERFORMANCE GOAL</b>	<b>SAFETY</b>	<b>REDUCED CONGESTION</b>	<b>GLOBAL CONN.</b>	<b>ENVIRON. STEWARD.</b>	<b>SECURITY</b>	<b>ORG. EXCELL.</b>	<b>TOTAL</b>
<b>Salaries and Expenses</b>	<b>0</b>	<b>5,716</b>	<b>1,988</b>	<b>0</b>	<b>8,978</b>	<b>107,941</b>	<b>124,623</b>
Immediate Office of the Secretary (S-1)							
Improve human capital, financial management and the effective use of Information Technology						2,667	2,667
Office of the Deputy Secretary (S-2)						1,000	1,000
Improve human capital, financial management and the effective use of Information Technology							
Office of the Under Secretary for Policy (S-3)							
Improve human capital, financial management and the effective use of Information Technology			475			13,093	13,568
Office of the Executive Secretariat (S-10)						1,683	1,683
Improve human capital, financial management and the effective use of Information Technology							
Office of Small & Disadvantaged Business Utilization (S-40)							
Expanded Opportunities			1,513				1,513
Office of Intelligence, Security & Emergency Response (S-60)							
Other					8,978	2,021	10,999
Office of the Chief Information Officer (S-80)						22,995	22,995
Improve human capital, financial management and the effective use of Information Technology							
Office of General Counsel (C)							19,711
Improve human capital, financial management and the effective use of Information Technology						13,995	
Increased access		5,716					
Office of the Assistant Secretary for Governmental Affairs (I)						2,530	2,530
Improve human capital, financial management and the effective use of Information Technology							
Office of the Assistant Secretary for Budget and Programs/CFO (B)						20,022	20,022
Improve human capital, financial management and the effective use of Information Technology							
Office of the Assistant Secretary for Administration (M)						25,695	25,695
Improve human capital, financial management and the effective use of Information Technology							
Office of Public Affairs (A)						2,240	2,240
Improve human capital, financial management and the effective use of Information Technology							
<b>Transportation Planning, Research and Development</b>						<b>9,819</b>	<b>9,819</b>
Improve human capital, financial management and the effective use of Information Technology						9,819	
<b>Office of Civil Rights</b>						<b>9,767</b>	<b>9,767</b>
Improve human capital, financial management and the effective use of Information Technology						9,767	
<b>Minority Business Outreach</b>			<b>3,395</b>				<b>3,395</b>
Expanded Opportunities			3,395				
<b>Minority Business Resource Center</b>			<b>913</b>				<b>913</b>
Expanded Opportunities			913				
<b>Essential Air Service/Payments to Air Carriers</b>		<b>182,000</b>					<b>182,000</b>
Increased Accessibility		182,000					
<b>Financial Management Capital</b>						<b>21,000</b>	<b>21,000</b>
Improve human capital, financial management and the effective use of Information Technology						21,000	
<b>Livable Communities</b>	<b>6,000</b>	<b>6,000</b>	<b>0</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>20,000</b>
Highway Safety	6,000						
Urban Congestion		6,000					
Reduction in Pollution & Streamline Environmental Review				8,000			
<b>Cyber Security Initiative</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>30,000</b>
Improve human capital, financial management and the effective use of Information Technology						30,000	
<b>TOTAL</b>							<b>401,518</b>

A Note About DOT's Strategic Goals:

This exhibit aligns with the current FY 2006-2011 DOT strategic plan. DOT will release a new strategic plan in FY 2010 that will detail the Department's new priorities and areas of emphasis. DOT expects the performance sections of the FY 2012 budget submission will be aligned to this new strategic plan.

**EXHIBIT II-4**  
**FY 2011 TOTAL BUDGET AUTHORITY**  
**OFFICE OF THE SECRETARY**  
**(\$000)**

<b><u>ACCOUNTS</u></b>	<b><u>FY 2009 ACTUAL</u></b>	<b><u>FY 2010 ENACTED</u></b>	<b><u>FY 2011 REQUEST</u></b>
<b>SALARIES &amp; EXPENSES</b>			
Office of the Secretary	2,400	2,631	2,667
Office of the Deputy Secretary	759	986	1,000
Office of the Under Secretary for Policy	10,107	11,100	13,568
Office of the Executive Secretariat	1,595	1,658	1,683
Office of Small & Disadvantaged Business Utilization	1,369	1,499	1,513
Office of Intelligence, Security and Emergency Response	8,675	10,600	10,999
Office of the Chief Information Officer	12,885	13,215	22,995
Office of General Counsel	19,838	20,359	19,711
Office of Governmental Affairs	2,400	2,504	2,530
Office of the Assistant Secretary for Budget & Programs/CFO	10,200	10,559	20,022
Office of the Assistant Secretary of Administration	26,000	25,520	25,695
Office of Public Affairs	2,020	2,055	2,240
<b>TOTAL: SALARIES &amp; EXPENSES</b>	<b>98,248</b>	<b>102,686</b>	<b>124,623 <sup>2/</sup></b>
 <b>TRANSPORTATION PLANNING RESEARCH &amp; DEVELOPMENT</b>			
Transportation Planning Research & Development	18,300	18,168	9,819
<b>TOTAL: TRANS. PLNG., RES. &amp; DEV.</b>	<b>18,300</b>	<b>18,168 <sup>1/</sup></b>	<b>9,819</b>
 <b>OFFICE OF CIVIL RIGHTS</b>			
Office of Civil Rights	9,384	9,667	9,767
	9,384	9,667	9,767
 <b>MINORITY BUSINESS OUTREACH</b>			
Minority Business Outreach	3,056	3,074	3,395
<b>TOTAL: MINORITY BUSINESS OUTREACH</b>	<b>3,056</b>	<b>3,074</b>	<b>3,395</b>
 <b>MINORITY BUSINESS RESOURCE CENTER PROGRAM</b>			
Minority Business Resource Center Program - Discretionary	912	923	913
MBRC Guaranteed Loan Subsidy reestimate - Mandatory	3	1	0
<b>TOTAL: MINORITY BUSINESS RESOURCE CENTER PROGRAM</b>	<b>915</b>	<b>924</b>	<b>913</b>

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

2/ Includes \$7.623 million for Acquisition Workforce Development per proposed Section 194, General Provision - Department of Transportation.

**EXHIBIT II-4**  
**FY 2011 TOTAL BUDGET AUTHORITY**  
**OFFICE OF THE SECRETARY**  
**(\$000)**

<b><u>ACCOUNTS</u></b>	<b><u>FY 2009 ACTUAL</u></b>	<b><u>FY 2010 ENACTED</u></b>	<b><u>FY 2011 REQUEST</u></b>
<b>ESSENTIAL AIR SERVICE PROGRAM</b>			
Payments to Air Carriers - Discretionary	86,213	150,000	132,000
Essential Air Service - Mandatory	12,286 <sup>3/</sup>	50,000	50,000
Essential Air Service - Mandatory Borrowing Authority P.L. 109-171	0	0	0
<b>TOTAL: ESSENTIAL AIR SERVICE</b>	<b>98,499</b>	<b>200,000</b>	<b>182,000</b>
 <b>FINANCIAL MANAGEMENT CAPITAL</b>			
Financial Management Capital	5,000	5,000	21,000
<b>TOTAL: FINANCIAL MANAGEMENT CAPITAL</b>	<b>5,000</b>	<b>5,000</b>	<b>21,000</b>
 <b>COMPENSATION FOR AIR CARRIERS</b>			
Compensation for Air Carriers - unoblig. Balance rescission Manatory	-848	0	0
<b>TOTAL: COMPENSATION FOR AIR CARRIERS</b>	<b>-848</b>	<b>0</b>	<b>0</b>
 <b>SURFACE TRANSPORTATION DISCRETIONARY GRANTS</b>			
ARRA - National Surface Transportation System	1,500,000	0	0
National Infrastructure Investment	0	600,000	0
<b>TOTAL: SUPPLEMENTAL DISCRETIONARY GRANTS FOR NSTS</b>	<b>1,500,000</b>	<b>600,000</b>	<b>0</b>
 <b>LIVABLE COMMUNITIES</b>			
Livable Communities	0	0	20,000
<b>TOTAL: LIVABLE COMMUNITIES</b>	<b>0</b>	<b>0</b>	<b>20,000</b>
 <b>CYBER SECURITY INITIATIVE</b>			
Cyber Security Initiative	0	0	30,000
<b>TOTAL: CYBER SECURITY INITIATIVE</b>	<b>0</b>	<b>0</b>	<b>30,000</b>
 <b>TOTAL BUDGET AUTHORITY</b>	<b>1,732,553</b>	<b>939,519</b>	<b>401,518</b>
Mandatory	11,441	50,001	50,000
 <b>PROPRIETARY AND OTHER GOVERNMENTAL RECIEPTS</b>			
MBRC Guaranteed Loans Downward Subsidy Reestimate	67	58	0

<sup>3/</sup> 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.

**EXHIBIT II-5**  
**FY 2011 OUTLAYS**  
**OFFICE OF THE SECRETARY**  
**(\$000)**

<b><u>ACCOUNTS</u></b>	<b><u>FY 2009</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 2010</u></b> <b><u>ESTIMATE</u></b>	<b><u>FY 2011</u></b> <b><u>ESTIMATE</u></b>
Salaries & Expenses	75,990	141,682	122,430
Office of Civil Rights	7,923	10,546	9,756
<i>Compensation for Air Carriers [mandatory]</i>	-383	383	0
Compensation for General Aviation Operations	172	3,254	0
Financial Management Capital	0	9,000	17,800
New Headquarters Building	4,159	4,837	0
Transportation Planning, Research & Development	19,509	39,262	14,855
MBRC Program (loan subsidy & admin)	422	1,242	913
<i>MBRC Guaranteed Loan Subsidy Upward Reestimate [mandatory]</i>	3	1	0
Minority Business Outreach	2,170	8,183	3,363
Payments to Air Carriers	84,831	119,259	139,200
<i>Essential Air Service &amp; Rural Airport Funding [mandatory]</i>	37,684	52,812	50,000
Supplemental Discretionary Grants for National Surface Transportation System	0	180,000	540,000
National Infrastructure Investment	0	6,000	126,000
Working Capital Fund	-22,417	52,318	0
Cyber Security Initiative	0	0	27,000
Livable Communities	0	0	8,000
<b>Total OST Outlays</b>	<b>210,064</b>	<b>628,779</b>	<b>1,059,317</b>
<i>Mandatory</i>	<i>37,304</i>	<i>53,196</i>	<i>50,000</i>
<i>Discretionary</i>	<i>172,760</i>	<i>575,583</i>	<i>1,009,317</i>

## EXHIBIT II-6

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE  
OFFICE OF THE SECRETARY  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)**

SALARIES AND EXPENSES

<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>	<u>(F)</u>	<u>(G)</u>									
2010 Enacted	2010 PC&B By Program	2010 # FTE Per Program	2010 Contracts Expenses	Annualization of 2010 Pay Raises	2011 Pay Raises	Inflation/ Deflation	GSA Rent	WCF Increase/ Decrease	Worker's Comp.	FY 2011 Adjusted Base	Program Increases/ Decreases	2011 PC&B Program Change	2011 # FTE Per Program Increase	2011 Contract Expense Program Changes	FY 2011 Request
<b>OPERATIONS</b>	<b>Note Non-Add</b>											<b>Note Non-Add</b>			
<b>PERSONNEL RESOURCES</b>															
(FTE)	492.5		492.5							492.5	31.5		31.5		524.0
Direct FTE	460.5		460.5							460.5	32.5		32.5		493.0
<b>FINANCIAL RESOURCES</b>															
Salaries and Benefits	\$64,594	\$64,594	---	---	\$292	\$661	2	---	---	\$15	65,563	\$5,922	---	---	\$71,485
WCF Transit Benefits	\$381	\$381	---	---	---	---	---	(\$32)	---	---	352	\$0	---	---	\$352
Travel	\$1,778	---	---	---	---	---	9	---	---	---	1,787	\$128	---	---	\$1,915
Transportation	\$6	---	---	---	---	---	0	---	---	---	6	(\$1)	---	---	\$5
GSA Rent	\$8,820	---	---	---	---	---	44	(\$70)	---	---	8,794	\$1	---	---	\$8,795
Communications, Utilities & Misc.	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Printing	\$6	---	---	---	---	---	0	---	---	---	6	\$0	---	---	\$6
Other Services	\$870	---	---	---	---	---	4	---	---	---	874	(\$249)	---	---	\$625
WCF	\$14,283	---	---	---	---	---	71	---	---	---	---	\$0	---	---	\$0
Other	\$10,860	---	---	---	---	---	---	---	---	---	---	---	---	---	\$13,650
Supplies	\$323	---	---	---	---	---	54	---	---	---	13,650	\$0	---	---	\$27,358
Equipment	\$763	---	---	---	---	---	2	---	---	---	10,915	\$16,443	---	---	\$27,358
Admin Subtotal	\$102,686	---	---	---	---	---	---	---	---	---	---	---	---	---	\$12,423
<b>PROGRAMS</b>															
	\$0														
Programs Subtotal	\$0														
<b>Total:</b>	<b>\$102,686</b>				<b>\$292</b>	<b>\$661</b>	<b>\$190</b>	<b>(\$70)</b>	<b>(\$736)</b>	<b>\$15</b>	<b>\$103,039</b>	<b>\$21,585</b>	<b>\$5,922</b>	<b>\$0</b>	<b>\$124,623</b>
<b>GRAND TOTAL</b>	<b>\$102,686</b>				<b>\$292</b>	<b>\$661</b>	<b>\$190</b>	<b>(\$70)</b>	<b>(\$736)</b>	<b>\$15</b>	<b>\$103,039</b>	<b>\$21,585</b>	<b>\$5,922</b>	<b>\$0</b>	<b>\$124,623</b>

## EXHIBIT II-6

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE  
OFFICE OF THE SECRETARY  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)**

OFFICE OF CIVIL RIGHTS

<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>	<u>(F)</u>												
2010 Enacted	2010 PC&B By Program	2010 # FTE Per Program	2010 Contracts Expenses	Annualization of 2010 Pay Raises	2011 Pay Raises	Inflation/ Deflation	GSA Rent	WCF Increase/ Decrease	FY 2011 Adjusted Base	Program Increases/ Decreases	2011 PC&B Program Change	2011 # FTE Per Program Increase	2011 Contract Expense Program Changes	FY 2011 Request			
<b>OPERATIONS</b>	<b>Note Non-Add</b>												<b>Note Non-Add</b>				
<b>PERSONNEL RESOURCES</b>																	
(FTE)	55		55						55	0.0		0.0		55			
Direct FTE	55		55						55	0.0		0.0		55			
<b>FINANCIAL RESOURCES</b>																	
Salaries and Benefits	\$7,031	\$7,031	---	---	\$34	\$73			7,138	\$0	\$0			\$7,138			
-WCF Transit Benefits	\$30	\$30	---	---		0		\$9	39	\$0	\$0			\$39			
Travel	\$54	---	---	---		0			54	\$0				\$54			
Transportation	\$0	---	---	---		-			-	\$0				\$0			
GSA Rent	\$251	---	---	---		1	\$0		253	\$0				\$253			
Communications, Utilities & Misc.																	
	\$77	---	---	---		0			78	\$0				\$78			
Printing	\$2	---	---	---		0			2	\$0				\$2			
Other Services									-					\$0			
-WCF	\$822			\$822		4		(\$60)	766	\$0			\$0	\$766			
-Other	\$1,369			\$1,369		7			1,376	\$31			\$31	\$1,407			
Supplies	\$20	---	---	---		0			20	\$0				\$20			
Equipment	\$10	---	---	---		0			10	\$0				\$10			
Admin Subtotal	\$9,667				\$34	\$73	\$13	\$0	(\$51)	\$9,736	\$31	\$0	\$0	\$31	\$9,767		
<b>PROGRAMS</b>																	
	\$0								-					\$0			
Programs Subtotal	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
<b>Total:</b>	<b>\$9,667</b>				<b>\$34</b>	<b>\$73</b>	<b>\$13</b>	<b>\$0</b>	<b>(\$51)</b>	<b>\$9,736</b>	<b>\$31</b>	<b>\$0</b>	<b>\$0</b>	<b>\$31</b>	<b>\$9,767</b>		
<b>GRAND TOTAL</b>	<b>\$9,667</b>				<b>\$34</b>	<b>\$73</b>	<b>\$13</b>	<b>\$0</b>	<b>(\$51)</b>	<b>\$9,736</b>	<b>\$31</b>	<b>\$0</b>	<b>\$0</b>	<b>\$31</b>	<b>\$9,767</b>		

## EXHIBIT II-6

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE  
OFFICE OF THE SECRETARY  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)**

**TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT**

(A)	(B)	(C)	(D)	(E)	(F)	Baseline Changes									
2010 Enacted	2010 PC&B By Program	2010 # FTE Per Program	2010 Contracts Expenses	Annualization of 2010 Pay Raises	2011 Pay Raises	Inflation/ Deflation	GSA Rent	WCF Increase/ Decrease	FY 2011 Adjusted Base	Base Offset/ Redirection of Resources	Program Increases/ Decreases	2011 PC&B Program Change	2011 # FTE Per Program Increase	2011 Contract Expense Program Changes	FY 2011 Request
OPERATIONS		Note Non-Add			Note Non-Add										
PERSONNEL RESOURCES															
(FTE)	31		31						31		1.0		1.0		32
Direct FTE	31		31						31		1.0		1.0		32
FINANCIAL RESOURCES															
Salaries and Benefits	\$5,478	\$5,478	---	---	\$27	\$57	---	---	5,562	---	\$180	\$180	---	---	\$5,742
-WCF Transit Benefits	\$33	\$33	---	---	---	---	0	\$33	66	---	\$0	\$0	---	---	\$66
Travel	\$151	---	---	---	---	---	1	---	152	---	\$22	---	---	---	\$174
Transportation	\$1	---	---	---	---	---	0	---	1	---	\$0	---	---	---	\$1
GSA Rent	\$0	---	---	---	---	---	---	\$0	---	---	\$0	---	---	---	\$0
Communications, Utilities & Misc.	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Printing	\$0	---	---	---	---	---	---	---	---	---	\$0	---	---	---	\$0
Other Services	\$19	---	---	---	---	---	0	---	19	---	\$0	---	---	---	\$19
-WCF	\$634	---	---	---	---	---	\$634	---	5	---	\$86	---	---	\$0	\$586
-Other	\$0	---	---	---	---	---	\$0	---	---	---	\$0	---	---	---	\$0
Supplies	\$20	---	---	---	---	---	---	---	20	---	\$0	---	---	---	\$20
Equipment	\$15	---	---	---	---	---	---	---	15	---	\$0	---	---	---	\$15
Admin Subtotal	\$6,352				\$27	\$57	4	\$0	(\$18)	\$6,421	\$203	\$180	\$0	\$0	\$6,624
PROGRAMS															
	\$0								-						\$0
Research & Development	\$3,881					\$19			3,900		(\$706)				\$3,194
Earmark Projects	\$7,935					\$40			7,975	(7,975)					(\$0)
Programs Subtotal	\$11,816				\$0	\$0	\$59	\$0	\$0	11,875	(7,975)	(\$706)	\$0	\$0	\$3,194
Total:	\$18,168				\$27	\$57	\$63	\$0	(\$18)	\$18,297	(\$7,975)	(\$503)	\$180	\$0	\$9,819
GRAND TOTAL															
\$18,168	1/				\$27	\$57	\$63	\$0	(\$18)	\$18,297	(\$7,975)	(\$503)	\$180	\$0	\$9,819

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

## EXHIBIT II-6

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE  
OFFICE OF THE SECRETARY  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)**

MINORITY BUSINESS OUTREACH

(A)	(B)	(C)	(D)	(E)	(F)											
	Baseline Changes															
	2010 Enacted	2010 PC&B By Program	2010 # FTE Per Program	2010 Contracts Expenses	Annualization of 2010 Pay Raises	2011 Pay Raises	Inflation/ Deflation	GSA Rent	WCF Increase/ Decrease	FY 2011 Adjusted Base	Program Increases/ Decreases	2011 PC&B Program Change	2011 # FTE Per Program Increase	2011 Contract Expense Program Changes	FY 2011 Request	
OPERATIONS		Note Non-Add														
PERSONNEL RESOURCES (FTE)	1		1							1	1.0		1.0		2	
Direct FTE	1		1							1	1.0		1.0		2	
FINANCIAL RESOURCES																
Salaries and Benefits	\$133	\$133	---	---	\$1	\$1	0			135	\$140	\$140			\$275	
-WCF Transit Benefits	\$2	\$2	---	---			0		(\$2)	-	\$0	\$0			\$0	
Travel	\$124	---	---	---			1			124	\$4	\$4			\$128	
Transportation	\$0	---	---	---			-			-	\$0				\$0	
GSA Rent	\$0	---	---	---			-	\$0		-	\$0				\$0	
Communications, Utilities & Misc.																
	\$0	---	---	---			-			-	\$0				\$0	
Printing	\$0	---	---	---			-			-	\$0				\$0	
Other Services																
-WCF	\$18			\$18			0		(\$3)	15	\$0				\$15	
-Other	\$1,235			\$1,235			6			1,241	\$165			\$165	\$1,407	
Other Consultant Services	\$1,235			\$1,235			6			1,241	\$165			\$165	\$1,407	
											\$0			\$0	\$0	
Supplies	\$5	---	---	---			0			5	\$0				\$5	
Equipment	\$0	---	---	---			-			-	\$0				\$0	
Admin Subtotal	\$1,517				\$1	\$1	\$7	\$0	(\$6)	1,520	\$310	\$144	\$0	\$165	\$1,830	
PROGRAMS																
Grants	\$1,557			\$1,557			\$8			1,565					\$1,565	
	\$0														\$0	
	\$0									-						
Programs Subtotal	\$1,557				\$0	\$0	\$8	\$0	\$0	1,565	\$0	\$0	\$0	\$0	\$1,565	
Total:	\$3,074				\$1	\$1	\$15	\$0	(\$6)	\$3,085	\$310	\$144	\$0	\$165	\$3,395	
GRAND TOTAL	\$3,074				\$1	\$1	\$15	\$0	(\$6)	\$3,085	\$310	\$144	\$0	\$165	\$3,395	

## EXHIBIT II-6

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE  
OFFICE OF THE SECRETARY  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)**

MINORITY BUSINESS RESOURCE CENTER

(A)	Baseline Changes															(B)	(C)	(D)	(E)	(F)
	2010 Enacted	2010 PC&B By Program	2010 # FTE Per Program	2010 Contracts Expenses	Annualization of 2010 Pay Raises	2011 Pay Raises	Inflation/ Deflation	GSA Rent	WCF Increase/ Decrease	FY 2011 Adjusted Base	Base Offset/ Redirection of Resources	Program Increases/ Decreases	2011 PC&B Program Change	2011 # FTE Per Program Increase	2011 Contract Expense Program Changes	FY 2011 Request				
OPERATIONS	Note Non-Add				Note Non-Add															
PERSONNEL RESOURCES (FTE)	1		1							1		0.0				1				
Direct FTE	1		1							1		0.0		0.0		1				
FINANCIAL RESOURCES																				
Salaries and Benefits	\$148	\$148	---	---	\$1	\$2				151		\$0	\$0			\$151				
-WCF Transit Benefits	\$2	\$2	---	---			0		(\$0)	2		\$0				\$2				
Travel	\$24	---	---	---			0			24		\$0				\$24				
Transportation	\$0	---	---	---			-			-		\$0				\$0				
GSA Rent	\$0	---	---	---			-	\$0		-		\$0				\$0				
Communications, Utilities & Misc.																				
	\$0	---	---	---			-			-		\$0				\$0				
Printing	\$0	---	---	---			-			-		\$0				\$0				
Other Services																\$0				
-WCF	\$18			\$18			0		(\$3)	15		\$0				\$15				
-Other	\$378			\$378			2			380	14	\$0			\$0	\$393				
Supplies	\$0	---	---	---			-			-		\$0				\$0				
Equipment	\$0	---	---	---			-			-		\$0				\$0				
Admin Subtotal	\$570				\$1	\$2	\$2	\$0	(\$4)	\$572	\$14	\$0	\$0	\$0	\$0	\$584				
PROGRAMS																				
Guaranteed Loan Subsidy	\$353									353	(24)	\$0				\$329				
Programs Subtotal	\$353				\$0	\$0	\$0	\$0	\$0	\$353	(\$24)	\$0	\$0	\$0	\$0	\$329				
Total:	\$923				\$1	\$2	\$2	\$0	(\$4)	\$924	(\$10)	\$0	\$0	\$0	\$0	\$913				
GRAND TOTAL	\$923				\$1	\$2	\$2	\$0	(\$4)	\$924	(\$10)	\$0	\$0	\$0	\$0	\$913				

## EXHIBIT II-6

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE  
OFFICE OF THE SECRETARY  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)**

ESSENTIAL AIR SERVICE

(A)	(B) (C) (D) (E) (F)														
	Baseline Changes														
	2010 Enacted	2010 PC&B By Program	2010 # FTE Per Program	2010 Contracts Expenses	Annualization of 2010 Pay Raises	2011 Pay Raises	Inflation/ Deflation	GSA Rent	WCF Increase/ Decrease	FY 2011 Adjusted Base	Program Increases/ Decreases	2011 PC&B Program Change	2011 # FTE Per Program Increase	2011 Contract Expense Program Changes	FY 2011 Request
OPERATIONS															
PERSONNEL RESOURCES															
(FTE)	14		14							14	0.0				14
Direct FTE	14		14							14	0.0		0.0		14
FINANCIAL RESOURCES															
Salaries and Benefits	\$2,009	\$2,009	---	---	\$7	\$21				2,037	\$0	\$0			\$2,037
--WCF Transit Benefits	\$9	\$9	---	---			0		(\$7)	2	\$0	\$0			\$2
Travel	\$10	---	---	---			0			10	\$0				\$10
Transportation	\$1	---	---	---			0			1	\$0				\$1
GSA Rent	\$0	---	---	---			-	\$0		-	\$0				\$0
Communications, Utilities & Misc.															
	\$29	---	---	---			0			29	\$0				\$29
Printing	\$0	---	---	---						-	\$0				\$0
Other Services															\$0
--WCF	\$179			\$179			1		\$40	221	\$0				\$221
--Other	\$0			\$0			-			-	\$0			\$0	\$0
Supplies	\$3	---	---	---			0			3	\$0				\$3
Equipment	\$5	---	---	---			0			5	\$0				\$5
Admin Subtotal	\$2,245				\$7	\$21	\$1	\$0	\$34	\$2,307	\$0	\$0	\$0	\$0	\$2,307
PROGRAMS															
Essential Air Service	\$47,755						\$239			47,994	(\$302)				\$47,692
Programs Subtotal	\$47,755				\$0	\$0	\$239	\$0	\$0	\$47,994	(\$302)	\$0	\$0	\$0	\$47,692
Total:	\$50,000				\$7	\$21	\$240	\$0	\$34	\$50,302	(\$302)	\$0	\$0	\$0	\$50,000
GRAND TOTAL	\$50,000				\$7	\$21	\$240	\$0	\$34	\$50,302	(\$302)	\$0	\$0	\$0	\$50,000

## EXHIBIT II-6

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE  
OFFICE OF THE SECRETARY  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)**

PAYMENTS TO AIR CARRIERS

(A)	(B)														(C)	(D)	(E)	(F)
	Baseline Changes																	
	2010 Enacted	2010 PC&B By Program	2010 # FTE Per Program	2010 Contracts Expenses	Annualization of 2010 Pay Raises	2011 Pay Raises	Inflation/ Deflation	GSA Rent	WCF Increase/ Decrease	FY 2011 Adjusted Base	Program Increases/ Decreases	2011 PC&B Program Change	2011 # FTE Per Program Increase	2011 Contract Expense Program Changes	FY 2011 Request			
OPERATIONS		Note Non-Add										Note Non-Add						
PERSONNEL RESOURCES																		
(FTE)	0		0							0	0.0				0			
Direct FTE	0		0							0	0.0		0.0		0			
FINANCIAL RESOURCES																		
Salaries and Benefits	\$0	\$0	---	---	\$0	\$0				-	\$0	\$0			\$0			
--WCF Transit Benefits	\$0	---	---	---					\$0	-	\$0				\$0			
Travel	\$0	---	---	---			-			-	\$0				\$0			
Transportation	\$0	---	---	---						-	\$0				\$0			
GSA Rent	\$0	---	---	---			-	\$0		-	\$0				\$0			
Communications, Utilities & Misc.																		
Printing	\$0	---	---	---			-			-	\$0				\$0			
Other Services	\$0	---	---	---						-	\$0				\$0			
--WCF	\$0			\$0			-		\$0	-	\$0				\$0			
--Other	\$0			\$0						-	\$0			\$0	\$0			
Supplies	\$0	---	---	---			-			-	\$0				\$0			
Equipment	\$0	---	---	---			-			-	\$0				\$0			
Admin Subtotal	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
PROGRAMS																		
Essential Air Service	\$150,000						\$750			150,750	(\$18,750)				\$132,000			
Programs Subtotal	\$150,000				\$0	\$0	\$750	\$0	\$0	\$150,750	(\$18,750)	\$0	\$0	\$0	\$132,000			
Total:	\$150,000				\$0	\$0	\$750	\$0	\$0	\$150,750	(\$18,750)	\$0	\$0	\$0	\$132,000			
GRAND TOTAL	\$150,000				\$0	\$0	\$750	\$0	\$0	\$150,750	(\$18,750)	\$0	\$0	\$0	\$132,000			

## EXHIBIT II-6

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE  
OFFICE OF THE SECRETARY  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)**

(A)	<u>FINANCIAL MANAGEMENT CAPITAL</u>														(F)
	(B)	(C)	(D)	(E)	Baseline Changes										
	2010 Enacted	2010 PC&B By Program	2010 # FTE Per Program	2010 Contracts Expenses	Annualization of 2010 Pay Raises	2011 Pay Raises	Inflation/ Deflation	GSA Rent	WCF Increase/ Decrease	FY 2011 Adjusted Base	Program Increases/ Decreases	2011 PC&B Program Change	2011 # FTE Per Program Increase	2011 Contract Expense Program Changes	
OPERATIONS	Note Non-Add				Note Non-Add										
PERSONNEL RESOURCES															
(FTE)	0		0							0	1.5		1.5		1.5
Direct FTE	0		0							0	1.5		1.5		1.5
FINANCIAL RESOURCES															
Salaries and Benefits	\$0	\$0	---	---	\$0	\$0			-		\$183	\$183			\$183
-WCF Transit Benefits	\$0	\$0	---	---					\$0	-	\$0	\$0			\$0
Travel	\$0	---	---	---						-	\$9				\$9
Transportation	\$0	---	---	---						-	\$0				\$0
GSA Rent	\$0	---	---	---				\$0		-	\$0				\$0
Communications, Utilities & Misc.															
	\$0	---	---	---						-	\$0				\$0
Printing	\$0	---	---	---						-	\$0				\$0
Other Services															
-WCF	\$0			\$0					\$0	-	\$0			\$0	\$0
-Other	\$5,000	---	---	\$5,000			25			5,025	\$15,778			\$15,778	\$20,803
Supplies	\$0	---	---	---						-	\$0				\$0
Equipment	\$0	---	---	---						-	\$5				\$5
Admin Subtotal	\$5,000				\$0	\$0	\$25	\$0	\$0	\$5,025	\$15,975	\$183	0	\$15,778	\$21,000
PROGRAMS															
Financial Mgmt Capital	\$0									-					\$0
Programs Subtotal	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total:	\$5,000				\$0	\$0	\$25	\$0	\$0	\$5,025	\$15,975	\$183	0	\$15,778	\$21,000
GRAND TOTAL	\$5,000				\$0	\$0	\$25	\$0	\$0	\$5,025	\$15,975	\$183	0	\$15,778	\$21,000

EXHIBIT II-6

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE  
OFFICE OF THE SECRETARY  
Appropriations, Obligation Limitations, and Exempt Obligations  
(\$000)

LIVABLE COMMUNITIES

(A)	(B) (C) (D) (E) (F) Baseline Changes													
2010 Enacted	2010 PC&B By Program	2010 # FTE Per Program	2010 Contracts Expenses	Annualization of 2010 Pay Raises	2011 Pay Raises	Inflation/ Deflation	GSA Rent	WCF Increase/ Decrease	FY 2011 Adjusted Base	Program Increases/ Decreases	2011 PC&B Program Change	2011 # FTE Per Program Increase	2011 Contract Expense Program Changes	FY 2011 Request
OPERATIONS	Note Non-Add													
PERSONNEL RESOURCES														
(FTE)	0								0	5.0		5.0		5
Direct FTE	0								0	5.0		5.0		5
FINANCIAL RESOURCES														
Salaries and Benefits	\$0	---	---	---	\$0	\$0			-	\$669	\$669			\$669
-WCF, Transit Benefits	\$0	---	---	---				\$0	-	\$0	\$0			\$0
Travel	\$0	---	---	---					-	\$150				\$150
Transportation	\$0	---	---	---					-	\$0				\$0
GSA Rent	\$0	---	---	---			\$0		-	\$0				\$0
Communications, Utilities & Misc.														
	\$0	---	---	---					-	\$10				\$10
Printing	\$0	---	---	---					-	\$0				\$0
Other Services														
-WCF	\$0			\$0				\$0	-	\$0			\$0	\$0
-Other	\$0			\$0					-	\$7,101			\$7,101	\$7,101
Supplies	\$0	---	---	---					-	\$20				\$20
Equipment	\$0	---	---	---					-	\$50				\$50
Admin Subtotal	\$0				\$0	\$0	\$0	\$0	\$0	\$8,000	\$669	\$0	\$7,101	\$8,000
PROGRAMS														
Grants and Technical Assistance									-	\$12,000				\$12,000
Programs Subtotal	\$0				\$0	\$0	\$0	\$0	\$0	\$12,000	\$0	\$0	\$0	\$12,000
Total:	\$0				\$0	\$0	\$0	\$0	\$0	\$20,000	\$669	\$0	\$7,101	\$20,000
GRAND TOTAL	\$0				\$0	\$0	\$0	\$0	\$0	\$20,000	\$669	\$0	\$7,101	\$20,000

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE**  
**OFFICE OF THE SECRETARY**  
**Appropriations, Obligation Limitations, and Exempt Obligations**  
**(\$000)**

(A)

(C)

**(E)**

**(F)**

(C) (D)  
Baseline Changes

Sec. 2 -18

**EXHIBIT II-7**

**WORKING CAPITAL FUND**  
**Office of the Secretary**  
**(\$000)**

	<b><u>FY 2010</u></b> <b><u>ENACTED</u></b>	<b><u>FY 2011</u></b> <b><u>REQUEST</u></b>	<b><u>CHANGE</u></b>
<b>DIRECT:</b>			
Salaries and Expenses	14,665	14,002	-663
Transportation, Planning, Research & Development	667	652	-15
Office of Civil Rights	852	805	-47
Minority Business Outreach	20	15	-5
Minority Business Resource Center Program Account	20	17	-4
Essential Air Service/Payments to Air Carriers	188	223	35
<b>SUBTOTAL</b>	<b>16,412</b>	<b>15,714</b>	<b>-698</b>
<b>REIMBURSABLE:</b>			
Salaries and Expenses	564	525	-39
<b>SUBTOTAL</b>	<b>564</b>	<b>525</b>	<b>-39</b>
<b>TOTAL</b>	<b>16,977</b>	<b>16,239</b>	<b>-738</b>

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

<b><u>DIRECT FUNDED BY APPROPRIATION</u></b>	<b><u>FY 2009 ACTUAL</u></b>	<b><u>FY 2010 ENACTED</u></b>	<b><u>FY 2011 REQUEST</u></b>
Salaries and Expenses	364	460	493
Transportation Planning, Research and Development	22	31	32
Office of Civil Rights	43	55	55
Minority Business Outreach	1	1	2
Minority Business Resource Center Program	1	1	1
Essential Air Service	9	14	14
Financial Management Capital	0	0	1.5
SURFACE TRANSPORTATION DISCRETIONARY GRANTS	0	3	3
<i>ARRA-National Surface Transportation System</i>	<i>0</i>	<i>3</i>	<i>3</i>
National Infrastructure Investment	<i>0</i>	<i>7</i>	<i>14</i>
Livable Communities	0	0	5
Cyber Security Initiative	0	0	13
<b>SUBTOTAL, DIRECT FUNDED</b>	<b>440</b>	<b>572</b>	<b>634</b>
<b><u>REIMBURSEMENTS/ALLOCATIONS/OTHER</u></b>			
Salaries and Expenses	23	32	31
Essential Air Service	0	0	0
Working Capital Fund	179	213	260
<b>SUBTOTAL, REIMBURSEMENTS/ALLOCATIONS/OTHER</b>	<b>202</b>	<b>245</b>	<b>291</b>
<b>TOTAL FTEs</b>	<b>643</b>	<b>817</b>	<b>925</b>

**EXHIBIT II-9**  
**OFFICE OF THE SECRETARY**  
**RESOURCE SUMMARY - STAFFING**  
**FULL-TIME PERMANENT POSITIONS**

<b><u>DIRECT FUNDED BY APPROPRIATION</u></b>	<b><u>FY 2009 ACTUAL</u></b>	<b><u>FY 2010 ENACTED</u></b>	<b><u>FY 2011 REQUEST</u></b>
Salaries and Expenses	499	518	561
Transportation Planning, Research and Development	31	31	33
Office Civil Rights	64	64	64
Minority Business Outreach	1	1	3
Minority Business Resource Center Program	1	1	1
Essential Air Service	14	14	14
Financial Management Capital	0	0	3
SURFACE TRANSPORTATION DISCRETIONARY GRANTS	0	3	3
<i>ARRA-National Surface Transportation System</i>	0	3	3
National Infrastructure Investment	0	14	14
Livable Communities	0	0	10
Cyber Security Initiative	0	0	25
<b>SUBTOTAL, DIRECT FUNDED</b>	<b>610</b>	<b>646</b>	<b>731</b>
<b><u>REIMBURSEMENTS/ALLOCATIONS/OTHER</u></b>			
Salaries and Expenses	34	33	32
Essential Air Service	0	0	0
Working Capital Fund	219	213	260
<b>SUBTOTAL, REIMBURSEMENTS/ALLOCATIONS/OTHER</b>	<b>253</b>	<b>246</b>	<b>292</b>
<b>TOTAL POSITIONS</b>	<b>863</b>	<b>892</b>	<b>1,023</b>

**EXHIBIT II-8**

**OFFICE OF THE SECRETARY  
EXHIBIT 300**

**The following Exhibit 300s can be viewed at <http://www.dot.gov/exhibit300/>**

**--DOT IT Combined Infrastructure**

**--DOT eGrants Consolidation**

**--Intermodal Hazardous Materials**

**-- Delphi**

EXHIBIT III-1  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, [\$102,686,000 of which not to exceed \$2,631,000 shall be available for the immediate Office of the Secretary; not to exceed \$986,000 shall be available for the immediate Office of the Deputy Secretary; not to exceed \$20,359,000 shall be available for the Office of the General Counsel; not to exceed \$11,100,000 shall be available for the Office of the Under Secretary of Transportation for Policy; not to exceed \$10,559,000 shall be available for the Office of the Assistant Secretary for Budget and Programs; not to exceed \$2,504,000 shall be available for the Office of the Assistant Secretary for Governmental Affairs; not to exceed \$25,520,000 shall be available for the Office of the Assistant Secretary for Administration; not to exceed \$2,055,000 shall be available for the Office of Public Affairs; not to exceed \$1,658,000 shall be available for the Office of the Executive Secretariat; not to exceed \$1,499,000 shall be available for the Office of Small and Disadvantaged Business Utilization; not to exceed \$10,600,000 for the Office of Intelligence, Security, and Emergency Response; and not to exceed \$13,215,000 shall be available for the Office of the Chief Information Officer] *\$117,000,000: Provided, [That the Secretary of Transportation is authorized to transfer funds appropriated for any office of the Office of the Secretary to any other office of the Office of the Secretary: Provided further, That no appropriation for any office shall be increased or decreased by more than 5 percent by all such transfers: Provided further, That notice of any change in funding greater than 5 percent shall be submitted for approval to the House and Senate Committees on Appropriations: Provided further,] That not to exceed \$60,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine: Provided further, That notwithstanding any other provision of law, excluding fees authorized in Public Law 107-71, there may be credited to this appropriation up to \$2,500,000 in funds received in user fees [: Provided further, That none of the funds provided in this Act shall be available for the position of Assistant Secretary for Public Affairs]. (Department of Transportation Appropriations Act, 2010.)*

Note: Proposed Section 194 of the Department of Transportation General Provisions would appropriate an additional \$7.623 million for the Salaries and Expenses (S&E) appropriation for Acquisition Workforce Development, for total S&E funding of \$124.623 million.

**DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY**

**SALARIES AND EXPENSES**

**APPROPRIATION SUMMARY BY PROGRAM ACTIVITY**  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Office of the Secretary	2,400	2,631	2,667	36
Office of the Deputy Secretary	759	986	1,000	14
Office of the Executive Secretariat	1,595	1,658	1,683	25
Office of the Under Secretary Transportation Policy	10,107	11,100	13,568	2,468
Office of Small and Disadvantaged Business	1,369	1,499	1,513	14
Office of Intelligence, Security and Emergency Respons	8,675	10,600	10,999	399
Office of the Chief Information Officer	12,885	13,215	22,995	9,780
Office of the Asst. Sec. for Governmental Affairs	2,400	2,504	2,530	26
Office of General Counsel	19,838	20,359	19,711	-648
Office of the Asst. Sec. for Budget and Programs	10,200	10,559	20,022	9,463
Office of the Asst. Sec. for Administration	26,000	25,520	25,695	175
Office of Public Affairs	2,020	2,055	2,240	185
Total	98,248	102,686	124,623 <sup>1/</sup>	21,937
FTEs				
Direct Funded	431	460	493	33
Reimbursable, allocated, other	33	32	31	-1

<sup>1/</sup>Includes \$7.623 million for Acquisition Workforce Development per proposed section 194, General Provisions-Department of Transportation.

**Program and Performance Statement**

This appropriation finances the costs of policy development and central supervisory and coordinating functions necessary for the overall planning and direction of the Department. It covers the immediate secretarial offices as well as those of the assistant secretaries and the general counsel.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, [\$9,667,000] \$9,767,000. (*Department of Transportation Appropriations Act, 2010.*)

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Office of Civil Rights	9,384	9,667	9,767	100
Total	9,384	9,667	9,767	100
FTEs				
Direct Funded	55	55	55	0
Reimbursable, allocated, other	0	0	0	0

**Program and Performance Statement**

This appropriation finances the costs of the Departmental Civil Rights office. This office is responsible for enforcing laws and regulations that prohibit discrimination in federally-operated and assisted transportation programs. This office also handles all civil rights cases related to Department of Transportation employees.

## MINORITY BUSINESS OUTREACH

For necessary expenses of Minority Business Resource Center outreach activities, [\$3,074,000] \$3,395,000, to remain available until September 30, [2011] 2012: *Provided*, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation. (*Department of Transportation Appropriations Act, 2010.*)

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

MINORITY BUSINESS OUTREACH

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010- FY 2011
Minority Business Outreach	3,056	3,074	3,395	321
Total	3,056	3,074	3,395	321
FTEs				
Direct Funded	1	1	2	1
Reimbursable, allocated, other	0	0	0	0

**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.

FINANCIAL MANAGEMENT CAPITAL

For necessary expenses for upgrading and enhancing the Department of Transportation's financial systems and re-engineering business processes, [\$5,000,000] \$21,000,000, to remain available until expended. (*Department of Transportation Appropriations Act, 2010*).

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Financial Management Capital	5,000	5,000	21,000	16,000
Total	5,000	5,000	21,000	16,000
FTEs				
Direct Funded	0	0	1.5	1.5
Reimbursable, allocated, other	0	0	0	0

**Program and Performance Statement**

This appropriation provides funds for a multi-year business transformation effort to streamline and standardize the financial systems and business processes across the Department of Transportation. This effort includes upgrading and enhancing the commercial software used for DOT's financial systems, improving the cost and performance data provided to managers, implementing a budget line of business, and instituting new accounting standards and mandates. In 2010, the business transformation effort will focus on project planning and business process re-engineering that will lead to major system applications, analytics, reporting, and hardware acquisitions in 2011.

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

COMPENSATION FOR AIR CARRIERS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Compensation for Air Carriers [mandatory]	-848	0	0	0
Total	-848	0	0	0
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

COMPENSATION FOR GENERAL AVIATION OPERATIONS

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Compensation for General Aviation Operations	0	0	0	0
Total	0	0	0	0
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

**Program and Performance Statement**

The Transportation, Treasury and Housing and Urban Development, The Judiciary, District of Columbia and Independent Agencies Appropriations Act for Fiscal Year 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 remaining balance in this account is not needed for the purpose originally enacted. In FY 2010, the remaining balance will be transferred, if needed, to Payments to Air Carriers pursuant to P.L. 111-117.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, systems development, development activities, and making grants, to remain available until expended, [\$16,168,000] \$9,819,000. (*Department of Transportation Appropriations Act, 2010.*)

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Transportation Planning, Research and Development	18,300	18,168	9,819	-8,349
Total	18,300	18,168 <sup>1/</sup>	9,819	-8,349
FTEs				
Direct Funded	31	31	32	1
Reimbursable, allocated, other	0	0	0	0

1/ Includes \$2 million for the Mississippi-Missouri River study pursuant to P.L. 111-117, Section 195.

**Program and Performance Statement**

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

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Essential Air Service [Mandatory]	12,286 <sup>1/</sup>	50,000	50,000	0
Total	12,286	50,000	50,000	0
FTEs				
Direct Funded	10	14	14	0
Reimbursable, allocated, other	0	0	0	0

<sup>1/</sup> 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.

**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 FAA to aircraft that neither take off nor land in the United States, commonly known as overflight fees. The Act permanently appropriated the first \$50,000,000 of such fees for the Essential Air Service program and rural airport improvements. To the extent that fee collections fall below \$50,000,000 the law requires the difference to be covered by Federal Aviation Administration funds.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of guaranteed loans, [\$353,000] \$329,000, 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, [\$570,000] \$584,000. (*Department of Transportation Appropriations Act, 2010.*)

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER PROGRAM  
GUARANTEED LOAN FINANCING ACCOUNT

PROGRAM AND PERFORMANCE

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

MINORITY BUSINESS RESOURCE CENTER PROGRAM

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Minority Business Resource Center Program	912	923	913	-10
Total	912	923	913	-10
FTEs				
Direct Funded	1	1	1	0
Reimbursable, allocated, other	0	0	0	0

**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.

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, [~~\$150,000,000~~] *\$132,000,000*, 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, hereafter, 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 in communities in the 48 contiguous States that were not receiving subsidies on October 1, 2010: 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 *shall be transferred* from any available amounts appropriated to or directly administered by the [Office of the Secretary for such fiscal year] *Federal Aviation Administration. (Department of Transportation Appropriations Act, 2010.)*

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)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Payments to Air Carriers	86,213	150,000	132,000	-18,000
Total	86,213	150,000	132,000	-18,000
FTEs				
Direct Funded	0	0	0	0
Reimbursable, allocated, other	0	0	0	0

**Program and Performance Statement**

Through 1997, the Essential Air Service program was funded from the Airport and Airway Trust Fund. Starting in 1998, the FAA 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 2011, \$132,000,000 is requested from the Airport and Airway Trust Fund for Payments to Air Carriers. The 2011 Budget proposes, for the 48 contiguous States, that the program size be limited to communities that are receiving subsidized Essential Air Service as of October 1, 2010.

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE  
TRANSPORTATION SYSTEM, RECOVERY ACT

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Discretionary Grants	1,500,000	0	0	0
Total	1,500,000	0	0	0
FTEs				
Direct Funded	0	3	3	0
Reimbursable, allocated, other	0	0	0	0

**Program and Performance Statement**

This American Recovery and Reinvestment Act program provided funding for grant awards to State and local governments or transit agencies on a competitive basis for capital investments in surface transportation infrastructure resulting in a significant impact on the Nation, a metropolitan area or a region. Of the amount appropriated, an amount not to exceed \$200,000,000 could be used to pay the subsidy and administrative costs of projects eligible for federal credit assistance under U.S.C. 23 Chapter 6, the Transportation Infrastructure Finance and Innovation Act. No funds are requested for this program for 2011.

## NATIONAL INFRASTRUCTURE INVESTMENTS

[For capital investments in surface transportation infrastructure, \$600,000,000, to remain available through September 30, 2012: *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 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 the Secretary shall give priority to projects that require a contribution of Federal funds in order to complete an overall financing package: *Provided further*, That not less than \$140,000,000 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 of the amount made available under this heading, the Secretary may use an amount not to exceed \$150,000,000 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 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 projects conducted using funds provided under this heading must comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code: *Provided further*, That the Secretary shall publish criteria on which to base the competition for any grants awarded under this heading no sooner than 60 days after enactment of this Act, require applications for funding provided under this heading to be submitted no sooner than 120 days after the publication of such criteria, and announce all projects selected to be funded from funds provided under this heading no sooner than September 15, 2010: *Provided further*, That the Secretary may retain up to \$25,000,000 of the funds provided under this heading, and may transfer portions of those funds to the Administrators of the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration and the Federal Maritime Administration, to fund the award and oversight of grants made under this heading.] (*Department of Transportation Appropriations Act, 2010.*)

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

NATIONAL INFRASTRUCTURE INVESTMENT

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010 - FY 2011
Discretionary Grants	0	600,000	0	-600,000
Total	0	600,000	0	-600,000
FTEs				
Direct Funded	0	7	14	7
Reimbursable, allocated, other	0	0	0	0

**Program and Performance Statement**

This program provides funding for grant awards to State, local governments, transit agencies, or a collaboration of such entities on a competitive basis for capital investments in surface transportation infrastructure that will have a significant impact on the Nation, a metropolitan area or a region. Of the amount appropriated, an amount not to exceed \$150,000,000 may be used to pay the subsidy and administrative costs of projects eligible for federal credit assistance under U.S.C. 23 Chapter 6, the Transportation Infrastructure Finance and Innovation Act. No funds are requested for this program for 2011; instead, the National Infrastructure Innovation and Finance Fund will serve a similar purpose.

## LIVABLE COMMUNITIES

*For necessary expenses for livable communities initiatives, including coordinating livability and sustainability work with the Department of Transportation and with the Environmental Protection Agency and the Department of Housing and Urban Development; developing performance standards and metrics; building analytical capacity; and providing grants and direct technical assistance to State, local and non-profit organizations, \$20,000,000, to remain available until September 30, 2013; Provided, That any grants and technical assistance made available under this heading shall be for improved performance measurement capabilities, enhanced ability to perform alternatives analysis, and training and workshops for personnel.*

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

LIVABLE COMMUNITIES

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010- FY 2011
Livable Communities	0	0	20,000	20,000
Total	0	0	20,000	20,000
FTEs				
Direct Funded	0	0	5	5
Reimbursable, allocated, other	0	0	0	0

**Program and Performance Statement**

This appropriation provides funding to create an Office of Livable Communities within the Office of the Secretary to coordinate livability and sustainability work throughout the Department of Transportation and coordinate with similar programs at the Department of Housing and Urban Development and the Environmental Protection Agency. Activities will support assessment and evaluation of livability interventions, identification of options for reducing Federal program barriers to developing livable communities, and assessment of various transportation programs in supporting livability. Of the \$20 million, \$12 million will be for grants and technical assistance to aid State, local and non-profit organizations in improving performance measurement capabilities, enhancing their ability to perform alternatives analysis, and providing training and workshops for personnel.

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

CYBER SECURITY INITIATIVES

*For necessary one-time expenses for cyber security initiatives, including 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, \$30,000,000, to remain available until expended.*

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

CYBER SECURITY INITIATIVES

APPROPRIATION SUMMARY BY PROGRAM ACTIVITY  
(In thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	Change FY 2010- FY 2011
Cyber Security Initiative	0	0	30,000	30,000
Total	0	0	30,000	30,000
FTEs				
Direct Funded	0	0	13	13
Reimbursable, allocated, other	0	0	0	0

**Program and Performance Statement**

This one-time appropriation will fund initiatives to close cyber security performance gaps. 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.

## WORKING CAPITAL FUND

[For necessary expenses for operating costs and capital outlays of the Working Capital Fund, not to exceed \$147,596,000, shall be paid from appropriations made available to the Department of Transportation: *Provided*, That such services shall be provided on a competitive basis to entities within the Department of Transportation: *Provided further*, That the above limitation on operating expenses shall not apply to non-DOT entities: *Provided further*, That no funds appropriated in this Act to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency modal administrator: *Provided further*, That no assessments may be levied against any program, budget activity, subactivity or project funded by this Act unless notice of such assessments and the basis therefore are presented to the House and Senate Committees on Appropriations and approved by such Committees.] (*Department of Transportation Appropriations Act, 2010.*)

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND  
(In thousands of dollars)

<u>Program</u>	FY 2009 <u>Actual</u>	FY 2010 <u>Enacted</u>	FY 2011 <u>Request</u>	Change FY 2010 - <u>FY 2011</u>
WCF DOT Total	<u>128,094</u>	<u>147,596</u>	<u>148,096</u>	<u>500</u>
WCF DOT Activities	128,094	147,596	148,096	500
WCF Non-DOT Activities	349,424	438,953	446,687	7,734
<b>Total</b>	<b>\$477,518</b>	<b>\$586,549</b>	<b>\$594,783</b>	<b>\$8,234</b>
<u>Staffing</u>				
Direct FTE	0	0	0	0
Reimbursable FTE	219	213	260	47

**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

ADMINISTRATIVE PROVISIONS  
OFFICE OF THE SECRETARY OF TRANSPORTATION

Sec. 101. The Secretary or his or her designee may engage in activities with States and State legislators to consider proposals related to the reduction of motorcycle fatalities. (*Department of Transportation Appropriations Act, 2010.*)

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

	<b><u>FY 2000</u></b> <b><u>Actual</u></b>	<b><u>FY 2001</u></b> <b><u>Actual</u></b>	<b><u>FY 2002</u></b> <b><u>Actual</u></b>	<b><u>FY 2003</u></b> <b><u>Actual</u></b>	<b><u>FY 2004</u></b> <b><u>Actual</u></b>	<b><u>FY 2005</u></b> <b><u>Actual</u></b>	<b><u>FY 2006</u></b> <b><u>Actual</u></b>	<b><u>FY 2007</u></b> <b><u>Actual</u></b>	<b><u>FY 2008</u></b> <b><u>Actual</u></b>	<b><u>FY 2009</u></b> <b><u>Actual</u></b>	<b><u>FY 2010</u></b> <b><u>Enacted</u></b>	<b><u>FY 2011</u></b> <b><u>Request</u></b>
Salaries & Expenses	59,497 <sup>1/</sup>	63,106	67,078	88,357	77,894	81,564	84,051	83,961	91,782	98,248	102,686	124,623
Office of Civil Rights	6,988	8,122	8,362	8,514	8,223	8,408	8,465	8,527	9,141	9,384	#REF!	#REF!
New Headquarters Building	#REF!	#REF!	#REF!	#REF!	#REF!	43,355	49,500	49,500	0	#REF!	#REF!	#REF!
Transportation, Planning, Research & Development	5,217	10,976	11,580	23,463	31,810	20,997	14,850	14,893	13,884	18,300	18,168 <sup>8/</sup>	9,819
Minority Business Outreach	2,882	2,993	3,000	2,949	3,973	2,641	2,970	2,970	2,970	3,056	3,074	3,395
MBRC Loans	1,900	1,896	900	894	895	522	891	893	893	912	923	913
Payments to Air Carriers	0	0	62,952	51,761	51,662	51,628	0	59,400	60,000	86,213	150,000	132,000
Essential Air Service	[50,000] <sup>2/</sup>	50,000 <sup>3/</sup>	[50,000] <sup>4/</sup>	[50,000] <sup>4/</sup>	[50,000] <sup>5/</sup>	[50,000] <sup>6/</sup>	[50,000] <sup>6/</sup>	[50,000] <sup>6/</sup>	[65,000] <sup>7/</sup>	[12,286] <sup>9/</sup>	[50,000] <sup>6/</sup>	[50,000] <sup>6/</sup>
Compensation to Air Carriers	0	5,000,000	0	0	0	0	0	-50,000	-22,000	-848	0	0
Compensation for General Aviation	0	0	0	0	0	0	16,830	0	0	0	0	0
ARRA - National Surface Transportation System	0	0	0	0	0	0	0	0	0	1,500,000	0	0
National Infrastructure Investments	0	0	0	0	0	0	0	0	0	0	600,000	0
Livable Communities	0	0	0	0	0	0	0	0	0	0	0	20,000
Financial Management Capital	0	0	0	0	0	0	0	0	0	5,000	5,000	21,000
Cyber Security Initiative	0	0	0	0	0	0	0	0	0	0	0	30,000

<sup>1/</sup> Does not reflect rescission of prior year Y2K balances.

<sup>10/</sup>

<sup>2/</sup> Offsetting collection from FAA Operations TF account.

<sup>3/</sup> BA transfer from FAA Operations GF.

<sup>4/</sup> Offsetting collection from FAA F&E balances.

<sup>5/</sup> Unobligated balances of overflight fees

<sup>6/</sup> Overflight fees collected by FAA

<sup>7/</sup> Overflight fees collected by FAA (\$50m) and funds from sale of spectrum (\$15m)

<sup>8/</sup> Includes \$2 million for the Mississippi-Missouri Rivers project pursuant to P.L. 111-117 Section 195.

<sup>9/</sup> 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.

**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 Enacted	147,596		18,367
FY 2011 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 2011 Congressional Budget Justification**

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**GENERAL NOTES**

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

**EXHIBIT III-2****SALARIES AND EXPENSES**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2010 TO FY 2011**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

<b>Item</b>	<b>Total (\$000s)</b>	<b>FTE</b>
<b>FY 2010 Base (Enacted)</b>	<b>102,686</b>	<b>460.5</b>
<b>Adjustments to Base:</b>		
Annualization of 2010 Comparability Pay Increase	292	
2011 Comparability Pay Increase	661	
Inflation	191	
Rent	(70)	
WCF Decreases	(736)	
Worker's Compensation Increase	15	
Subtotal, Adjustments to Base	353	0.0
<b>Total, FY 2011 Baseline Estimates</b>	<b>103,039</b>	<b>460.5</b>
<b>Change in Program Level (+/-)</b>		
Immediate Office of the Secretary		
Program Increase	34	0.0
Office of the Deputy Secretary		
Program Increase	11	0.0
Executive Secretariat		
Program Increase	10	0.0
Office of the Under Secretary of Transportation for Policy		
Program and FTE Increase	2,304	6.0
Office of the Assistant Secretary for Budget and Programs		
Program and FTE Increase	9,324	8.0
Office of Intelligence, Security, & Emergency Response		
Program and FTE Increase	283	2.0
Office of the Chief Information Officer		
Program and FTE Increase	9,172	13.0
Office of the General Counsel's Aviation Enforcement		
Program (AEP)		
FTE Increase	-	3.5
Office of the General Counsel's AEP Base Offset	(22)	0.0
Office of the Assistant Secretary for Administration		
Program Increase	300	0.0
Office of Public Affairs		
Program Increase	168	0.0
Subtotal, New or Expanded Programs	21,584	32.5
<b>Total FY 2011 Request</b>	<b>\$ 124,623</b>	<b>493.0</b>

## Detailed Justification for the Immediate Office of the Secretary

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference From FY 2010</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	2,065	2,294	2,329	35
Travel	229	231	232	1
Other Costs	106	106	106	0
<b>TOTAL</b>	<b>2,400</b>	<b>2,631</b>	<b>2,667</b>	<b>36</b>
<b><u>STAFFING</u></b>				
Direct Postions	15	15	15	0
Reimbursable Positions	7	7	7	0
Direct FTE	14	15	15	0
Reimbursable FTE	7	7	7	0

**Immediate Office of the Secretary**

**FY 2011 Request: \$ 2,667**

### Overview:

The Immediate Office of the Secretary provides leadership for the Department and develops a shared understanding of the Department's vision, mission, and strategic goals. It is responsible for overall planning, direction, and control of the Department's agenda.

### FY 2010 Base:

The Immediate Office of the Secretary will operate within the enacted budget amount and FTE level to provide executive leadership.

### FY 2011 Budget Request:

The Immediate Office of the Secretary is requesting \$2.667 million and 15 FTEs in FY 2011 to continue the mission outlined above. The FY 2011 request will fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, a .5 percent inflation adjustment, and the 15 FTEs authorized for this office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

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

<b>FY 2010 Base (Enacted)</b>	<b>\$2,631</b>
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**Overview:**

An increase is required to fund 2010 and 2011 pay raise costs and 2011 inflation; however, a savings is realized from WCF which will be used to support other contractual services.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$10
2011 Pay Raise:	\$24
Inflation:	\$2
WCF:	(\$34)
<b>FY 2011 Adjusted Base:</b>	<b>\$2,633</b>

**Program Changes (+/-):**

<b>Other Contractual Services</b>	<b>\$34</b>
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The savings realized from Working Capital Funds reductions will be used to support other contractual services to support the overall planning, direction, and control of the Department's agenda.

<b>Total FY 2011 Request:</b>	<b>\$2,667</b>
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## Detailed Justification for the Office of the Deputy Secretary

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference From FY 2010</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	722	948	962	14
Travel	21	21	21	0
Other Costs	16	17	17	0
<b>TOTAL</b>	<b>759</b>	<b>987</b>	<b>1,000</b>	<b>13</b>
<b><u>STAFFING</u></b>				
Direct Positions	7	7	7	0
Reimbursable Positions	0	0	0	0
Direct FTE	5	7	7	0
Reimbursable FTE	0	0	0	0

**Office of the Deputy Secretary**

**FY 2011 Request: \$1,000**

### Overview:

The Office of the Deputy Secretary has the primary responsibility of assisting the Secretary in the overall planning, direction and control of the Department's agenda.

### FY 2010 Base:

The Office of the Deputy Secretary will operate within the enacted budget amount and FTE level to provide assistance to the Secretary.

### FY 2011 Budget Request:

The Office of the Deputy Secretary is requesting \$1.000 million and 7 FTE in FY 2011 to continue the mission outlined above. The FY 2011 request will fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, a .5 percent inflation adjustment, and the 7 FTEs authorized for this office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

**Explanation of Funding Changes  
for the  
*Office of the Deputy Secretary*  
(\$000)**

<b>FY 2010 Base (Enacted)</b>	<b>\$986</b>
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**Overview:**

An increase is required to fund 2010 and 2011 pay raise costs and 2011 inflation; however, a savings is realized from WCF which will be used to support other contractual services.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$4
2011 Pay Raise:	\$10
Inflation:	\$0
WCF:	(\$11)
<b>FY 2011 Adjusted Base:</b>	<b>\$989</b>

**Program Changes (+/-):**

<b>Other Contractual Services</b>	<b>\$11</b>
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The savings realized from Working Capital Funds reductions will be used to support other contractual services to support assisting the Secretary in the overall planning, direction, and control of the Department's agenda.

<b>Total FY 2011 Request:</b>	<b>\$1,000</b>
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## Detailed Justification for the Executive Secretariat

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>From</u></b>
				<b><u>FY 2010</u></b>
				<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	1,562	1,625	1,651	26
Travel	0	0	0	0
Other Costs	33	33	32	-1
<b>TOTAL</b>	<b>1,595</b>	<b>1,658</b>	<b>1,683</b>	<b>25</b>

### **STAFFING**

Direct Positions	15	15	15	0
Reimbursable Positions	0	0	0	0
Direct FTE	14	15	15	0
Reimbursable FTE	0	0	0	0

<b>Office of The Executive Secretariat</b>
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<b>FY 2011 Request: \$ 1,683</b>
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### **Overview:**

The Office of the Executive Secretariat provides an organized staff service for the Secretary and Deputy Secretary to assist them in carrying out their management functions and facilitate 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.

### **FY 2010 Base:**

The Office of the Executive Secretariat will operate within the enacted budget amount and FTE level.

### **FY 2011 Budget Request:**

The Office of the Executive Secretariat is requesting \$1.683 million and 15 FTEs in FY 2011 to continue the mission outlined above. The FY 2011 request will fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, a .5 percent inflation adjustment, and the 15 FTEs authorized for this office. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

**Explanation of Funding Changes  
for the  
*Office of the Executive Secretariat*  
(\$000)**

**FY 2010 Base (Enacted)** **\$1,658**

**Overview:**

An increase is required to fund 2010 and 2011 pay raise costs and 2011 inflation; however, a savings is realized from WCF which will be used to support other contractual services.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$8
2011 Pay Raise:	\$17
Inflation:	\$0
WCF:	(\$10)
<b>FY 2011 Adjusted Base:</b>	<b>\$1,673</b>

**Program Changes (+/-):**

**Other Contractual Services** **\$10**

The savings realized from Working Capital Funds reductions will be used to support other contractual services to support the Executive Secretariat in controlling and coordinating internal and external material directed to the Secretary and Deputy Secretary.

**Total FY 2011 Request:** **\$1,683**

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

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference From FY 2010</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	9,483	10,469	12,889	2,420
Travel	206	207	205	-3
Other Costs	418	424	475	50
<b>TOTAL</b>	<b>10,107</b>	<b>11,100</b>	<b>13,568</b>	<b>2,468</b>
<b><u>STAFFING</u></b>				
Direct Positions	122	122	122	0
Reimbursable Positions	4	4	4	0
Direct FTE	78	84	90	6
Reimbursable FTE	4	4	4	0
<b>Office of the Under Secretary of Transportation for Policy</b>		<b>FY 2011 Request: \$13,568</b>		

### Overview:

The Office of the Under Secretary of Transportation for Policy will use its salaries and expenses (S&E) funding to support sustainable transportation; infrastructure and finance innovation; and livable communities. The sustainable transportation program will provide expertise on greenhouse gas emissions and climate change. Leadership and expertise will be provided to evaluate the variety of policy proposals stemming from implementing expected climate legislation and preparing the transportation system for the future. Strategies to be evaluated include pricing of transportation facilities and services; transportation and land use planning, transit and intercity passenger rail services; impact of cap and trade programs on transportation; comparison of different freight movement options; and greenhouse gas and fuel economy standards for vehicles. The infrastructure and finance innovation program will support DOT's efforts to assist State and local governments and other public officials interested in innovative approaches for improving the funding and delivery of transportation infrastructure. The focus will be on developing appropriate economic models for analysis of cost and benefits of infrastructure projects; analyzing innovative domestic and international financing programs; exploring best practices; and gaining a better understanding of the benefits, risks, trade-offs, incentives and other factors that make innovative financing programs successful. The livable

communities program will promote use of transportation funds to decrease transportation costs, improve access to jobs and services, promote healthy communities, facilitate efficient freight movement, improve air quality and protect the natural environment and enhance unique characteristics of communities.

Other activities of the Office of the Under Secretary are international standards development and harmonization; trade promotion; air carrier licensing; aviation and other transportation-related trade negotiations; development of legislative initiatives; performance of policy and economic analysis; intermodalism; and panoply of safety, energy and environmental issues that impact transportation systems development. The Under Secretary's office also provides staff support to the Secretary and other senior Department decision makers in their discussions, meetings and other activities with foreign officials and senior U.S. officials both within the Federal government and U.S. private sector.

The Office of the Under Secretary is responsible for the continuing negotiations on maritime services in the General Agreement on Trade in Services, science and technology cooperative programs with Japan and Russia, and promotion of transport-related U.S. business interests overseas. The office has been assigned lead responsibilities in each of these areas.

**FY 2010 Anticipated Accomplishments:**

The Office of the Under Secretary will provide oversight and implementation of the American Recovery and Reinvestment Act, particularly the \$1.5 billion Supplemental Discretionary Grants for a National Surface Transportation System, and the National Infrastructure Investment program. The Under Secretary will play a vital role in the policy making for the Secretary's initiative for livable and sustainable communities. In addition, the Office of the Under Secretary will increase and expand federal policy on intermodal transportation and will continue to initiate policies to promote efficient intermodal transportation. International outreach with major transport ministers will continue to develop policy positions on transport and transport related international trade matters, as well as participate in the negotiation and implementation of trade agreements between the United States and other countries.

**FY 2010 Base:**

The Office of the Under Secretary will operate within the enacted budget amount and FTE level to accomplish the mission outlined above.

**FY 2011 Budget Request:**

The Office of the Under Secretary is requesting \$13.6 million and 90 FTEs in FY 2011. The FY 2011 request for this area includes funding for: 6 critical FTEs and associated costs needed to meet ongoing workload requirements; annualization of the 2010 pay raise; the 2011 civilian pay raise of 1.4 percent; and a .5 percent inflation adjustment. It also includes \$1.5 million for Transportation Counsel staffing at the U.S. Embassy in Kabul and Transportation Attaché staffing for the U.S. Embassy in Baghdad. A more

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

**U.S. Embassy Kabul Transportation Counselor Office Staffing**

This program is being developed in response to the Administration's request that the Department support the U.S. Government's Afghanistan reconstruction efforts. This proposal would fund two principal positions in an Office of the Transportation Counselor in the U.S. Embassy, Kabul, mirroring the Department's successful work in Iraq. Consistent with the buildup of military and civil reconstruction activities in Afghanistan, and given the importance of the transport sector to all of the other areas of reconstruction, DOT is working to establish a presence as soon as possible. OST proposes to fund two principal positions in FY 2011, the Transportation Counselor and the Deputy. Other positions in the office will be funded for FY 2011 via incorporating the ongoing support already provided by FAA's Aviation Attaché in Kabul, and any available support from the Department of State's programs.

For FY 2011, the Department requests \$1 million to establish and maintain staffing for the Office of the Transportation Counselor staffed by existing DOT employees who volunteer for deployment to the U.S. Embassy Kabul, Afghanistan. Interagency coordination of the programs, activities and staffing of the office will ensure cost-effective use of resources.

**U.S. Embassy Baghdad Transportation Attaché Staffing**

This program is in response to the Administration's request that the Department continue to support the U.S. Government's Iraq reconstruction efforts. This proposal would fund the senior position in the Office of the Transportation Attaché in the U.S. Embassy, Baghdad, continuing the Department's successful transportation leadership in Iraq. Given the importance of the transport sector to all of the other areas of reconstruction, DOT is working to fund the senior leadership position in the Office as long as it is needed. For FY 2011, OST proposes to fund the position of the Transportation Attaché. Other positions in the Office are funded by different modal administrations and by available support from the Department of State's 3161 direct-hire program.

For FY 2011, the Department requests \$500,000 to maintain the position of the Transportation Attaché, in the Office of the Transportation Attaché, U.S. Embassy Baghdad staffed by existing DOT employees who volunteer for deployment. The funds will be used to help support the Administration's continued coordination of U.S. Government's reconstruction efforts. Interagency coordination to promote cost-effective use of resources, including the staffing of other positions in the Office, will be continued.

**Explanation of Funding Changes  
for the  
*Office of the Asst. Sec. for Trans. Policy*  
(\$000)**

**FY 2010 Base (Enacted) \$11,100**

**Overview:**

The Under Secretary will use its additional salaries and expense funding for several new initiatives in support of the Administration priorities, such as livable communities, sustainable transportation, infrastructure and finance innovation and the future of high speed rail.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$45
2011 Pay Raise:	\$103
Inflation:	\$4
WCF:	\$13
<b>FY 2011 Adjusted Base:</b>	<b>\$11,265</b>

**Program Changes (+/-):**

**Six additional FTEs \$804**

The increase for six FTE will be used for ongoing workload requirements, including the initiatives stated above as well as oversight and implementation of the American Recovery and Reinvestment Act and the National Infrastructure Investment program. A portion of the FTEs may be used for administration of existing SCASDP grants and close-out of the program.

**Staffing for Kabul & Baghdad \$1,500**

To provide staffing for the Transportation Counsel at the US Embassy in Kabul and Transportation Attache for the US Embassy in Baghdad.

**Total FY 2011 Request: \$13,568**

## Detailed Justification for the Office of Small and Disadvantaged Business Utilization

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b>From</b>
				<b>FY 2010</b>
				<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	1,257	1,386	1,410	24
Travel	0	0	0	0
Other Costs	112	113	103	-10
<b>TOTAL</b>	<b>1,369</b>	<b>1,499</b>	<b>1,513</b>	<b>14</b>
<b><u>STAFFING</u></b>				
Direct Positions	9	9	9	0
Reimbursable Positions	0	0	0	0
				0
Direct FTE	8	9	9	0
Reimbursable FTE	0	0	0	0

<b>Office of Small and Disadvantaged Business Utilization</b>	<b>FY 2011 Request: \$ 1,513</b>
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### Overview:

The Office of Small and Disadvantaged Business Utilization's (OSDBU) mission is to ensure that the small and disadvantaged business policies and goals 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 and 15 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.

### FY 2010 Base:

The Office of Small and Disadvantaged Business Utilization will operate within the enacted budget amount and FTE level to accomplish the mission described above.

**Anticipated FY 2010 Accomplishments:**

In support of implementing the Department's responsibilities under sections 8 and 15 of the Small Business Act, as amended, a priority in FY 2010 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. Priority will also be placed on continuing the implementation of the Bonding Assistance Program for Disadvantaged Business Enterprises funded in the American Recovery and Reinvestment Act.

**FY 2011 Budget Request:**

The Office of Small and Disadvantaged Business Utilization is requesting \$1.513 million and 9 FTEs in FY 2011. The FY 2011 request will fund the annualization the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, a .5 percent inflation adjustment, and the 9 FTEs authorized for the program. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

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

<b>FY 2010 Base (Enacted)</b>	<b>\$1,499</b>
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**Overview:**

An increase is required to fund 2010 and 2011 pay raise costs and 2011 inflation.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$6
2011 Pay Raise:	\$14
Inflation:	\$1
WCF:	(\$6)
<b>FY 2011 Adjusted Base:</b>	<b>\$1,513</b>

<b>Total FY 2011 Request:</b>	<b>\$1,513</b>
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## Detailed Justification for the Office of Intelligence, Security, and Emergency Response

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>From</u></b>
				<b><u>FY 2010</u></b>
				<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	5,312	7,164	7,478	314
Travel	400	633	743	110
Other Costs	2,963	2,803	2,778	-25
<b>TOTAL</b>	<b>8,675</b>	<b>10,600</b>	<b>10,999</b>	<b>399</b>

**STAFFING**

Direct Positions	37	49	52	3
Reimbursable Positions	0	0	0	0
Direct FTE	37	49	51	2.0
Reimbursable FTE	0	0	0	0

<b>Office of Intelligence, Security, and Emergency Response</b>	<b>FY 2011 Request: \$10,999</b>
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**Overview:**

The Office of Intelligence, Security, and Emergency Response is comprised of five primary areas of responsibility: Intelligence, Security Policy, Preparedness, Operations, and Executive Protection. The Office ensures the development, coordination and execution of plans and procedures for the Department of Transportation to balance transportation security requirements with safety, mobility and the economic needs of the Nation through effective intelligence, security, preparedness, and emergency response programs. These programs are mandated and governed by statutes, Executive Orders, and Presidential Directives.

**I. Intelligence**

The Intelligence Division provides the Secretary of Transportation and other Department principals with all-source, finished transportation-related intelligence. The intelligence covers current key developments and longer-range regional/worldwide trends in international terrorism; 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 U.S. security and international efforts. This mission is accomplished through analysis, reporting, and close coordination with organizations in the Intelligence Community.

The Intelligence function was created on June 14, 1990, in response to the President's Commission on Aviation Security and Terrorism. The initial responsibilities were in response to the Commission's direction. Those responsibilities have significantly increased based on numerous subsequent Presidential Directives and Executive Orders. These include the Intelligence Reform and Prevention of Terrorism Act (IRPTA), Public Law 108-458; the Implementation Plan for the Information Sharing Environment; the National Strategy for Combating Terrorism; the National Intelligence Strategy; the Homeland Security Act of 2002; and several classified National Security Presidential Directives/ Homeland Security Presidential Directives (NSPD/HSPD).

The IRPTA significantly increased workload and established a new paradigm for sharing information. For example, Section 1016 of IRPTA 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. As a result of IRPTA, the Program Manager of the ISE (PMISE) created the Information Sharing Council and the Intelligence Division participates in the Council.

Similar workload impacts were caused by NSPD-47/HSPD-16, "Aviation Security Policy," which established U.S. policy, guidelines, and implementation actions; and directed the development of the National Strategy for Aviation Security (NSAS), that provides the overarching framework for a comprehensive and integrated national approach to security of the Aviation Transportation System.

In order to meet the requirements, work can be summarized as follows:

1. Intelligence Advisor to the Secretary and Other Department Principals. Ensures the Secretary and senior staff are kept informed of significant intelligence and security issues affecting the traveling public, transportation industry, and national security. This intelligence includes analysis of all-source reporting on terrorist threats to transportation and the U.S. Homeland, as well as regional/worldwide trends in international terrorism; and, global and international issues concerning aviation, trade, transportation markets, trade agreements, and a range of other international developments.
2. Liaison with Intelligence and Law Enforcement Communities. Serves as the Department's primary liaison with the Intelligence and Law Enforcement Communities to ensure the intelligence requirements of the Department and the Operating Administrations are incorporated into Intelligence Community collection strategies. In addition, the Intelligence Division utilizes the expert knowledge of DOT modal experts in support of intelligence and law enforcement agencies regarding transportation related topics.

3. Transportation Intelligence Policy Advisor. Advises DOT executives on policy issues related to intelligence, information sharing, and national security strategies coordinated in the National and Homeland Security Councils; and coordinates modal input on specific national-level security plans.

There has been an exponential increase in demand for DOT to provide intelligence analysis of threats to transportation infrastructure, both within the Department and within the Intelligence Community. The Intelligence Division has become a key player in Intelligence Policy issues supporting the President's agenda, to include representing the Department at work groups such as the Information Sharing Council and the Customer Service Synchronization Board (CSSB); and helping to develop policy such as the National Implementation Plan for the Global War on Terror. In addition, the Intelligence Division works in conjunction with the Security Policy Division on security policies such as the National Strategy for Aviation Security (NSAS), the Intelligence Community Exercise Forum, and the Strategic Homeland Infrastructure Risk Assessment (SHIRA). DOT's participation in these important efforts requires considerable effort and often results in the need to surge resources to meet inflexible deadlines. Further, the Intelligence Division worked closely with the National Counterterrorism Center and played a key role in developing the First Counterterrorism Budget with identified counterterrorism related programs and activities conducted across the U.S. Government.

## **II. Security Policy**

The Security Policy Division supports the Department's work in critical White House Policy coordination. With the combination of the Homeland Security Council and the National Security Council, DOT now participates in more Interagency Policy Committees than ever before with a broader range and scope of activities. The Secretary is a member of the Principals' Committee, which tackles the most complex issues with the greatest implications; the Deputy is a member of the Deputies' committee, which meets far more frequently (some times weekly) and irons out ambiguities in authorities or responsibilities in key policy areas. These two Committees are supported by a network of Interagency Policy Committees (IPCs), staffed at the Assistant Secretary level, and their work builds upon work by Sub-IPCs, where DOT representation consists of staff from the Secretary's office or Operating Administrations. Occasionally, Working Groups also tackle specific issues or projects. All of the coordination of all these groups is done by the Security Policy Division. These activities are in direct support of various Presidential Directives, Executive Orders, 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.

The Act Implementing the Recommendations of the 9/11 Commission set seventy-eight tasks involving DOT, many in cooperation or coordination with the Department of Homeland Security. Section 4001 of the Intelligence Reform and Terrorism Act of 2004 also specifically requires that the Secretary of Homeland Security work jointly with the Secretary of Transportation in developing, revising, and updating a National Strategy for Transportation Security and transportation modal security plans. Security Policy assures DOT completion of projects under this and other legislation in the emergency preparedness and response area, and leads coordination with DHS for the Department – hosting quarterly coordination meetings at the staff level with DOT and DHS organizations, and developing the agenda and coordinating

quarterly meetings at the Secretarial level. In addition, Security Policy works very closely with DHS Policy to assure gaps and overlaps are minimized and greatest services provided.

For example, Homeland Security Presidential Directive 7, “Critical Infrastructure Identification, Prioritization and Protection” charges the Secretary of Transportation to provide the Department of Homeland Security with support in identification of critical infrastructure, vulnerability assessments, analysis, and implementation of protective programs, and establishment of measures of effectiveness for continuous improvement. This requirement applies across all modes of transportation and necessitates intermodal coordination. The Department must also ensure the security of the National Airspace System and its own internal critical infrastructure. The Security Policy Division coordinates this implementation with the Department of Homeland Security. The transportation sector is now served by several Sector Coordinating Councils, representing industry and government for the various modes. It is essential DOT actively participate in these Councils, which provide important avenues for information exchange with the private sector, which owns most of the nation’s transportation. Security Policy representatives make sure DOT has appropriate representation at all meetings, including with the newly-established Critical Manufacturing Sector.

The Security Policy Division, in coordination with DHS, developed the National Transportation Recovery Strategy, which helps state and local partners get back on their feet following a disaster. This multi-modal and community-based approach facilitates a quick return to minimal functioning and a thoughtful recovery including increased resiliency to future events. The current document, issued in 2009, is the first of several phases and supersedes the Community Recovery Strategy under development by FEMA.

The Security Policy Division also leads the department’s efforts in preparing for and responding to disease outbreaks. DOT is assigned 73 tasks under the National Strategy for Pandemic Influenza. This Division oversees the Department’s Pandemic Influenza plan, and outreach to stakeholders and provides frequent and ongoing coordination with DHS and the Department of Health and Human Services regarding potential protective measures, such as screening passengers as they enter or exit the Country. These plans and policies were tested during the initial outbreak of the H1N1 Influenza virus and enhanced preparedness is under way in anticipation of a more virulent outbreak to follow.

### **III. Preparedness**

The Preparedness Division has four primary areas of responsibility: National Security Programs, National Response Programs (Emergency Support Function-1), International Civil Emergency Preparedness Programs, and Training and Exercise Programs. These responsibilities are derived from 49 USC Sections 101 and 301, Sections 1401 and 1402 of Executive Order 12656, as amended, and Section 201 (a) of Executive Order 12919. These authorities delegate responsibilities to the Secretary of Transportation to exercise leadership in transportation matters, including those affecting national defense and those matters involving national or regional emergencies and international civil emergency preparedness planning with NATO and other allies. Part 1, Section 1.69 (b) of Title 49, Code of Federal Regulations, as amended, delegates the Secretary’s authority for emergency preparedness and response functions to the Director of the Office of Intelligence, Security, and Emergency Response.

- **National Security Program.** The purpose of the national security program is to ensure survival of a constitutional form of government and the continuity of essential DOT and governmental functions in events ranging from facility damage resulting from a minor incident such as a water main break to a terrorist attack on the nation. Under these programs, the office develops and maintains the Office of the Secretary of Transportation Continuity of Operations plan; maintains alternate secure facilities in a high state of readiness for use by the OST and the DOT Emergency Response Team in the event that the use of HQ building is denied, or if DHS/FEMA has directed a heightened continuity readiness posture. The office ensures a high state of readiness through periodic inter- and intra-agency exercises and testing. Additionally, the office develops and updates departmental devolution plans and procedures, and plans for DOT support to various continuity of government programs.

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, and 1998; on May 9, 2007, President Bush issued a new policy that is far more demanding, via National Security Presidential Directive (NSPD 51)/Homeland Security Presidential Directive (HSPD-20), "National Continuity Policy". The National Continuity Implementation Plan, developed under the NSPD/HSPD, includes 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.

This office also provides support and training to members of the DOT Emergency Response Team and Secretarial successors.

Additionally, guidance was provided in National Communications System Directive NCSD-310 that establishes new communications requirements that must be met for each COOP site. Implementation of this directive is shared among the OST offices for CIO, Management, and Intelligence, Security and Emergency Response.

- **National Response Program (Emergency Support Function - 1).** The National Response Program is responsible for coordinating the Department's response to disasters. This includes managing the Department's responsibilities under the National Response Framework. Under the National Response Framework, DOT is the coordinating and primary agency for Emergency Support Function-1 Transportation (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; coordinating alternate transportation services provided by others; 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. DOT also provides economic analysis at the local, regional, or national levels and provides recovery assistance, helping coordinate restoration of the transportation system to affected areas

This program also manages the Regional Emergency Transportation Program, which consists of Regional Emergency Transportation Coordinators (RETCOs), Regional Emergency Transportation Representatives (RETREPs), and response teams. These response teams, which are based in ten regions across the country, provide surge staffing during emergencies that deploy to key Regional, state and local field offices during emergencies to provide critical emergency transportation services.

- **International Civil Emergency Preparedness Program.** The International Civil Emergency Preparedness Program provides for representation of the United States and the Department in international forums developing civil transportation response plans in the interest of national security. Activities 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 NATO civil emergency planning, training to use civilian aviation resources during NATO military operations, and providing support to other nations during disasters. The international program representatives work in coordination within DOT and with other Federal entities on planning and technical policy development concerning international civil transportation emergency response and recovery initiatives.
- **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 Executive Orders and other Directives. For example, Executive Order 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. National Security Presidential Directive (NSPD 51)/Homeland Security Presidential Directive (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. Similarly, Homeland Security Presidential Directive (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. HSPD 7, "Critical Infrastructure Identification, Prioritization and Protection", December 17, 2003, requires the Department of Transportation to plan and coordinate training and exercises to protect the National Transportation and Air Space Systems. DOT is also reviewing the cost of new training requirements for 268 National Security Professionals within the Department.

To manage these requirements, HSPD 8, "National Preparedness," December 17, 2003, developed the National Exercise Program (NEP). The National Exercise Program (NEP) mandates that all Federal Departments budget for support to White House directed, government-wide, strategy and policy related exercises which require the participation of the agency heads or their deputies. Additionally, the NEP 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. At a minimum, DOT must annually participate in one national level continuity of operations exercise; one full scale national level exercise; support at least two Tier II<sup>1</sup> level exercises; and four Secretarial Level Exercises.

#### **IV. Operations**

Executive Order 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.

The Crisis Management Center is an around-the-clock operations center that ensures that the Department of Transportation can meet these requirements. The primary functions of the Crisis Management Center are to:

*Monitor the Transportation System:* The Crisis Management Center staff 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. They also provide real-time reports to DOT leadership and Operating Administrations to ensure prompt notification of and response to significant disruptions, incidents, or threats that may affect the transportation system.

*Communications Support.* The Crisis Management Center support 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 Crisis Management Center also provides access to incident information to the Department, both for unclassified and classified information.

*Prepare for and Support Disaster Response Activities:* The Crisis Management Center conducts daily operations as well as conducting training and exercises to prepare for emergencies. The Crisis Management Center 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 Crisis Management Center also trains to prepare to operate at alternate locations should any event cause the CMC primary facility not to function properly.

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<sup>1</sup> Tier 2 exercises are the second highest priority for participation. Tier 2 exercises are focused on integration of Federal activities in a geographic region (overseas or domestic). National-level support shall be provided; White House and Cabinet personnel will be encouraged to participate. Domestically, Tier 2 exercises shall be a priority for the national simulation cell.

The Crisis Management Center also fulfills some of the requirements of Homeland Security Presidential Directive (HSPD) 5, “Management of Domestic Incidents,” issued on February 2003. Among other requirements, this HSPD requires that Federal agencies participate in and use domestic incident reporting systems and protocols established by the Secretary of the Department of Homeland Security.

#### **V. Executive Protection Division**

The Protective Service 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 U. S. 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.

Within the Protective Service Division is the Executive Transportation Program. This program provides official transportation in the Washington, D.C. metropolitan area for the Secretary of Transportation. The drivers are highly trained and experienced professionals. They enhance the protection detail’s ability to deal with terrorist threats and to meet elevated threat-level manpower demands.

#### **FY 2010 Base:**

The Office of Intelligence, Security, and Emergency Response will operate within the enacted budget amount and FTE level to accomplish the missions outlined above.

#### **Anticipated FY 2010 Accomplishments:**

##### Intelligence

During Fiscal Year 2010, the Intelligence Division will fulfill its previously stated requirements. Some of the key planned accomplishments are:

- Provide transportation-related intelligence to the Secretary, Deputy Secretary, key OST Offices, and Operating Administrations
- Analyze threats to domestic and foreign transportation infrastructure and assets and ensure key officials and emergency coordinators within the Operating Administrations are apprised of specific threats and trends in terrorist tactics and capabilities
- Assess intelligence related to the transportation industry and provide updates on international economic and diplomatic information to the Secretary, Deputy Secretary, key OST Offices, and Operating Administrations

- Coordinate on draft intelligence analysis and warning products prepared by the National Counterterrorism Center, the Central Intelligence Agency, the Federal Bureau of Investigations, and the Department of Homeland Security
- Represent the Department and its interests on the Information Sharing Council, the National Implementation Plan for the Global War on Terror, the Customer Service Synchronization Board (CSSB), and National Strategy for Aviation Security (NSAS) workgroups, the Intelligence Community Exercise Forum, the Strategic Homeland Infrastructure Risk Assessment (SHIRA), and other forums regarding intelligence-related issues at the national level

#### Security Policy

During Fiscal Year 2010, the Security Policy Division will fulfill its previously stated requirements. Some of the key planned accomplishments are:

- Represent the Department on Interagency Policy Committees (IPCs) at the White House National Security Council, and assure representation at Sub-IPC's and Working Groups
- Conduct research and write policy studies supporting the Secretary and Deputy in their representation on the Principals and Deputies Committees at the White House National Security Council
- Represent the Department and its interests at forums setting transportation security policy at Federal, State, Local, Tribal and international arenas
- Continue implementation of the 9/11 Act, assuring DOT meets all 78 of its obligations under the Act
- Continue development of the National Transportation Recovery Strategy
- Continue implementation of the National Strategy for Pandemic Influenza, and adjust departmental policies and plans as novel viruses such as H1N1 emerge and mutate. Continue active participation with DHS and HHS on policies and procedures regarding screening of travelers during an outbreak
- Analyze security policy related to the transportation infrastructure and assets and make policy recommendations to key Departmental officials.

#### Preparedness

During Fiscal Year 2010, the Preparedness Division will fulfill its previously stated requirements. Some of the key planned accomplishments by program area are:

##### National Security Program

- Maintain operational Continuity of Operations sites and continue improvements to facility configuration and communications/IT capabilities
- Manage and coordinate staffing for the Continuity of Government program and ensure expertise is increased through a formal training program
- Develop phased, prioritized, implementation plan for new Presidential policy to include classified programs

##### National Response Program/Emergency Support Function - 1

- Sustain/improve preparedness through training and participating in exercises
- Pursue appropriate certifications of the office's personnel.
- Update our procedures and other core documents

- Carry out ESF-1 response and recovery operations whenever needed
- Serve as a supporting agency to operations of other ESFs as identified in the National Response Framework
- Conduct after action reviews and create and carry out corrective action plans
- Replace response cadre losses and build response cadre if possible
- Update and augment essential equipment, systems, and supplies
- Participate in extensive interagency plan development and review
- Enhance the office's interagency response partners' awareness of its response plans and capabilities
- Assist the office's interagency and state/local/tribal partners through application of our technical expertise
- Participate in evolution of national policy and practice in transportation elements of emergency management

#### International Civil Emergency Preparedness Program

- Represent the United States in NATO civil emergency planning and support negotiations to resolve issues and planning matters related to civil aviation resources, acquisition, and deployment to support NATO operations
- Represent the Department at international civil emergency preparedness, response and recovery meetings, training exercises, and support operations, if appropriate
- Represent the United States in eight to ten NATO planning and training events for use of civilian aviation resources during NATO military operations and support to other nations during disasters

#### Training and Exercise Program

- Conduct annual DOT interagency Continuity of Operations Exercise
- Participate in one National Level Counterterrorism or natural disaster Exercise (NLE 09)
- Participate in four Principal (Cabinet) Level Tabletop Exercises
- Participate in Natural Hazard National Level Exercise
- Participate in two National Special Security Event (NSSE) Command Post Exercises (Major Sporting or other event)
- Conduct National Response Framework (NRF) training for new DOT staff
- Conduct National Incident Management System (NIMS) rollout training for DOT
- Conduct Hurricane Season Preparation Training
- Support Regional ESF-1 Training Programs
- Support DOT Regional Training and Exercise Programs
- Provide Tabletop Exercise Support for the Annual RETCO Conference
- Participate in several Department of Defense special subject tabletop exercises

#### Operations

During Fiscal Year 2010, the Operations Division will fulfill its previously stated requirements. Some of the key planned accomplishments are:

- Provide effective 24X7 monitoring of the transportation system to ensure key DOT staff have the necessary information on transportation related incidents

- Sustain/Improve preparedness by training and conducting drills. Expand Crisis Management Center training drill so include interagency operations centers
- Maintain high level of training in the use of the Crisis Management Center alternate operating facilities
- Provide ongoing secure and other vital communications links for the Secretary and other Senior Officials
- Provide immediate impact analysis of emergency incidents and initiate the appropriate response
- Maintain a tightly coupled relationship with Federal, State, and Local emergency operations centers to make certain that maximum situational awareness and information sharing is achieved

#### **Executive Protection Division**

During Fiscal Year 2010, the Executive Protection Division will fulfill its previously stated requirements. Some of the key planned accomplishments are:

- Provide protection for the Secretary
- Conduct security advance work for any planned travel by the Secretary in the United States or overseas
- Provide official transportation in the Washington, D.C. metropolitan area for the Secretary of Transportation.

#### **FY 2011 Budget Request:**

The Office of Intelligence, Security, and Emergency Response is requesting \$10.999 million and 51 FTEs (52 positions) in FY 2011 to accomplish mission requirements. The FY 2011 request will fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent and a .5 percent inflation adjustment. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit. The request also includes the following programmatic increases:

- \$.074 million for half year funding for one position (1 FTE) to oversee, manage and participate in senior Interagency Policy Committees at the White House National Security Council. This new position will oversee all security policy work and serve as the DOT representative in the key complex areas where special skills as well as leadership levels are required. The need for this position arose from the way the Administration is organizing to address National Security. In February 2009, the President issued a Presidential Study Directive to look at how the Administration should be organized to deal with the critical issues of homeland security and counterterrorism. On May 26, 2009, the President announced a new approach which would strengthen the Nation's security and the safety of citizens. This includes the establishment of new directorates and positions within the National Security Staff to deal with new and emerging 21st Century challenges associated with cyber security, WMD terrorism, transborder security, information sharing, and resilience policy, including preparedness and response. The subject matter expertise required and number of subgroups associated with these directorates is beyond the capability of the existing staff to cover. The person who fills this position will not only be responsible for

attending meetings on behalf of DOT, but also for coordinating attendance by other DOT staff who have the specific expertise related to the meetings.

- \$.209 million to begin implementation of the Fiscal Year 2011 Information Sharing Programmatic Guidance issued by the White House on July 28, 2009. The funds will be used for the initial steps required to meet the Information Sharing Environment Profile and Architecture Implementation Strategy. This strategy provides guidance for developing the information sharing segment architecture and trusted repository for information that can be used in the Information Sharing Environment Shared Space. DOT does not currently have equipment that is compliant with the guidance on Enterprise Architecture concepts. Without a compliant system, DOT will not be able to easily share Suspicious Activity Reports with intelligence agencies, law enforcement organizations, and other Non-Title 50 organizations involved in countering terrorism.

The FY 2011 budget also requests 2 positions and 2 half-year FTEs in the Crisis Management Center funded with savings from Contractual Services. On July 29, 2009, the Director of the Office of Management and Budget issued a Memorandum on Managing the Multi-Sector Workforce. This memorandum recommends that in determining whether positions should be filled by contractors or government officials, agencies should perform a cost analysis that addresses the full costs of government and private sector performance and provides "like comparisons" of costs that are of a sufficient magnitude to influence the final decision on the most cost effective source of support for the organization. The Office of Intelligence, Security, & Emergency conducted a comparison of two contract positions used to staff the Crisis Management Center. Based on this determination, a cost savings of \$.035 million per year, per position would be realized if the contract positions were converted to FTEs. The savings will be used to partially offset an unanticipated \$.171 million expense for operations and maintenance of the Joint Worldwide Intelligence Communications System. This service which is provided by the Office of the Director of National Intelligence has been provided at no cost, but beginning in FY 2011, the Department will have to pay \$.171 million.

In addition, the FY 2011 budget includes realignment in base resources that net to zero. This realignment decreases Other Costs to provide increases to Travel, Contractual Services, and Personnel, Compensation and Benefits (PC&B). Specifically, funding was moved to travel in order to more appropriately fund the additional travel related to the Secretary's Protective Security Detail, and additional travel to meet S-60's mission in International Civil Emergency Preparedness Program; to Contractual Services to accurately reflect the costs for these services; and to PC&B to convert an Other Than Full Time Permanent position to a Full Time Permanent position. Funding was also added for overtime for additional costs anticipated in the Crisis Management Center.

**Explanation of Funding Changes  
for the  
*Office of Intelligence, Security, and Emergency Transportation*  
(\$000)**

**FY 2010 Base (Enacted) \$10,600**

**Overview:**

An increase is required for: (1) an additional FTE and 1 position to oversee, manage and participate in Senior Interagency Policy Committees at the White House National Security Council, and (2) contract funds for implementation of the Information Sharing Environment Profile and Architecture. An additional 1 FTE and 2 positions, funded from savings in Contractual Services, are requested to in-source work currently performed by contractors.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$25
2011 Pay Raise:	\$71
Inflation:	\$17
WCF:	\$2
Worker's Compensation	\$1
<b>FY 2011 Adjusted Base:</b>	<b>\$10,716</b>

**Base Offsets/Redirection of Resources: \$0**

Two positions (2 half-year FTEs) are requested for the Crisis Management Center funded with savings from Contractual Services. A cost analysis showed savings of approximately \$35,000 per year, per person will be realized if contract positions were converted to FTE. Savings will be used to partially offset DOT's \$171,000 share of the O&M costs of the Joint Worldwide Intelligence Communications System provided by the Office of the Director of National Intelligence.

Realignment of resources for Personnel Compensation, Travel, Equipment, and Other Services.

**Program Changes (+/-):**

**Half-year funding for 1 position (1 FTE)**

**\$74**

One new position (1 FTE) is requested to oversee, manage and participate in Senior Interagency Policy Committees at the White House National Security Council.

**Contractual Services**

**\$209**

Funding is requested for the Information Sharing Environment Profile and Architecture Implementation Strategy to develop an information sharing segment architecture and trusted repository.

**Total FY 2011 Request:**

**\$10,999**

## Detailed Justification for the Office of the Chief Information Officer

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b>From FY 2010 <u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	3,702	3,772	6,160	2,388
Travel	25	25	25	0
Other Costs	9,158	9,418	16,810	7,392
<b>TOTAL</b>	<b>12,885</b>	<b>13,215</b>	<b>22,995</b>	<b>9,780</b>
<b><u>STAFFING</u></b>				
Direct Positions	25	25	50	25
Reimbursable Positions	0	0	0	0
Direct FTE	21	25	38	13
Reimbursable FTE	0	0	0	0

<b>Office of the Chief Information Officer</b>	<b>FY 2011 Request: \$ 22,995</b>
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### Overview:

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. In this strategic departmental role, the CIO provides leadership on all matters associated with the Department's \$3 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 DOT CIO has the added responsibility of serving as the CIO for the Office of the Secretary of Transportation.

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 Working Capital Fund (WCF). The WCF budget (including the CIO component) is provided as a separate part of the Department's budget submission.

## **DOT CIO Managed Resources Overview**

The Office of the Chief Information Officer (OCIO) administers two sources of funding in performing its various roles in support of DOT. Each funding stream is maintained and reported independently. OCIO funding has historically tracked to the CIO's two areas of responsibility:

Annually appropriated **Salaries and Expenses (S&E)** for carrying out IT policy and security which includes monitoring, reporting and guidance; and other mandated guidance; and

**Working Capital Fund (WCF)** cost reimbursements for providing Department-wide core IT operational support functions and enterprise services. The IT Shared Services (ITSS) organization has transformed its multiple information technology infrastructures into a shared service Common Operating Environment (COE) that services the entire Department exclusive of the FAA. The COE eliminates redundant services, while improving overall service and security levels. Currently, there have been 90 field sites consolidated into the COE, with 90 additional field sites left to be migrated. Specific COE services are: (1) Network Engineering Services; (2) Voice, Cable and Wireless; (3) Campus Area Network Services; (4) Desktop Services; (5) Server Operations; (6) Messaging and Directory Services.

### **FY 2010 Base:**

The Office of the Chief Information Officer will operate within the enacted budget amount and FTE level to accomplish the missions described above.

### **Anticipated FY 2010 Accomplishments:**

The OCIO will formally establish the Office of the Chief Technology Officer (OCTO) within the OCIO. This office will house major new functionality and oversight that will pave the way to a new *business-focused* technology infusion methodology, innovative process models, and establishment of a state-of-the-art Technology Testing and Evaluation Environment (T<sup>2</sup>E<sup>2</sup>) supporting advanced infrastructure and modal application development efforts. The CTO will become the focal point and “traffic cop” to ensure compliance with enterprise standards and maximum utilization of common (cross-modal/cross-Departmental) infrastructure systems and procurement vehicles, and to create a “thought leadership” environment that brings together DOT's best and brightest technologists through Technology Committees and other synergistic forums.

In FY 2010, the OCIO anticipates reinforcing FY 2009 enhancements by institutionalizing new methodologies and processes to improve overall program performance and ensure a process of continuous review. This activity will set the stage for the major new structural, process and technology improvements expected in FY 2011.

The Department's IT Capital Planning and Investment Control (CPIC) process will continue to establish IT portfolio management controls that will ensure that OST and the OAs make sound IT investments supportive of strategic goals, mission/business requirements, and the DOT IT

Modernization Strategy. The DOT OCIO will continue to manage the CPIC governance process and structure, and anticipates achieving Stage 2 of the Government Accountability Office IT Investment Management framework, whereby critical processes lay the foundation for sound IT investment processes by helping the agency to attain successful, predictable, and repeatable investment control processes at the project level.

The DOT Enterprise Architecture (EA) Program will continue to manage a wide array of business, information/data, application, and technology information to perform the overarching objective of facilitating the improvement of program efficiency and effectiveness. To establish a centralized means of collecting and reporting such a vast level of Departmental information, the EA Program will provide direct development, implementation, and maintenance support for the Transportation Enterprise Architecture Management System (TEAMS).

Enterprise-level DOT Records Management program development has been initiated to provide for centralized governance, tools, and resources that will ensure the proper management of all records in accordance with National Archives and Records Administration (NARA) requirements.

In FY 2010, the OCIO will continue to enact significant change in strategic direction for the Information Assurance and Privacy Management Office (IAPMO) and continuing to tie its performance objectives directly to FISMA Privacy and other Federal information protection mandates, in support of the DOT Strategic Plan (2006-2011).

Also in FY 2010, the OCIO will be a key member of the DOT leadership team that sets the strategic direction and conducts the planning required as a result of the Open Government Directive. The OCIO will facilitate several key milestones of the Directive, including releasing open format data, launching a DOT Open Government website, and participating in the development of an Open Government Plan. The OCIO will also support the development of Open Government policies, requirements for Web 2.0/3.0<sup>2</sup> tools, and web architectures that align with business needs.

### **FY 2011 Budget Request:**

The Department of Transportation is at a crossroads of opportunity to transform the transportation community in significant ways not seen in decades. Goal concepts such as transparency, livable communities, environmental protection measures, and sustainability, along with the ability to communicate the value of these goals to the American people will require a new approach to how technology-related products and services are identified, analyzed, and evaluated.

The success of every new technology effort will be based on direct value to the customer, not just a reward system for having projects completed on time and within budget. Dynamic and

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<sup>2</sup> **Web 2.0/3.0** is a broad category of web-enabled applications and technologies that enable social networking, information dissemination, and new media.

aggressive thought leadership along with a modernized, integrated, and reusable Web2.0/3.0 enterprise environment is essential.

With its current level of resources, the OCIO has not been able to match the progression of technology or customer demands. Real-time technology demands have grown in size, scope, depth, and sophistication and have become a mission-critical utility. The OCIO must 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."

The OCIO is requesting \$22.995 million and 38 FTE against 50 positions in FY 2011 to continue the mission outlined above and to initiate the next generation, agile and dynamic IT environment. This budget request will result in a programmatic increase of \$9.2 million and 25 new positions funded for half-year for a total increase of 13 FTEs in FY 2011. The FY 2011 request also includes funding to annualize the 2010 pay raise, fund a 1.4% civilian pay raise in 2011, and fund a .5 percent inflation adjustment in FY 2011. The OCIO, as with the other DOT operating administrations and offices, is a customer of the WCF and pays for services received. An increase of \$.5 million is requested to cover WCF costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

#### **FY 2011 BUSINESS IT ALIGNMENT AND VALUE - \$9.908 million**

In FY 2011, the Office of the CIO will provide IT alignment and business value by addressing business needs of the enterprise; instilling robust and disciplined processes that includes a business and information architecture as a foundation; putting into effect a robust CPIC program to align with the DOT mission and support business needs, which minimizes risks and maximizes returns throughout the investment's lifecycle; achieving common IT leadership and 'best practices' in IT portfolio management through a Project Management Office (PMO); ensuring a robust and strategically aligned Open Government Plan is developed and implemented while managing the risks associated with openness; and adopting a systematic and professional approach to the management of IT services. Specific IT alignment and value services include:

##### **Understanding Business Needs**

The DOT's drive for excellence requires a strategic approach that leads to the delivery of IT services securely and cost effectively, while meeting diverse business requirements. The OCIO will make IT a strategic enabler by providing secure and efficient capability to store and exchange critical information, and responding to the Administration's initiatives. By understanding and addressing business needs of the enterprise, the OCIO will be able to manage IT as a corporate strategic resource subject to the rigors of planning, budgeting, and accounting, including establishing IT portfolios, enterprise-wide IT asset management, and a set of strategies to increase productivity and reduce costs.

##### **Building Business/Information Architecture**

The OCIO will instill a robust and disciplined business/information architecture, which will drive agency-wide decision-making from an integrated strategic and business perspective, identifying and targeting specific areas for eliminating redundancy, providing opportunities for information sharing, and supporting evolving business needs.

### **Capital Investment Planning**

The OCIO will enhance the CPIC program that manages the agency IT portfolio using program performance metrics. IT portfolio management program will optimize the identification, analysis, selection, and management of IT systems, and will maximize the total value realized by DOT.

### **Portfolio and Project Management**

The OCIO will establish a PMO to define and maintain standards for project management within the organization. The primary goal of the PMO will be to standardize project management policies and processes, and to become the source for ‘best practices’ guidance, documentation, and metrics related to managing and implementing projects within DOT. Benefits will include providing a central project management support office, reducing overhead costs, and acting as a catalyst for program/project management excellence.

### **Open Government**

The OCIO will be a key member of the DOT Open Government leadership team, facilitating the initial strategic planning pieces of the Open Government Directive and leading the coordination of all technology-related requirements. This effort will require a large amount of coordination across DOT to ensure Open Government strategies are adapted in real-time as collaboration possibilities mature with technology, as Departmental culture evolves to encourage more collaboration and transparency, and as the policy and legal framework evolves to enable more openness. Open Government planning is not a onetime reporting requirement--it involves continuous measurement and improvement Department-wide to enable progressively more transparency, participation and collaboration. The OCIO will become the source for all IT related Open Government policies, application requirements development, and strategic business alignment.

### **Enterprise-Level Records Management Program**

The OCIO has undertaken the challenging, but necessary task of establishing an enterprise-wide Records Management Program that will provide guidance and oversight for all DOT OAs. The goal is to not only provide direct support to OST, but also to serve the other OA communities by providing policies, procedures, standards, and technology for the refinement of the modal records management programs throughout DOT.

The Enterprise-Level DOT Records Management Program will consist of governance (policies

and procedures); International Standards Organization (ISO) based lifecycle management; Records Management program requirements-gathering and record identification workshops; NARA compliant retention and disposition schedule refinement and consolidation; role-based records management training development; development of a vital record program; Records Management Staffing Model development; maturity modeling and benchmarking; Electronic Records Management (ERM) technology implementation; and ongoing marketing and communications for records management.

DOT will benefit by having more streamlined and efficient methods for accessing and protecting federal records; ensuring that DOT records are created, maintained, and managed in a manner that meets or exceeds requirements of the Federal Records Act (U.S.C. 44); and seamless integration of records management within all manual and electronic DOT business processes. Establishment of these areas will allow for increased efficiency within DOT business processes, risk mitigation as it relates to reducing response time to litigation, audits/examinations, or FOIA matters, as well as overall service to the public.

### **FY 2011 Next Generation IT Environment - \$9.172 million**

DOT has a critical and time-sensitive need to advance a “Next Generation IT Environment” that will proactively address current and future requirements.

#### **Current state**

The Administration’s use of technology is more robust than ever before, with significant expectations for integrated technology usage and the adoption of more transparent, participatory and collaborative platforms for the entire Executive branch, including the Department of Transportation. Currently, DOT’s IT office is oriented towards providing routine technical services and reporting in a timely and efficient manner, but is not positioned to address the usage of technology for communications, collaboration, community building, business intelligence, information visualization or transparency. The current ad hoc, reactive approach to new technology adoption is resource intensive, high risk and yields lower productivity gains in the aggregate.

#### **Future State**

DOT urgently needs to adopt an agile and innovative technology platform approach to bridge the current technology gap and remain current. The goal is to create a responsive, dynamic, and transparent technology environment to address our evolving business needs. Accomplishing this will require enhancing existing business processes, building new business partnerships, and most importantly, adding skilled personnel. The technology challenges of today, especially with the rise of cloud computing and Web 2.0/3.0 tools, require new skills sets to be acquired very quickly by DOT. These additional resources will allow DOT to proactively launch new initiatives focusing on the strategic use of new technologies across the Department at an enterprise level thereby leading to increased efficiency, effectiveness and customer service.

## Expected Results

We expect to create four primary functional focus areas charged with dynamically responding to the needs of DOT with thought leadership, and agile solution development:

- **Client Technology Consulting:** Work directly with OAs to understand, research and identify lowest cost, highest value, proven commercial solutions based on their needs.
- **Technology Assessment and Solutions:** Activities would include functional assessment, technology and security testing and evaluation, and solution development.
- **Functional Application Support:** Planning for the provisioning and delivery of Web2.0/3.0 functionality, business intelligence and information visualization; as a direct result of the requirements of the Open Government Directive.
- **Records Management Support:** Enabling technology in support of an integrated, transparent, collaborative and participative solution for electronic records management across the department.

The action plan for the OCIO's new initiative will give DOT the tools to make information more accessible and transparent, both internally and externally, and the agility to respond to new requirements as they occur. Web and business intelligence and information visualization systems will be used to support rapid multimedia deployment of information in accordance with the current Administration's emphasis on real-time information delivery. OCIO will determine how DOT can conduct its work more openly and publish its information online in an open format that can be retrieved, downloaded, indexed, and searched by commonly used web search applications. Participation and collaboration with the citizen, businesses, and other non-governmental entities will also become increasingly important as a result of the Open Government Directive and it will largely be the OCIO's responsibility to create and/or harness innovative, flexible, and powerful Web 2.0/3.0 applications to achieve these objectives. The specific proposed priorities include:

- Communications, Collaboration and Community Building (Web 2.0/3.0 functionality, best-in-breed productivity tools, technologies, and expertise). Open data, formerly disparate information and systems will interface with each other.
- Agile IT Business Services (Business Intelligence<sup>3</sup> and Information Visualization<sup>4</sup> tools, technologies, and expertise). Time to delivery will be faster with a clear focus on customer needs.

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<sup>3</sup> **Business Intelligence** (BI) is a broad category of applications and technologies for gathering, storing, analyzing, and providing access to data to help enterprise users make better business decisions.

- Security, Privacy, and Testing (end-to-end technology consulting and assessment). The goal will be to ensure these activities are performed in the background with minimum negative impact on the IT environment.

To achieve these goals, the OCIO is requesting a FY 2011 programmatic increase of \$9.2 million which includes half-year funding for 25 positions and 13 FTEs (of which there are 2 additional SES positions at half-year funding and one FTE), to initiate time sensitive and essential requirements of OST and enterprise level business needs:

- Application Services Group will be created to focus on Web 2.0/3.0, Business Intelligence, and Information Visualization, consistent with the current Administration's Open Government Directive and the requirement that technology-enabled transparency, participation, collaboration programs be developed and maintained indefinitely. Web 3.0 is an evolving development of the World Wide Web in which the meaning of information and services on the web is defined, making it possible for the web to "understand" and satisfy the requests of people and machines to use the web content.

An example of an application that will leverage Web 3.0 design methods and structures is one of DOT's showcase Open Government candidates, "Travel.Gov". The Travel.gov project is expected to be an evolutionary effort, providing citizens travel-related resources and data in a centralized GIS-centric site. The site will centralize all forms of geographically referenced information, regardless of the mode of transportation or the author / authority of the data, optimizing transportation strategies, and enhancing public safety by helping our citizens become more aware of their traveling environment.

The new funding request includes one Senior Executive Service (SES) position and half FTE to lead this group (13 positions, 7.0 FTEs).

- Technology Consulting and Assessment Group will be created for assessing enterprise level IT needs, researching and identifying robust technology solutions and conducting full testing of products before deployment (10 positions, 5 FTEs).
- Included in the new funding request is an increase for one SES position and half FTE to serve as the Chief Information Security Officer (CISO), consistent with the current Administration's cyber security initiative and the requirement for executive departments and agencies to designate a senior agency executive to be responsible for cyber security. This position will lead Information Assurance and Privacy activities described in the section which follows.
- Included in the new funding request is an increase for 1 position and half FTE to serve as the Chief Information Officer for OST. There is a critical need for an OST CIO to ensure

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<sup>4</sup> **Information Visualization** is the visual representation of large-scale collections of information and the use of graphical techniques to help people understand and analyze data.

the IT needs of OST employees are being met and sound investment decisions are made, consistent with mission and business requirements of the DOT CIO. This position will function similar to the role of an operating administration CIO, and enables the DOT CIO to focus on Departmental priorities.

Implementation of these priorities will result in comprehensive and reusable technology platforms that will dynamically support multiple requirements and demands in a straightforward, cost effective manner.

### **FY 2011 INFORMATION ASSURANCE AND PRIVACY - \$3.915 million**

The threat against the nation's cyber infrastructure – both Federal and private – is increasing and becoming more sophisticated and focused. In response, the Administration has made cyber security a top priority, and actions are being taken to respond to the threat and improve the cyber security posture and capabilities of the United States. DOT faces the challenge of responding to the Administration's priority, closing existing cyber security and privacy performance gaps, adapting its security posture to a Web 2.0/3.0 environment, and achieving the goals of national cyber security strategic plans and initiatives. To answer this challenge, the OCIO will leverage an enhanced, comprehensive 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.

To achieve these program goals, our specific proposed priorities are:

- **Education, Training, and Awareness (ETA):** Improve the content and delivery of cyber security training; ensure that Information Assurance (IA) personnel have the duties, specialized training, and expertise to be maximally effective; and transition training to a new Information Systems Security Line of Business (ISS LoB) shared service provider.
- **Requirements, Standards, Policies, and Directives:** Ensure DOT implementation of Federal cyber security initiatives, including National Security Presidential Directive 54/Homeland Security Presidential Directive 23 (NSPD-54/HSPD-23) and the Information Sharing Environment (ISE); standardize technical approaches to advance cyber security and privacy, including leveraging Web 2.0/3.0 services and the capabilities of technologies DOT already owns; and expand cyber security and privacy policies to address new threats and requirements.
- **Situational Awareness and Incident Response:** Enhance support for the DOT Cyber Security Management Center (CSMC) and cyber incident response; enhance situational awareness of the DOT cyber infrastructure using advanced technology; and improve information sharing with the Department of Homeland Security (DHS).
- **Independent Verification and Validation:** Enhance verification and validation (V&V) functions as required by statute; expand the use of Office of Management and Budget (OMB) authorized Federal Information Security Managers Act (FISMA) reporting tools;

and increase the use of automation tools in order to reduce the V&V burden upon DOT system and service owners.

- **Certification and Accreditation (C&A):** Modernize the DOT C&A program and processes using new technology and processes; expand the use of the Cyber Security Assessment and Management (CSAM) tool for C&A, continuous monitoring, and FISMA reporting; and enhance data quality reviews to identify and correct performance gaps.
- **Privacy:** Enhance compliance with Federal statutes and requirements to protect privacy information; ensure closure of privacy performance gaps; and expand upon verification and validation of the privacy postures of DOT systems.

**Explanation of Funding Changes  
for the  
*Office of the CIO*  
(\$000)**

**FY 2010 Base (Enacted) \$13,215**

**Overview:**

In addition to increases related to the funding of 2010 and 2011 pay raises for 25 positions and 25 FTEs, a 2011 inflation adjustment, and increased WCF costs; funding is also requested for the Next Generation IT Infrastructure program that requires 25 additional positions and 13 FTEs, of which two positions and one FTE are at the Senior Executive Service (SES) level.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$18
2011 Pay Raise:	\$39
Inflation:	\$47
WCF:	\$504
<b>FY 2011 Adjusted Base:</b>	<b>\$13,823</b>

**Base Offsets/Redirection of Resources: \$0**

Realignment of resources for Personnel Compensation and Other Contractual Services.

**Program Changes (+/-):**

**Next Generation IT Infrastructure (see descriptions below) \$9,172**

**Application Services Group**

An increase for the creation of a program that will focus on Web 2.0, Business Intelligence, and Information Visualization; which will require 13 positions and 7 FTEs, including one SES position and 1/2 an FTE.

**Technology Consulting and Assessment Group**

An increase for the creation of a program that will assess enterprise level IT needs, researching and identifying robust technology solutions and conducting full testing of products before deployment; which will require 10 positions and 5 FTEs.

**Chief Information Security Officer (CISO)**

An increase in one position and 1/2 an FTE at the SES level for protecting government information and assets. The CISO leads the evaluation and assessment of the Departmental security program to ensure that all aspects comply with security requirements.

**CIO for the Office of the Secretary**

An increase in one position and 1/2 an FTE to serve as the Chief Information Officer for OST.

<b>Total FY 2011 Request:</b>	<b>\$22,995</b>
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## Detailed Justification for the Office of the General Counsel

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b>From FY 2010 <u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	16,044	16,801	17,284	483
Travel	388	390	395	5
Other Costs	3,406	3,168	2,032	-1,136
<b>TOTAL</b>	<b>19,838</b>	<b>20,359</b>	<b>19,711</b>	<b>-648</b>
<b><u>STAFFING</u></b>				
Direct Positions	106	113 1/	113	0
Reimbursable Positions	0	0	0	0
Direct FTE	105	109.5 1/	113	3.5
Reimbursable FTE	0	0	0	0

<sup>1/</sup> Pursuant to Senate Report 111-69, FY 2010 staffing has been increased by 7 positions and 3.5 FTE for the Aviation Enforcement Program. (The FTE level, which is half the number of positions, takes into consideration the time it will take to fill the new positions.)

<b>Office of the General Counsel</b>	<b>FY 2011 Request: \$19,711</b>
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### Overview:

The General Counsel is the chief legal officer of the Department of Transportation (DOT), providing legal advice to the Secretary and secretarial officers, and supervisory support of legal advice given to the Operating Administrations (OAs). The Office of the General Counsel (OGC) supports and facilitates the achievement of cross cutting Strategic Objectives and other program goals and advances the Department's ability to manage for results and innovation.

OGC provides a broad array of legal services to assist DOT in achieving its strategic goals, by supporting these goals through the development, presentation, and defense of well-reasoned and legally-supportable policies and programs.

The Office of the Assistant General Counsel for General Law provides legal advice, counsel, and representation that reflect 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, financial assistance, and public private partnerships; innovative financing; real property and asset management; information technology investment 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 issues of first impression. The Office provides legal sufficiency reviews on over 100 acquisition related documents. 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 provides annual ethics training to over 325 reporting individuals.

The Office of the Assistant General Counsel for International Law provides legal support and facilitation of DOT's international program goals, including 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, transportation trade issues such as North American Free Trade Agreement (NAFTA) and interdiction of contraband. In addition, The Office chairs the North Atlantic Treaty Organization (NATO) Insurance Group and the Preparatory Commission for the Establishment of the International Rail Registry under the Rail Protocol to the Mobile Equipment Financing Convention. The Office typically handles over 300 international work items, including safety, security, science and technology agreements, and approximately 25 rounds of international negotiations. At international transportation negotiations, the Office provides legal support as a member of the U.S. Delegation, legal advisor and chief drafter of all documents, often providing an innovative legal solution to support the negotiation's closure.

The Office of the Assistant General Counsel for Litigation provides support in defense of DOT's programs when they are challenged in judicial proceedings. In any given year, DOT and its OAs are parties in over 100 new cases challenging DOT's decisions, regulations, and policies. The Office provides support for all such cases that are integral to Departmental excellence in achieving innovative results. This includes cases of particular importance to the Secretary, cases involving cross-modal issues, and all Supreme Court cases are handled directly by the Office. In addition, 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.

The Office of the Assistant General Counsel for Legislation provides support to ensure that the non-appropriations legislative materials of DOT that are submitted to Congress adhere to Administration policy and they also maintain effective liaisons with the Office of Management and Budget (OMB) and other Departments. The Office's legislative support work often spans several years on one project. While the various elements of legislative proposals are often prepared by other offices in DOT, the Office is responsible for supporting their 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 and Proclamations. In addition, the Office provides support for Departmental nominees in the form of briefing materials and responses to the Committee.

The Office of the Assistant General Counsel for Regulation and Enforcement provides legal support to achieve the DOT's program goals by applying statutes, Executive Orders and Presidential directives so as to achieve organizational excellence in rulemaking and enforcement. The Office supports program offices to ensure that rules 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.

The Office of the Assistant General Counsel for 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 and disclosure, economic matters related to airports and air carriers, maritime law, bankruptcy 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 includes DOT's Freedom of Information Act (FOIA) Office, which each year processes hundreds of FOIA requests submitted to OST and 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 Counsels Offices to support all of DOT's programs and ensure consistent legal interpretations on recurring and novel issues. The Office maintains 24/7 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.

The Office of the Assistant General Counsel for Aviation Enforcement and Proceedings (AEP) carries out enforcement and fitness activities that can be divided in four basic areas: (1) aviation economic and civil rights enforcement activities; (2) legal guidance and air carrier fitness reviews; (3) Public Counsel activities; and (4) program fraud enforcement. AEP enforces DOT's aviation economic and civil rights requirements which relate to consumer protection and encompass many areas, including unfair and deceptive practices and unfair competition by air carriers and travel agents, deceptive airline advertising (e.g., fare, on-time performance, scheduling, code sharing, etc.), violations of denied boarding compensation rules, violations of disabled air traveler rules, violations of ticket refund and lost baggage liability requirements, violations of public charter rules and violations of rules restricting ticket sales or service to

countries posing a security risk to passengers and carriers. The Office also enforces aviation economic licensing matters which concern carrier authority to conduct services being provided and supports DOT's domestic air carrier economic licensing program goals through legal review of all applicable DOT decisions. The Office anticipates handling between 150 and 250 initial and continuing fitness matters (non-enforcement) items during FY 2011. In addition, the Office acts as Public Counsel in hearing cases involving fitness or international aviation carrier selection proceedings and acts as the prosecutor in cases conducted under the Program Fraud Civil Remedies Act to obtain penalties for false statements or false claims made to OST. The Aviation Consumer Protection Division (ACPD), part of the Enforcement Office, 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, responding to Congressional inquiries regarding constituent travel problems (e.g., 400-700 inquiries are received each fiscal year) and conducting investigations of airlines for violations of DOT rules.

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

**FY 2010 Base:**

The Office of the General Counsel will operate within the enacted budget amount and FTEs to accomplish the mission outlined above.

**Anticipated FY 2010 Accomplishments:**

- Continue to support implementation of the American Recovery and Reinvestment Act (ARRA) by providing legal advice and counsel to the Transportation Investment Generating Economic Recovery (TIGER) Team, a cross-cutting task force of subject matter experts established to effectively implement the \$48 billion in Recovery Act transportation funds.
- Support the timely award of \$1.5 billion in the OST Discretionary Grant Program.
- Continue to improve the air travel environment for persons with disabilities by issuing regulations containing standards for improving access to facilities and services, and issuing guidance on existing requirements, particularly those associated with DOT's new disability regulations applicable to foreign air carriers, facilitating the use of medical oxygen aboard aircraft by disabled passengers, and improving accommodations for deaf and hard of hearing passengers.
- Continue rulemaking action to supplement and improve upon the comprehensive consumer protection rulemaking which was completed in FY 2010.
- Conduct investigations to ensure that consumers are properly cared for during extended tarmac delays as required by rules adopted in FY 2010.

- Conduct on-site and other investigations of air carriers regarding compliance with consumer protection requirements such as rules covering refunds, deceptive advertising, and denied boarding compensation.
- 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 new headquarters building project, 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.
- Continue to promote an ethical workplace by providing ethics training, counseling, and financial disclosure programs, for approximately 620 employees in OST. Continue to oversee the ethics programs of ten DOT OAs including their ethics training, counseling, and financial disclosure programs.
- 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 concerning aircraft operation and maintenance as well as operational errors and air traffic control flow patterns.
- 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.
- Undertake the preparation and clearance of multi-year surface transportation, aviation and maritime authorizations for DOT OAs.
- Provide legal support and facilitate DOT's international program goals, including safety, security, and transportation negotiations with foreign countries, by handling over 300 international work items and approximately 25 rounds of international negotiations.
- Defend DOT in judicial challenges to DOT's transportation decisions, regulations, and policies and present DOT's views in proceedings before independent regulatory agencies.
- Oversee the rulemaking process by engaging in 100-125 significant rulemaking projects.
- Continue to mediate workplace disputes and facilitate the resolution of office-wide conflicts to promote employee satisfaction in the workplace.

**FY 2011 Budget Request:**

For FY 2011, the Office of the General Counsel is requesting \$19.711 million and 113 FTE including \$2.5 million to fund the enhanced aviation enforcement and consumer protection activities begun in FY 2008. The FY 2011 request funds the annualization of the 2010 pay raise, the 2011 civilian pay raise of 1.4 percent, and a .5 percent inflation adjustment. A small increase in travel and contractual services is offset by a reduction in printing. A net savings of \$895 thousand for reduced WCF costs are also reflected in the FY 2011 request. A more detailed breakdown of the FY 2011 request can be found in the Object Class Detail by Office exhibit.

An additional 7 positions and FTEs are requested for the Aviation Enforcement Program (AEP). These positions/FTEs will be funded within the \$2.5 million first provided for this program in FY 2008. These additional positions/FTEs will be used to pursue investigations and enforcement actions with respect to many areas that are the subject of public concern, such as airlines' unrealistic scheduling, delayed refunds, and inadequate flight delay information.

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

<b>FY 2010 Base (Enacted)</b>	<b>\$17,859</b>
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**Overview:**

An overall net decrease reflecting increases for the funding of 2010 and 2011 pay raises, 2011 inflation offset by a net reduction for savings in WCF costs.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$75
2011 Pay Raise:	\$159
Inflation:	\$13
WCF:	(\$895)
<b>FY 2011 Adjusted Base:</b>	<b>\$17,211</b>

**Base Offsets/Redirection of Resources:**

Realignment of resources for travel, contractual services and printing	\$0
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<b>Total FY 2011 Request:</b>	<b>\$17,211</b>
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**Explanation of Funding Changes  
for the  
*Office of the General Counsel - AEP*  
(\$000)**

**FY 2010 Base (Enacted)** **\$2,500**

**Overview:**

Funding for the 2010 and 2011 pay raises and 2011 inflation are offset by a reduction in Printing expenses.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$4
2011 Pay Raise:	\$12
Inflation:	\$6
WCF:	\$0
<b>FY 2011 Adjusted Base:</b>	<b>\$2,522</b>

**Aviation Enforcement Program:** **\$0**

Shift in resources from Printing to Personnel Compensation and Benefits in order to fund 3.5 additional FTE.

\$0

**Base Offsets/Redirection of Resources:** **(\$22)**

Realignment of resources for Printing to offset the cost of the 2010 and 2011 pay raises and the 2011 inflation adjustment.

**Total FY 2011 Request:** **\$2,500**

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

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b>From FY 2010 <u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	2,115	2,214	2,248	34
Travel	115	116	116	0
Other Costs	170	174	166	-8
<b>TOTAL</b>	<b>2,400</b>	<b>2,504</b>	<b>2,530</b>	<b>26</b>
<b><u>STAFFING</u></b>				
Direct Positions	24	24	24	0
Reimbursable Positions	0	0	0	0
 Direct FTE	 18	 18	 18	 0
Reimbursable FTE	0	0	0	0

<b>Office of the Assistant Secretary for Governmental Affairs</b>	<b>FY 2011 Request: \$2,530</b>
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**Overview:**

The Assistant Secretary for Governmental Affairs is the principal advisor to the Secretary on all Congressional and Intergovernmental activities and on all of the Department legislative initiatives and other relationships with Members of Congress. Other responsibilities include promoting effective communication with other Federal agencies and regional Department officials, state and local governments and national organizations for development of Departmental programs; and ensuring that consumer preferences, awareness, and needs are brought into the decision-making process.

**FY 2010 Base:**

The Office of Governmental Affairs will operate within the enacted budget amount and FTE level to accomplish the elements of the Organizational Excellence strategic goal.

**Anticipated FY 2010 Accomplishments:**

The Office of Governmental Affairs will continue to serve as the primary point of contact for Congressional offices, as well as other state and locally elected officials. This office will endeavor to ensure that all Congressional mandates are fully implemented by the Department.

The Office of Governmental Affairs will work with the White House and other Federal agencies to fulfill the Administration's legislative agenda. This includes, among other things, continuing to work on issues related to Surface Transportation Reauthorization, Federal Aviation Administration Reauthorization, assisting the Federal Aviation Administration to develop and promulgate enhanced safety policies and procedures, ensuring that the High Speed Rail grant program is implemented effectively, and working to make sure that the funds provided under the American Recovery and Reinvestment Act continue to be obligated in a timely fashion.

In addition, the Office of Governmental Affairs will assist Departmental political nominees through the Senate confirmation process.

**FY 2011 Budget Request:**

The Office of the Assistant Secretary for Governmental Affairs is requesting \$2.530 million and 18 FTEs in FY 2011. The FY 2011 request represents a small funding increase over the FY 2010 Enacted budget level to fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, and a .5 percent inflation adjustment. The decrease in other costs results from a reduction in Working Capital Fund costs. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit.

**Explanation of Funding Changes  
for the  
*Office Asst. Sec. for Govtl. Affairs*  
(\$000)**

<b>FY 2010 Base (Enacted)</b>	<b>\$2,504</b>
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**Overview:**

An increase is required to fund 2010 and 2011 pay raise costs and 2011 inflation.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$10
2011 Pay Raise:	\$22
Inflation:	\$2
WCF:	(\$8)
<b>FY 2011 Adjusted Base:</b>	<b>\$2,530</b>

<b>Total FY 2011 Request:</b>	<b>\$2,530</b>
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## Detailed Justification for the Assistant Secretary for Budget and Programs/Chief Financial Officer

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference From FY 2010</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	8,032	8,376	9,357	981
Travel	15	15	15	0
Other Costs	2,153	2,168	10,649	8,481
<b>TOTAL</b>	<b>10,200</b>	<b>10,559</b>	<b>20,022</b>	<b>9,462</b>
<b><u>STAFFING</u></b>				
Direct Positions	54	54	69	15
Reimbursable Positions	1	1	1	0
 Direct FTE	 52	 54	 62.0	 8.0
Reimbursable FTE	1	1	1	0

<b>Assistant Secretary Budget and Programs/Chief Financial Officer</b>	<b>FY 2011 Request: \$20,022</b>
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### Overview:

The Assistant Secretary for Budget and Programs is the principal advisor to the Secretary on the development, review, and presentation of the Department's budget resource requirements, and on performance management, evaluation and oversight of the Department's programs. The Assistant Secretary for Budget and Programs is also the Chief Financial Officer for the Department of Transportation, responsible for accounting and financial activities of DOT with primary emphasis on ensuring that DOT receives an unqualified audit opinion on its financial statements and that the Department's financial performance goals are achieved. In addition, the Chief Financial Officer (CFO) for the Office of the Secretary (OST), who is responsible for budget formulation and execution, performance management, financial management, and internal controls for the Office of the Secretary (as an Operating Administration) reports to the Assistant Secretary for Budget and Programs. The Office of the Assistant Secretary for Budget and Programs is comprised of three offices to carry out these functions: (1) the Office of Budget and Performance, the (2) Office of Financial Management, and (3) the Office of the CFO for OST.

**FY 2010 Base:**

The Office of the Assistant Secretary for Budget and Programs/CFO will operate within the enacted budget amount and FTE level to accomplish the missions outlined above.

**FY 2011 Budget Request:**

The Office of the Assistant Secretary for Budget and Programs/CFO is requesting \$20.022 million and 69 positions and 62 FTEs in FY 2011 to continue the missions outlined above. The FY 2011 request will fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, and a .5 percent inflation adjustment. The request also includes the following programmatic increases:

**Acquisition Workforce.** \$7.623 million is requested to increase the Department's acquisition workforce capacity and capabilities. While the funds are requested within the Office of the Assistant Secretary for Budget and Programs, the intent is to transfer the funds to other accounts throughout the Department for the purpose of acquisition workforce development. The funds would be available for training, recruitment, retention, and hiring additional members of the acquisition workforce as well as for information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management.

**Program Evaluation Office.** \$1 million is requested in FY 2011 to establish a departmental program evaluation office within the Office of the Assistant Secretary for Budget and Programs. By establishing a new program evaluation capacity within the Department, and undertaking targeted program evaluations of the most pressing transportation needs, the Department would be able to ensure that its policies and funding decisions are supported by rigorous analysis, and that its decisions are data-driven. In FY 2011, the Department proposes to establish a program evaluation capacity that would target selected transportation programs to determine if the programs are designed properly and resources are being allocated effectively.

Of the \$1 million, \$.300 million would be used to support 2 FTEs (4 positions), including 1 Director/ Methodologist, 1 Economist, and 2 Analysts, and \$.700 million would be used for contractor assistance in establishing a program evaluation infrastructure. The expert staff, with contractor support, will (1) assess the efficiency and effectiveness of DOT programs in key areas; (2) develop and oversee Departmental evaluation standards, practices and policies, (3) coordinate and track, using a web-based database, DOT's program evaluation portfolio across the Department, (4) develop and manage a peer review system, and (5) oversee the reporting of program evaluation status and results, including electronically publishing the status and results of all program evaluations that are appropriate for public viewing; and (6) provide cost-effective, in-house program evaluation training and education to appropriate staff across DOT.

**Increased Staffing.** \$.367 million and 4 FTEs (7 positions) are requested to address a myriad of ongoing and increased workload requirements. The issues related to the Highway Trust Fund and the Airport and Airway Trust Fund, as well as the reauthorization and oversight of programs financed by those Trust Funds, have significantly increased the volume and complexity of the workload in those areas. Oversight of the Department-wide implementation of the American

Recovery and Reinvestment Act, high speed rail, and OST-administered surface transportation discretionary grants has also increased workload. In addition, credit assistance for transportation projects is expanding, and at present the Office of the Assistant Secretary for Budget and Programs does not have adequate staff to cover this specialized field. Additional staff is needed to ensure that these funds are managed appropriately. Finally, implementation of new programs such as livable communities and the National Infrastructure Innovation and Finance Fund will further add to the workload.

\$.183 million and 2 FTEs (4 positions) is requested for the Office of the CFO for OST. This Office was first established as the “OST Budget Office” staffed with budget analysts responsible for budget formulation, execution and performance management for the OST Offices and programs. Over time, the responsibilities of this office have expanded to include financial management and internal control, so that the Office is now providing the full-range of functions as the CFO Offices in other Operating Administrations. The requested funding and FTE are needed to hire the staff to carry out the financial management function, including financial statement review, audit liaison, accounts payable oversight, and monitoring, and reimbursable project agreement management and reconciliation.

**Internal Control.** \$.151 million is requested for contractual support for the Office of the CFO for OST to fulfill the requirements of the Federal Managers’ Financial Integrity Act (FMFIA), including the requirements of OMB Circular A-123.

**Reimbursable Authority for GovTrip Enhancements.** The Office of Financial Management manages and oversees the development of and enhancements to the Department-wide travel system, GovTrip. GovTrip is a web-based travel system that processes travel authorizations and vouchers. Periodically, individual Operating Administrations request, and are willing to pay for, a customized GovTrip enhancement for their sole benefit. Currently, there is not a mechanism for the Office of Financial Management to manage those requests on behalf of the Operating Administrations. Beginning in FY 2011, OST requests the authority to enter into reimbursable agreements with individual Operating Administrations requesting customized enhancements specific to their individual needs. This authority would allow the Office of Financial Management to accept the OAs funding through a reimbursable agreement and maintain system management.

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

**Explanation of Funding Changes  
for the  
Office Asst. Sec. for Budget & Programs  
(\$000)**

**FY 2010 Base (Enacted) \$10,559**

**Overview:**

An increase is requested to fund 2010 and 2011 pay raise costs and 2011 inflation, as well as funding for Acquisition Workforce Development, program evaluation, and 11 new positions and 5.5 FTEs to address ongoing and new workload requirements.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$39
2011 Pay Raise:	\$85
Inflation:	\$11
WCF:	(\$6)
Workers Compensation	\$10
<b>FY 2011 Adjusted Base:</b>	<b>\$10,698</b>

**Program Changes (+/-):**

Eleven new positions & 6 FTEs	\$ 550
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Eleven new positions and 6 FTEs are requested to address new workload requirements in the areas of high speed rail, livability, and multi-modal surface transportation grants; highways and aviation; Financial Management Business Transformation policy direction and oversight; performance management; and financial management for OST (as an OA).

Program Evaluation, including 4 new positions and 2 FTEs	\$1,000
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Acquisition Workforce Development	\$7,623
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**Contractual Services**

A-123/FMFIA Contractual Support	\$151
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<b>Total FY 2011 Request:</b>	<b>\$20,022</b>
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## Detailed Justification for the Office of Assistant Secretary for Administration

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference From FY 2010</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	7,843	8,077	8,191	114
Travel	67	67	67	0
Other Costs	18,090	17,376	17,436	60
<b>TOTAL</b>	<b>26,000</b>	<b>25,520</b>	<b>25,695</b>	<b>175</b>
<b><u>STAFFING</u></b>				
Direct Postions	66	66	66	0
Reimbursable Positions	20	20	20	0
 Direct FTE	 59	 59	 59	 0
Reimbursable FTE	19	19	19	0

<b>Office of Assistant Secretary for Administration</b>	<b>FY 2011 Request: \$ 25,695</b>
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### Overview:

The Office of the Assistant Secretary for Administration (OASA) administers funds for the Working Capital Fund, receives an appropriation for Salaries and Expenses for non-WCF functions, and administers Reimbursable Programs. Information and descriptions of the total funds the Office of the Assistant Secretary for Administration administers are located in Section 5, “Additional Justification for OASA/OCIO Program Resources”. The following discussion focuses on the OASA appropriation request for Salaries and Expenses.

The Assistant Secretary for Administration serves as the principal advisor to the Secretary and Deputy Secretary on Department-wide administrative matters. Responsibilities include leadership of such major programs as acquisition reform, emergency preparedness, human capital, and oversight of a transit benefits program with Government-wide scope.

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. This role has been further expanded and defined through a number of other specific laws, rules, and policies which mandate a wide range of initiatives, investments, and reports. Reforms mandated by the Service Acquisition Reform Act (P.L. 108-16) have also significantly enlarged the responsibilities of the Assistant Secretary, who is the Deputy Chief Acquisition Officer.

The funding level requested will enable the Assistant Secretary to acquire, support, and maintain necessary investments in the technology and human talent that are critical to human resource and procurement accomplishment to support department priorities. The major programs include:

### **Human Capital Management**

Funding is requested to comply with Office of Personnel Management (OPM) final regulations to implement certain provisions of the Chief Human Capital Officers (CHCO) Act, which set forth new OPM and agency responsibilities to enhance and improve the strategic management of the Federal Government's civilian workforce.

The Departmental Office of Human Resource Management will maintain and institutionalize ongoing Human Capital programs while integrating Human Capital practices, technologies, and programs in order to contribute to organizational mission accomplishment. The focus will be acquisition human capital initiatives, closing competency gaps in the Department's mission critical occupations; as well as improving hiring times for all employees through use of electronic systems and efficient use of human resources. The focus will also be on creating a performance culture where DOT's Operating Administrations have performance appraisal and awards systems, which are linked to agency mission, goals, and outcomes. In addition, training will continue in 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 OA's can determine projected vacancies by occupation, grade, organizations units, or geographic location.

In addition, funds will support necessary training, record-keeping, and travel in connection with the newly established self-accountability program, and support required employee survey administration. In addition, funds will support departmental leadership development programs. Each of these programs, in addition to meeting extensive compliance and reporting requirements of law and/or administration policy, serves a vital role in ensuring that DOT finds, acquires, develops, engages, evaluates, and retains the right talent at the right time in support of critical department initiatives and goals.

The Departmental Office of Human Resource Management now also plays a key role in the Department's response to emergencies such as national disasters and possible pandemics. This funding level is necessary so that staff will be able to accomplish the following: track employee locations; identify impacted employees; develop and implement systems to track leave usage; and respond to congressional inquiries.

### **Acquisition and Grants Risk Management and Oversight**

Funding is requested for the Office of the Senior Procurement Executive (OSPE) to execute the responsibilities of the Chief Acquisition Officer (CAO) and oversee the DOT acquisition system that expends \$5 billion in contracts and \$80 billion in grants funds annually through the Office of the Secretary and the Operating Administrations. In addition, beginning in FY 2009, DOT expended an additional \$48.1 billion in Recovery Act funds, which were mostly in the form of grants.

The Administration is taking a new direction with some Federal procurement policies. On March 4, 2009, the President issued a memorandum entitled "Government Contracting" to Executive Departments and Agencies. Some of the changes are in the areas of contract review processes, acquisition workforce, in-sourcing, commercial services management, and the definition of inherently governmental activities. The public is demanding greater accountability and transparency in acquisition which resulted in legislation such as the Federal Funding Accountability and Transparency Act of 2006. The goal of this statute is to give the public greater insight into how procurement and grants funds are being spent. 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 CAOs. Therefore, the OSPE is requesting contractor support to:

- Implement strategic risk management strategies throughout the Department;
- Develop enhanced capabilities to collect, review and analyze procurement and grants data;
- Implement OMB initiatives, such as performance based acquisition, enhanced competition, and improved internal controls through evaluation of agency acquisition 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 OAs annually, and that responses to audit findings are prepared in a timely manner.

- Work with the OAs to establish enterprise-wide contracts based on current spend. Contractor support will perform spend analysis and work with commodity councils to ensure the success of the DOT Strategic Sourcing Program.
- Implement OneDOT PRISM throughout the Department.

The OSPE provides 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. OSPE is responsible for ensuring a balanced approach to managing DOT's business processes which emphasizes performance, integrity and public policy requirements.

### **OST Payments to Departmental Office of Human Resource Systems Services**

Funding is requested to fund support for the OST share of the Electronic Learning Management Systems (eLMS), the Federal Personnel and Payroll Systems (FPPS), the Enterprise Human Resources Integration electronic Official Personnel Folder (EHRI/eOPF) and Analytic Tools (EHRI Analytic Tools), and the Workers' Compensation Information System (WCIS). The funds requested for eLMS will provide OST system support for the delivery of on-line learning, learner registration, learner training completion, the delivery and recording of assessments, and the reporting of eHRI data to OPM. FPPS is an integrated HR and payroll system which provides system support, general payroll office support and payroll processing. FPPS will provide OST the necessary means for submitting requests for personnel actions and processing of personnel actions; the FPPS suite of services also includes the Datamart for management reporting of HR and payroll data and support for interfaces to numerous external systems (i.e. the HR Management Suite, the MD715 Report, etc.). EHRI/eOPF will allow for secure access to official employee Human Resources (HR) records for employees and HR staff. The EHRI/Analytic Tools allow DOT to do human capital forecasting and succession planning. WCIS allows case workers to file employee claims and managers to monitor the status of workers compensation cases established with the United States Department of Labor under the Federal Employee Compensation Act.

### **OST Payment to the Working Capital Fund**

Funding is requested for payments for centralized administrative and support services for all OST offices. 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.

The requested FY 2011 OST payment to the Working Capital Fund includes a \$.257 million reduction stemming from savings resulting from a reduction in the Security

Guard contract. The savings is based on OST's share of the cost of the Security Guard contract, which is funded through the Working Capital Fund.

### **Rental Payments to GSA**

Consolidated payments for GSA rental expenses for all OST offices will total \$8.794 million in FY 2011. In addition to the rented space OST will pay for and occupy at the Southeast Federal Center new headquarters building, funding will also be required for rental payments in; Des Plaines, IL; and San Francisco, CA.

<b>Rental Locations</b>	<b>FY 2010 Rental Payments</b>	<b>FY 2011 Rental Payments</b>	<b>Net Increase/Decrease</b>
Southeast Federal Center, WDC	\$ 8,654,000	\$ 8,732,148	\$ 78,148
College Park, GA	\$ 49,980	\$ -	\$ (49,980)
Des Plaines, IL	\$ 57,734	\$ 6,445	\$ (51,289)
San Francisco, CA	\$ 13,927	\$ 9,995	\$ (3,932)
Operations and Maintenance	\$ 44,359	\$ 45,617	\$ 1,258
Total:	\$ 8,820,000	\$ 8,794,205	\$ (25,795)

### **Energy/Environment/Fleet /Common Identification Standard Management (HSPD-12).**

Funds are requested to comply with Executive Orders and new legislation to maintain and/or establish programs to develop policy and implement department-wide requirements to save energy, protect employees' health and environment, and provide secure identification for Federal and contractor employees:

#### **Energy:**

Executive Order (EO) 13148, Greening the Government through Leadership in Environmental Management, requires Federal agencies to manage its environmental affairs and issues, most notably those areas where the entity interacts with or affects the environment. EMS implementation reflects accepted quality management principles based on the "Plan, Do, Check, Act," model using a standard process to identify goals, implement them, determine progress, and make continual improvements.

Executive Order (EO) 13123, Greening the Government through Efficient Energy Management, requires agencies to increase use of renewable energy sources and reduced use of petroleum and water.

Energy Policy Act of 2005 ("EPACT") contains several major provisions affecting Federal energy management policies and programs. Program responsibilities require such items as goals including annual energy reduction of two percent from FY 2006 to FY 2015 and provisions that change the reporting baseline from 1985 to 2003, and an annual report to the President and Congress on agencies progress and compliance. Other

requirements include measurement and accounting goals for electric metering in Federal buildings by 2012 and establishment of performance standards to ensure energy efficiency.

**Environment:**

Executive Order 13101, Greening the Government Through Waste Prevention, Recycling and Federal Acquisition, requires each executive agency to have a program to promote cost-effective waste prevention and recycling of reusable material.

Environmental Compliance Improvement Initiatives ensure Federal agency compliance with all environmental laws and regulations. The initiative contains recommendations which must be implemented at the administration level, agency level, operating administration level and facility level. Some of these recommendations include tracking and auditing of environmental data and training employees on proper procedures.

All Federal Agencies are required to meet the sustainability requirements for Federal buildings stipulated in E.O. 13423 and the Energy Independence and Security Act of 2007 (EISA). These requirements encompass the areas of: integrated planning, energy efficiency and alternative energy implementation; water conservation; indoor air quality; and environmentally preferable material usage and disposal.

**Fleet Management:**

The system provides Fleet Managers and Program Managers the ability to capture and track fleet inventory, billing, fuel, accident and waiver information as well as alternative fueling locations. The program will assist managers with Federal Automotive Statistical Tool (FAST) and EPACT reporting requirements as well as other Ad-hoc reporting requirements.

**Common Identification Standard Management:**

Implementation of the Homeland Security Presidential Directive 12 (HSPD-12) Policy for a Common Identification Standard for Federal Employees and Contractors. HSPD-12 requires: (1) a Government-wide standard for secure and reliable forms of identification for Federal Government and contractor employees, (2) agencies to have programs and policies in place to ensure that the identification they issue meets the standard, and (3) agencies, to the maximum extent practicable, to use identification meeting the standard for physical access to Federally-controlled facilities and logical access to Federally-controlled information systems.

### **ANTICIPATED FY 2010 ACCOMPLISHMENTS:**

- **Integrated e-Government Concepts**- We will continue to use e-Government as a tool to leverage DOT's buying power and achieve DOT's goals. Implementing innovative strategies and technologies such as strategic sourcing, spend analysis, and performance based acquisition, will enable the Department to use existing funding more effectively with greater potential benefit to the Department's programs serving the taxpayer.
- **Human Capital Management** – Our focus will include improving hiring times for all employees through use of electronic systems and efficient use of human resources, creating a performance culture where DOT's Operating Administrations have performance appraisal and awards systems which are linked to agency mission, goals and outcomes, training OA's on their use to answer sophisticated questions about the workforce or specific demographics within it, and to forecast future trends and needs that improve the linkage between the corporate recruitment program and workforce planning.
- **Acquisitions and Grants Best Business Solutions** – We will continue to provide expert advice and direction to ensure that taxpayer dollars spent annually through DOT's acquisition and grants programs achieve the performance outcomes required to accomplish DOT's mission while emphasizing performance, integrity and public policy requirements.
- **Policy leadership and advice** – We will 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.
- **Environmental management systems (EMS)** will be implemented at all appropriate DOT facilities. Policies will be written, environmental management programs will be documented and audited, and results reported.
- **Leadership** will be exercised in the reduction of petroleum consumption through the use of alternative fuel vehicles (AFV), alternative fuels, and through improvements of fleet efficiency.

### **FY 2010 Base:**

The Office of the Assistant Secretary for Administration will operate within the FY 2010 budget request level to accomplish the mission outlined above.

### **FY 2011 Budget Request:**

The Office of the Assistant Secretary for Administration is requesting \$25.695 million and 59 FTEs. The FY 2011 request will fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, and a .5 percent inflation adjustment. The FY 2011 funding request also reflects a \$.340 million net savings in rent and Working

Capital Fund charges. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit. A total of \$.300 million of the savings will be used for the following contracts:

To support complete performance based acquisition training to ensure the DOT acquisition workforce is adequately trained, continue the Acquisition Assessments under OMB Circular A-123 which will allow managers to monitor and improve internal control effectiveness and contract oversight and tracking.

To develop a management planning tool that will be used to create a human capital strategic plan through 2015.

To develop of a Facility Energy Management policy to ensure compliance with the Energy and Security Independence Act of 2007 and contract safety consulting services to aid in development of an Occupational Safety and Health Department-wide program audit.

**Explanation of Funding Changes  
for the  
*Office of the Asst. Sec. for Administration***

**FY 2010 Base (Enacted)** **\$25,520**

**Overview:**

An increase is required to fund 2010 and 2011 pay raise costs and 2011 inflation. However, a savings is realized from WCF which will be used to support other contractual services.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$39
2011 Pay Raise:	\$84
Inflation:	\$87
GSA Rent:	(\$70)
WCF:	(\$270)
Workers Compensation	\$4
<b>FY 2011 Adjusted Base:</b>	<b>\$25,395</b>

**Program Changes (+/-):**

**Contractual Service Increase** **\$300**

The \$.300 million will support (1) completion of performance based acquisition training to ensure the DOT acquisition workforce is adequately trained; (2) continuation of the Acquisition Assessments under OMB Circular A-123, which will allow managers to monitor and improve internal control effectiveness; and contract oversight and tracking; (3) development of a management planning tool that will be used to create the human capital strategic plan through 2015; and (4) development of a Facility Energy Management policy to ensure compliance with the Energy and Security Independence Act of 2007; and (5) contract safety consulting services to aid in development of an Occupational Safety and Health department-wide program audit.

**Total FY 2011 Request:** **\$25,695**

## Detailed Justification for the Office of Public Affairs

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference From FY 2010</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	1,845	1,850	1,876	26
Travel	54	80	100	20
Other Costs	121	125	264	139
<b>TOTAL</b>	<b>2,020</b>	<b>2,055</b>	<b>2,240</b>	<b>185</b>
<b><u>STAFFING</u></b>				
Direct Positions	19	19	19	0
Reimbursable Positions	2	1	1	0
Direct FTE	16	16	16	0
Reimbursable FTE	2	1	0	-1

<b>Office of Public Affairs</b>	<b>FY 2011 Request: \$2,240</b>
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### Overview:

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 issues news releases, articles, facts sheets, briefing materials, publications and audiovisual materials. 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.

### FY 2010 Base:

The Office of Public Affairs will operate within the enacted budget amount and FTE level to accomplish the mission outlined above.

### Anticipated FY 2010 Accomplishments:

The Department will focus its efforts on the American Recovery and Reinvestment Act and the effects of this program on the economy. The Office of Public Affairs will use video and satellite feeds to share information about how the Recovery Act is creating jobs and improving America's infrastructure.

**FY 2011 Budget Request:**

The Office of the Assistant Secretary for Public Affairs is requesting \$2.240 million and 16 FTEs in FY 2011. The FY 2011 request will fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, and a .5 percent inflation adjustment. A more detailed breakdown of this request can be found in the Object Class Detail by Office exhibit. The FY 2011 request also provides an increase in contract costs to support a new Departmental News Clip system available to all DOT employees and to host the Departmental blog and media pages. The increase in travel costs is to handle anticipated travel requirements to support the Secretary of Transportation.

**Explanation of Funding Changes**  
**for the**  
*Office of the Asst. to the Sec. for Pub. Affairs*  
(\$000)

**FY 2010 Base (Enacted)** **\$2,055**

**Overview:**

An increase is required to fund additional contract services costs.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$9
2011 Pay Raise:	\$19
Inflation:	\$1
WCF:	(\$12)
<b>FY 2011 Adjusted Base:</b>	<b>\$2,072</b>

**Base Offsets/Redirection of Resources:** **\$0**

Realignment of resources for Travel and Contractual Services.

**Program Changes (+/-):**

<b>Other Services</b>	<b>\$168</b>
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The increase in contract costs is to support a new Departmental News Clip system available to all DOT employees and to host the Departmental blog and media pages.

**Total FY 2011 Request:** **\$2,240**

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

SALARIES & EXPENSES

PROGRAM AND FINANCING  
(In thousands of dollars)

Identification Code		FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-0102-0-1-407				
<b>Obligations by program activity:</b>				
00.01	Direct program activity	92,231	106,166	124,623
00.02	SCASDP Grants	999	15,969	0
09.01	Reimbursable program	21,298	32,135	32,319
10.00	Total new obligations	114,528	154,270	156,942
<b>Budgetary resources available for obligations:</b>				
21.40	Unobligated Balance carried forward BOY	4,963	13,449	0
21.45	Adjustment to unobligated balance carried forward	-1	0	0
22.00	New budget authority (gross)	129,766	140,821	156,942
22.10	Resources available from recoveries of prior year obligations	47	0	0
23.90	Total budgetary resources available for obligation	134,775	154,270	156,942
23.95	Total new obligations	-114,528	-154,270	-156,942
23.98	Unobligated balance expiring or withdrawn	-6,798	0	0
24.40	Unobligated Balance carried forward EOY	13,449	0	0
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	98,248	102,686	124,623
40.26	Appropriation (trust fund)	0	0	0
41.00	Transfers to other accounts	0	0	0
43.00	Appropriation (total)	98,248	102,686	124,623
Discretionary: Spending authority from offsetting collections:				
58.00	Offsetting collections (cash)	31,936	38,135	32,319
58.10	Change in uncollected customer payments from Federal sources	-418	0	0
58.90	Spending authority from offsetting collections (total)	31,518	38,135	32,319
70.00	Total new budget authority (gross)	129,766	140,821	156,942
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	29,691	35,817	10,270
73.10	Total new obligations	114,528	154,270	156,942
73.20	Total outlays (gross)	-109,202	-179,817	-154,749
73.40	Adjustments in expired accounts (net)	-1,159	0	0
73.45	Adjustments in unexpired accounts (net)	-47	0	0
74.00	Change in uncollected customer payments from Federal sources (unexpired)	418	0	0
74.10	Change in uncollected customer payments from Federal sources (expired)	1,587	0	0
74.40	Obligated balance, end of year	35,816	10,270	12,463
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	96,588	130,552	144,480
86.93	Outlays from discretionary balances	12,614	49,265	10,269
87.00	Total outlays (gross)	109,202	179,817	154,749
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	31,073	33,835	28,019
88.40	Non-Federal sources	2,139	4,300	4,300
88.90	Total offsetting collections (cash)	33,212	38,135	32,319
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-418	0	0
88.96	Portion of offsetting collections (cash) credited to expired accounts	-1,276	0	0
<b>Net budget authority and outlays:</b>				
89.00	Budget authority (net)	98,248	102,686	124,623
90.00	Outlays (net)	75,990	141,682	122,430
95.02	Unpaid obligations, end of year	43,543	0	0

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

SALARIES & EXPENSES

OBJECT CLASSIFICATION

(In thousands of dollars)

Identification Code		FY 2009	FY 2010	FY 2011
69-0102-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	37,579	47,101	51,564
11.3	Other than full-time permanent	3,269	3,978	3,997
11.5	Other personnel compensation	<u>986</u>	<u>1,204</u>	<u>1,353</u>
11.9	Total personnel compensation	41,834	52,283	56,914
12.1	Civilian personnel benefits	9,697	13,492	14,919
21.0	Travel and transportation of persons	910	1,784	1,920
23.1	Rent	8,449	8,820	8,795
23.3	Communications, utilities and misc.	45	6	6
24.0	Printing	407	870	588
25.2	Other services	31,220	27,825	41,049
26.0	Supplies and materials	271	323	320
31.0	Equipment	260	763	112
41.00	Grants, subsidies and contributions	136	15,969	0
42.00	Insurance claims & Indemnity	<u>0</u>	<u>0</u>	<u>0</u>
99.0	Subtotal, direct obligations	93,229	122,135	124,623
99.0	Reimbursable obligations	<u>21,298</u>	<u>32,135</u>	<u>32,319</u>
99.9	Total obligations	114,527	154,270	156,942

PERSONNEL SUMMARY

Identification Code		FY 2009	FY 2010	FY 2011
69-0102-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
1001	Total compensable workyears:			
	Full-time equivalent employment	364	460.5	493
2001	Reimbursable workyears:			
	Full-time equivalent employment	23	32	31

**SALARIES AND EXPENSE APPROPRIATION  
FY 2010 ENACTED  
OBJECT CLASS DETAIL BY OFFICE**

(In thousands of dollars)

	<u>OFFICE OF THE SECRETARY</u>	<u>OFFICE OF THE DEP. SEC</u>	<u>OFFICE OF THE EX SEC</u>	<u>UNDER SEC OF TRANSP POLICY</u>	<u>OFFICE OF SDBU</u>	<u>OFFICE OF INTEL &amp; SEC. AND EMERG. RES.</u>	<u>OFFICE OF THE CIO</u>	<u>ASSIST SEC FOR GOVT AFFRS</u>	<u>GENERAL COUNSEL</u>	<u>ASSIST SEC FOR BUDGET</u>	<u>ASSIST SEC FOR ADMIN</u>	<u>OFFICE OF PUBLIC AFFAIRS</u>	<u>TOTAL</u>
a. PC&B COSTS													
PERSONNEL COMP. & BENEFITS													
(1) FTP COSTS	983.000	378.000	1,289.000	7,666.000	1,045.000	5,222.000	2,845.000	981.000	12,633.000	6,149.000	6,235.000	875.000	46,301.000
(2) OTFTP COSTS	801.000	360.000	7.000	633.000	0.000	107.000	94.000	694.000	398.000	348.000	11.000	525.000	3,978.000
(3) OTHER COMPENSATION	5.000	2.000	5.000	161.000	45.000	440.000	56.000	16.000	264.000	200.000	0.000	10.000	1,204.000
SUBTOTAL COMPENSATION	<u>1,789.000</u>	<u>740.000</u>	<u>1,301.000</u>	<u>8,460.000</u>	<u>1,090.000</u>	<u>5,769.000</u>	<u>2,995.000</u>	<u>1,691.000</u>	<u>13,295.000</u>	<u>6,697.000</u>	<u>6,246.000</u>	<u>1,410.000</u>	<u>51,483.000</u>
b. PERSONNEL BENEFITS	506.000	208.000	324.000	2,009.000	296.000	1,395.000	777.000	523.000	3,506.000	1,678.000	1,830.000	440.000	13,492.000
<b>SUBTOTAL, PC&amp;B</b>	<u>2,295.000</u>	<u>948.000</u>	<u>1,625.000</u>	<u>10,469.000</u>	<u>1,386.000</u>	<u>7,164.000</u>	<u>3,772.000</u>	<u>2,214.000</u>	<u>16,801.000</u>	<u>8,375.000</u>	<u>8,076.000</u>	<u>1,850.000</u>	<u>64,975.000</u>
2. TRAVEL & TRANS. OF PERS.	230.000	21.000	0.000	207.000	0.000	633.000	25.000	116.000	390.000	15.000	67.000	80.000	1,784.000
4. RENTAL PAYMENTS TO GSA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8,820.000	0.000	8,820.000
5. COMM., UTIL., & MISC.	0.000	2.000	3.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	6.000
6. PRINTING & REPRODUCTION	0.000	1.000	0.000	6.000	0.000	0.000	0.000	0.000	863.000	0.000	0.000	0.000	870.000
7. OTHER SERVICES	89.000	13.000	29.000	349.000	113.000	2,064.000	9,390.000	96.000	2,192.000	2,164.000	8,541.000	105.000	25,145.000
8. SUPPLIES & MATERIALS	17.000	1.000	1.000	24.000	0.000	38.000	20.000	78.000	113.000	5.000	16.000	10.000	323.000
9. EQUIPMENT	0.000	0.000	0.000	45.000	0.000	700.000	8.000	0.000	0.000	0.000	0.000	10.000	763.000
<b>SUBTOTAL, OTHER COSTS</b>	<u>336.000</u>	<u>38.000</u>	<u>33.000</u>	<u>631.000</u>	<u>113.000</u>	<u>3,436.000</u>	<u>9,443.000</u>	<u>290.000</u>	<u>3,558.000</u>	<u>2,184.000</u>	<u>17,444.000</u>	<u>205.000</u>	<u>37,711.000</u>
<b>TOTAL</b>	<u>2,631.000</u>	<u>986.000</u>	<u>1,658.000</u>	<u>11,100.000</u>	<u>1,499.000</u>	<u>10,600.000</u>	<u>13,215.000</u>	<u>2,504.000</u>	<u>20,359.000</u>	<u>10,559.000</u>	<u>25,520.000</u>	<u>2,055.000</u>	<u>102,686.000</u>
STAFFING													
DIRECT													
POSITIONS	15.00	7.00	15.00	122.00	9.00	49.00	25.00	24.00	113.00	54.00	66.00	19.00	518.00
FTE	15.00	7.00	15.00	84.00	9.00	49.00	25.00	18.00	109.50	54.00	59.00	16.00	460.50
REIMBURSABLE													
POSITIONS	7.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	1.00	20.00	1.00	33.00
FTE	7.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	1.00	19.00	1.00	32.00

**SALARIES AND EXPENSE APPROPRIATION  
FY 2011 REQUEST  
OBJECT CLASS DETAIL BY OFFICE**

(In thousands of dollars)

	<u>OFFICE OF THE SECRETARY</u>	<u>OFFICE OF THE DEP. SEC</u>	<u>OFFICE OF THE EX SEC</u>	<u>UNDER SEC OF TRANSP POLICY</u>	<u>OFFICE OF SDBU</u>	<u>OFFICE OF INTEL &amp; SEC. AND EMERG. RES.</u>	<u>OFFICE OF THE CIO</u>	<u>ASSIST SEC FOR GOVT AFFRS</u>	<u>GENERAL COUNSEL</u>	<u>ASSIST SEC FOR BUDGET</u>	<u>ASSIST SEC FOR ADMIN</u>	<u>OFFICE OF PUBLIC AFFAIRS</u>	<u>TOTAL</u>
a. PC&B COSTS													
PERSONNEL COMP. & BENEFITS													
(1) FTP COSTS	997.000	383.000	1,309.000	9,598.000	1,061.000	5,432.000	4,710.000	997.000	12,934.000	6,923.000	6,331.000	889.000	51,564.000
(2) OTFTP COSTS	813.000	366.000	7.000	635.000	0.000	77.000	96.000	705.000	401.000	353.000	12.000	532.000	3,997.000
(3) OTHER COMPENSATION	5.000	2.000	5.000	162.000	45.000	508.000	136.000	15.000	264.000	200.000	0.000	11.000	1,353.000
SUBTOTAL COMPENSATION	<u>1,815.000</u>	<u>751.000</u>	<u>1,321.000</u>	<u>10,395.000</u>	<u>1,106.000</u>	<u>6,017.000</u>	<u>4,942.000</u>	<u>1,717.000</u>	<u>13,599.000</u>	<u>7,476.000</u>	<u>6,343.000</u>	<u>1,432.000</u>	<u>56,914.000</u>
b. PERSONNEL BENEFITS	514.000	211.000	330.000	2,494.000	304.000	1,461.000	1,218.000	532.000	3,681.000	1,882.000	1,848.000	444.000	14,919.000
<b>SUBTOTAL, PC&amp;B</b>	<b><u>2,329.000</u></b>	<b><u>962.000</u></b>	<b><u>1,651.000</u></b>	<b><u>12,889.000</u></b>	<b><u>1,410.000</u></b>	<b><u>7,478.000</u></b>	<b><u>6,160.000</u></b>	<b><u>2,249.000</u></b>	<b><u>17,280.000</u></b>	<b><u>9,358.000</u></b>	<b><u>8,191.000</u></b>	<b><u>1,876.000</u></b>	<b><u>71,833.000</u></b>
2. TRAVEL & TRANS. OF PERS.	232.000	21.000	0.000	205.000	0.000	743.000	25.000	116.000	395.000	15.000	68.000	100.000	1,920.000
3. RENTAL PAYMENTS TO GSA	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	8,794.000	0.000	8,795.000
4. COMM., UTIL., & MISC.	0.000	2.000	3.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	6.000
5. PRINTING & REPRODUCTION	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	587.000	0.000	0.000	0.000	588.000
6. OTHER SERVICES	89.000	13.000	28.000	414.000	103.000	2,684.000	16,782.000	87.000	1,335.000	10,644.000	8,626.000	244.000	41,049.000
7. SUPPLIES & MATERIALS	17.000	1.000	1.000	20.000	0.000	38.000	20.000	78.000	114.000	5.000	16.000	10.000	320.000
8. EQUIPMENT	0.000	0.000	0.000	40.000	0.000	54.000	8.000	0.000	0.000	0.000	0.000	10.000	112.000
<b>SUBTOTAL, OTHER COSTS</b>	<b><u>338.000</u></b>	<b><u>38.000</u></b>	<b><u>32.000</u></b>	<b><u>679.000</u></b>	<b><u>103.000</u></b>	<b><u>3,521.000</u></b>	<b><u>16,835.000</u></b>	<b><u>281.000</u></b>	<b><u>2,431.000</u></b>	<b><u>10,664.000</u></b>	<b><u>17,504.000</u></b>	<b><u>364.000</u></b>	<b><u>52,790.000</u></b>
<b>TOTAL</b>	<b><u>2,667.000</u></b>	<b><u>1,000.000</u></b>	<b><u>1,683.000</u></b>	<b><u>13,568.000</u></b>	<b><u>1,513.000</u></b>	<b><u>10,999.000</u></b>	<b><u>22,995.000</u></b>	<b><u>2,530.000</u></b>	<b><u>19,711.000</u></b>	<b><u>20,022.000</u></b>	<b><u>25,695.000</u></b>	<b><u>2,240.000</u></b>	<b><u>124,623.000</u></b>
STAFFING													
DIRECT													
POSITIONS	15.00	7.00	15.00	122.00	9.00	52.00	50.00	24.00	113.00	69.00	66.00	19.00	561.00
FTE	15.00	7.00	15.00	90.00	9.00	51.00	38.00	18.00	113.00	62.00	59.00	16.00	493.00
REIMBURSABLE													
POSITIONS	7.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	1.00	20.00	0.00	32.00
FTE	7.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	1.00	19.00	0.00	31.00

**EXHIBIT III-2****TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2010 TO FY 2011**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

<b>Item</b>	<b>Total</b>	
	<b>(\$000s)</b>	<b>FTE</b>
<b>FY 2010 Base (Enacted)</b>	<b>\$18,168</b> <sup>1/</sup>	<b>31.0</b>
<b>Adjustments to Base:</b>		
Annualization of 2010 Comparability Pay Increase	27	
2011 Comparability Pay Increase	57	
Inflation	63	
WCF	(19)	
Subtotal, Adjustments to Base	129	-
<b>Total, FY 2011 Baseline Estimates</b>	<b>\$18,297</b>	<b>31.0</b>
<b>Base Offset/Redirection of Resources:</b>		
Reduction of Earmarks	(7,975)	
<b>Change in Program Level (+/-)</b>		
One additional FTE	180	1
Travel	22	
Research & Development contracts	(706)	
Subtotal, New or Expanded Programs	(503)	1
<b>Total FY 2011 Request</b>	<b>\$ 9,819</b>	<b>32</b>

1/ Includes \$2 million for the Mississippi-Missouri Rivers study pursuant to P.L. 111-117, Section 195.

## Detailed Justification for Transportation Planning, Research and Development

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>From</u></b>
				<b><u>FY 2010</u></b>
				<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	5,361	5,511	5,808	297
Travel	151	152	175	23
Other Costs	12,788	12,505	3,836	-8,669
<b>TOTAL</b>	<b>18,300</b>	<b>18,168 <sup>1/</sup></b>	<b>9,819</b>	<b>-8,349</b>

**STAFFING**

Direct Positions	31	31	33	2
Reimbursable Positions	0	0	0	0
 Direct FTE	 31	 31	 32	 1
Reimbursable FTE	0	0	0	0

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1/ Includes \$2 million for the Mississippi-Missouri Rivers study pursuant to P.L. 111-117, Section 195.

<b>Transportation Planning, Research and Development</b>	<b>FY 2011 Request: \$9,819</b>
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**Overview:**

The Transportation Planning, Research and Development (TPRD) appropriation finances research activities and studies concerned with planning, analysis, and information development needed to support the Secretary's responsibilities in the formulation of national transportation policies.

The activities support the development of transportation policy; coordination of national level transportation planning; analysis of methods of increasing the economic efficiency of transportation; regulatory modernization; energy conservation; freight movement; environmental and safety impacts of transportation; aviation economic policy; livable communities; sustainable transportation; infrastructure finance and innovation and international transportation issues. The research in support of these activities is conducted by six offices within the Under Secretary for Policy.

Office of Economic & Strategic Analysis

Analyzes the economic implications of public and private transportation policy issues. Analyzes methods of increasing the economic efficiency of transportation, including congestion pricing, benefit-cost analysis, and accelerated deployment of transportation technologies like Intelligent Transportation Systems; and the Next Generation Air Transportation System. Recommends improvements in freight and passenger transportation systems. Provides guidance to the operating administrations on procedures and economic assumptions to use in forecasting and economic analysis. Supports the Under Secretary of Transportation for Policy in developing recommendations for the Office of General Counsel regarding the economic evaluation of significant regulations prepared in the Department. Conducts economic analysis of key policy issues such as factors affecting mode choice, external costs and benefits of transportation and economic analysis of interactions between transportation and land use. 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. Reviews the adequacy of data available for economic analysis of transportation.

Office of Safety, Energy & Environment

Formulates and recommends departmental policies, plans and guidelines to enhance public health and safety. Formulates and recommends departmental policies, plans and guidelines related to the natural and human environment, including, but are 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. Formulates and recommends departmental policies, plans and guidelines related to energy, energy transportation interactions, greenhouse gas emission reduction, energy infrastructure safety, and new transportation technologies.

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, and Air Carrier Economic Fitness Programs; and, establishes international and Alaskan mail rates as required by law. OAA has the responsibility to analyze and 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.

Office of International Transportation and Trade

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; to lead and coordinate Departmental representation in global transportation and trade organizations.

Office of Infrastructure, Finance and Innovation

Researches, develops, implements, and promotes innovative policies improving the funding and delivery of transportation infrastructure, and provides analysis of issues involving the financing of transportation infrastructure projects, including new institutional or financial arrangements. Administers the Recovery Act's TIGER discretionary grant program and the National Infrastructure Investment program funded in P.L. 111-117 and is responsible for evaluating the performance of the program and the benefits of the projects receiving discretionary grants under both programs. Analyzes innovative international transportation financing programs and supports innovative jurisdictions in the United States exploring alternative approaches to infrastructure finance.

**FY 2011 Budget Request:**

The Transportation Planning, Research and Development program is requesting \$ 9.8 million and 33 positions and 32 FTE in FY 2011 to continue the mission outlined above. The FY 2011 request consists of \$6.624 million for operating expenses and \$3.195 million for the following proposed research and development projects and programs. The two new positions funded half-year (1 FTE) will fulfill multiple duties as discussed below to address urban and rural transportation and place-based issues that will be prominent in the Administration. Congestion, livability, greenhouse gases and other environmental impacts all become acute in metropolitan areas, suburban locations and rural town centers. Effective transportation systems in these areas are critical in enhancing economic competitiveness. One new staff member is needed to specialize in livability aspects of passenger and freight transportation. This person will lead efforts to evaluate the impacts of transportation projects and the transportation system on livability, congestion, the environment and economic competitiveness in urban as well as rural areas. This will include analysis of mode choice issues, land use impacts, and equity issues. These issues are highly complex and require continuous attention and awareness. A second person is needed to work on the economic analysis of high speed rail. If the Administration's goals for developing an effective high-speed rail network in the United States are to be met, the Department will need to be able to demonstrate that high speed rail is a cost-effective passenger transportation mode that can achieve the Administration's objectives of improving energy efficiency and reducing greenhouse gases. While outside contract research can contribute to meeting this objective, it cannot be achieved by occasional research projects, but requires continuous analysis of ongoing research and in-depth holistic application of that research to policy issues as they arise. These needs can only be met by in-house staff. This position would also focus on factors affecting modal diversion in passenger transportation to identify what high-speed rail routes would be most effective in diverting passengers from highway vehicles to rail.

**Proposed Research and Development Projects and Programs:**

**Safety Program Innovation.....\$175,000**

Highway fatalities in the U.S. have hovered around 40,000 annually for the past decade. While there are numerous aggressive efforts underway by many partners to reduce these fatalities, the number of highway deaths each year remains unacceptably high. The fatality rate is currently at the lowest in our Nation's history, 1.36 fatalities per 100M VMT, but reducing this rate further will prove difficult. This will study inform policy efforts by exploring analytical approaches that

would achieve a better understanding of options for restructuring DOT’S surface safety programs that will most likely achieve significant reductions in the number of highway fatalities, injuries and crashes.

**Analysis of Benefits and Costs of High-Speed Passenger Rail.....\$250,000**

High-Speed Passenger Rail is an important part of an overall strategy to enhance the energy efficiency of the transportation system and reduce its environmental and climate change impact. Investing efficiently in high-speed rail requires careful economic analysis of the potential of alternative high-speed rail routes to generate ridership, induce modal diversion, and reduce the use of transportation modes that are less energy efficient and have greater negative environmental impacts. High-speed rail is also an important part of a strategy for enhancing the livability impact of the transportation system. Economic analysis will identify which high-speed rail routes will have the greatest impact on livability performance measures.

**Transportation and Land Use Patterns ..... \$95,000**

Promoting sustainability and livability are centerpieces of the Administration’s policy agenda. Land use patterns drive the need for transportation services, and transportation can shape local land use decisions. The Office of the Secretary will lead research within the Department that will support state and local transportation agencies in integrating land use and transportation planning in a way that will reduce energy use and greenhouse gas and air pollutant emissions and support more sustainable Communities. The research will be composed of policy development, technical assistance, strategic planning and data research elements. The program will support the Department’s efforts to address sustainability make the transportation system more efficient, and incorporate greenhouse gas reduction considerations into transportation planning. The research would also support the Livable Communities program, including the ongoing DOT partnership with the Department of Housing and Urban Development and the Environmental Protection Agency to promote more livable and sustainable communities. The Policy office will conduct research to identify lessons learned from examples of transportation planning that is integrated with land use planning. From these lessons learned, best practices will be developed to direct the Department’s technical assistance to communities, metropolitan planning organizations, and states. A significant effort is necessary to research and establish performance measures to assess the livability and sustainability effects of these initiatives. Building on earlier efforts, existing data sources will be surveyed to establish a baseline of performance measures, and data gaps identified. Research will identify standardized data collection techniques that can be widely distributed and implemented by transportation planners. This research will build upon interagency work led by the Federal Highway Administration to on integrating transportation, land use and climate change.

**Analyzing Benefits and Costs of National Transportation Initiatives .....\$220,000**

To provide funding to improve the analysis of benefits and costs of national transportation initiatives. Enhancing the contribution of the transportation system to the Nation’s economic competitiveness will require investments targeted at national transportation infrastructure needs. Investing efficiently in meeting these needs will require use of Benefit-Cost Analysis (BCA). To be useful, BCA must measure the full range of benefits and costs of transportation investments, including externalities and costs and benefits that are difficult to quantify or monetize. This research will identify the full range of impacts of national transportation investments and identify

ways of quantifying those impacts and measuring them in monetary terms. Where necessary, this research will also identify improvements in transportation data that are needed to measure these benefits and costs.

**Best Practices Policy Guide for Rural Road Safety Improvement.....\$150,000**

This research will identify road safety policy tools and analyze their effectiveness in reducing crashes and fatalities in rural areas and develop a best practices guide for dissemination to State and local communities interested in reducing rural crashes and fatalities. This project supports DOT’s efforts to reduce crashes and fatalities in rural America and aids in identifying the relative effectiveness of various policy options in the rural specific environment.

**Economic Analysis of the National Freight Transportation System.....\$175,000**

To provide funding to analyze national freight transportation needs and to guide national investments in freight transportation infrastructure. Enhancing the Nation’s economic competitiveness requires an efficient freight transportation system that can support national freight logistics supply chains. Targeting investments in freight transportation infrastructure so as to have the greatest economic net benefit requires detailed analysis of the impacts of freight transportation investments on various industries and geographic regions, including both import and export industries. Moreover, other policy initiatives, such as policies to reduce greenhouse gases, will have significant effects on supply chains and freight transportation infrastructure needs.

**Economic Analysis of Modal Choice .....\$175,000**

To provide funding to analyze the factors that influence mode choice, both in freight and passenger transportation, to assess the effectiveness of alternative policies for reducing environmental impacts of transportation systems. Some modes of transportation produce larger quantities of emissions, including greenhouse gases, and require more energy consumption per passenger-mile traveled or per ton-mile carried. As a result, policies designed to influence mode choice are an important part of an overall policy strategy for reducing transportation systems’ energy consumption and emissions.

**Economic Analysis of Improving State of Good Repair.....\$180,000**

To provide funding for analyzing the most cost-effective ways of improving the state of good repair of the Nation’s transportation infrastructure. As the Nation’s infrastructure ages, a growing portion of our annual investment in transportation infrastructure will be spent on maintaining, reconstructing, and rehabilitating our existing transportation infrastructure. Asset Management techniques provide an economic analysis of existing assets (such as transportation infrastructure) that allows us to maintain the condition and performance of those assets over time at the lowest possible cost. Asset Management thus plays a key role in maintaining a state of good repair at the lowest possible long-run cost. This research will examine how asset management is used by owners of transportation infrastructure (including state highway departments, transit authorities, and airport and seaport authorities) and will identify what is needed – whether in policy changes, improvements in analytical techniques, or provision of better transportation data – to make asset management a more effective tool for reducing the long-run cost of maintaining a state of good repair.

**Policy Impact of Alternative Approaches to Funding Transportation Infrastructure .....\$100,000**

To provide funding to analyze the impact of alternative funding approaches on achieving transportation policy objectives. There is a wide range of approaches to funding transportation infrastructure, including direct public funding and public-private partnerships. Public funding can be based on revenues generated either through traditional fuel taxes or through tolls, VMT charges, or congestion charges. Public-private partnerships can similarly rely on either tolls or tax-financed availability payments. Whether infrastructure is built publicly or privately, it can benefit from federal grants, loans, loan guarantees, or authorizations to use tax-exempt financing. In view of the importance of achieving key transportation policy goals like energy efficiency, reducing climate change impacts, and enhancing equity, it is essential to understand what impacts alternative approaches to infrastructure funding have on achieving these critical transportation policy objectives.

**Mobility Management .....\$100,000**

While a few small, start-up efforts are currently underway to develop and test various aspects of mobility management (the concept of getting people to the transportation services they need while reducing congestion by expanding the use of van pools, ride-sharing, and links between fixed route and employment/shopping centers), there is no single, coordinated effort to pull all the pieces together and develop a national policy with guidelines. This proposed 1 year project will pull all of these separate efforts together into a single, comprehensive strategy that expands access to transportation services and options for all users while reducing congestion. It will disseminate this strategy and make recommendations to assist those community and business organizations wishing to initiate mobility management services.

**Transportation Productivity .....\$100,000**

To provide funding to develop multi-factor productivity estimates for aviation. This work will advance our joint research program with the Research and Innovative Technology Administration to develop multifactor productivity estimates for aviation, which in turn will allow analysis of the contribution of improved airport and air traffic control infrastructure to increasing productivity.

**Economic Impact of Transportation Research, Development, and Technology ..\$175,000**

To provide funding to improve our knowledge of the economic impact of transportation Research, Development, and Technology (RD&T), including Intelligent Transportation Systems (ITS) technology, Next Generation Air Transportation Systems (NextGen), and other forms of transportation RD&T. Investing efficiently in transportation RD&T requires a careful assessment of the likelihood of technical success, the barriers to and likelihood of successful deployment, and the likely net benefits of deployment assuming that the technology is successfully deployed. This analysis will allow more informed decisions about how much to invest in various ITS and other RD&T technologies.

**Sustainable Transportation .....\$175,000**

Transportation sources contribute nearly 28% of U.S. greenhouse gas emissions. The Administration has declared climate change to be a top priority, and many policy levers will likely be used to reduce the transportation sector's emissions. Policy Office leadership and

expertise will be needed to evaluate policy proposals to address climate change and prepare the transportation system for the future. Furthermore, considerable international coordination on energy and climate issues will be needed as the international agreements on climate are reached and implementation discussions begin. In order to understand the implications of these policies, the Policy Office will study the effectiveness of reducing fuel consumption and greenhouse gas emissions in the transportation sector. Strategies to be evaluated include pricing of transportation facilities and services; transportation and land use planning strategies; transit and intercity passenger rail services; impact of cap and trade programs on transportation; comparison of different freight movement options; and greenhouse gas/fuel economy standards for vehicles. Additionally, the interactions of different transportation policies that reduce emissions will be explored, including the relationships between increased fuel economy standards, economy-wide mitigation measures such as a cap and trade program, and any additional policies under consideration by the Congress. The Policy Office will also continue earlier work to assess the impact of climate change and variability on transportation infrastructure, further developing tools to help transportation planners adapt to and mitigate the effects of climate change.

**Policy Issues & Environmental Implications of New Energy and Emissions Reductions Technologies and Fund Contribution to DOT Climate Change Center .....\$150,000**

The proposed study will address the policy issues and environmental implications of new energy and emissions reduction technologies, including policy related to emerging clean vehicle technologies and fuels. This funding includes the Policy office contribution to the DOT intermodal Climate Change Center, which provides a focal point for DOT's research and technical expertise on transportation and climate change. Policy support will assist the Center in promoting comprehensive multimodal approaches to reduce green house gas (GHG) emissions from transportation, making data collection more uniform across transportation, and integrate climate change into other environmental policy research. The proposed research will support additional phases of the Center's research on the Impacts of Climate Change on Transportation, one of the 21 high profile synthesis and assessment projects of the President's Climate Change Research Initiative (CCRI).

**Policy Instruments to Reduce Environmental Impacts of Transportation .....\$100,000**

This study will continue work to examine policy instruments that can be used to help manage environmental impacts of transportation. The study will analyze the effectiveness of policy tools and congestion management strategies in all modes of transporation in reducing congestion, reducing environmental impacts, and enhancing mobility. Strategies such as terminal pricing, lane pricing, and peak spreading incentives will be evaluated. It will also examine areawide mitigation approaches, such as ecosystem mitigation strategies.

**Impact of More Stringent Ozone National Ambient Air Quality Standard (NAAQS) on Transportation and Mitigation of Air Quality Impacts .....\$50,000**

In response to anticipated Environmental Protection Agency (EPA) promulgation of a revised ozone NAAQS, the study will investigate the effects on transportation of a new standard and policy issues related to implementation. The study will evaluate challenges facing transportation agencies as implementation policies for the new standard are put in place. The study will examine differences in ozone precursor emissions among different modes of transportation. The study will explore mitigation to address local air quality impacts of ports, airports, freight

terminals and examine appropriate transportation control measures for consideration in transportation planning for passenger and freight infrastructure.

**Alternative Fuels Infrastructure .....\$50,000**

The Energy Independence and Security Act of 2007 calls for a major expansion in alternative and renewable fuels production. DOT will undertake a long-term study of the multi-modal freight infrastructure necessary to support high levels of alternative transportation fuels usage, identifying long-run bottlenecks and opportunities for mode shifting and intermodal facilities.

**Maintenance and Calibration of an Airline Network Analysis Model .....\$95,000**

This project provides for the maintenance and calibration of a sophisticated airline network computer evaluation model previously purchased and currently used by DOT analysts. The annual costs cover maintenance, training, support, upgrades, calibration, and remote hosting. 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, forecasts on the effects on competition of proposed mergers and alliances, and assessments of airport improvement funding requirements. 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.

**Aviation Data Modernization Program .....\$100,000**

There is consensus in the industry and government aviation community that an updated and enhanced airline traffic and financial data collection system is mission-critical to national aviation infrastructure planning and development. The Data Modernization Program will provide the appropriate data required to administer statutorily mandated aviation programs. It 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 taxpayer dollars.

**Project on the Impact of Airline Alliances .....\$100,000**

The research project will explore the impact of global marketing alliances on the operating and competitive structures of the aviation industry. The study will evaluate the effects of airline alliances on transatlantic competition by examining airline efficiencies achieved through the integration of networks, business processes, wider market access, and cost reductions through joint procurement and other activities. It will also examine the effect of alliances on fares, market capacity, service, product quality, and other consumer benefits attributable to the immunized cooperation.

**U.S.-China Research & Technical Assistance Program on the Economic Regulation of Air Transportation Services .....\$50,000**

This continues the U.S.-China Aviation Cooperation Program (ACP) on economic and regulatory cooperation involving the Department's Office of Aviation and International Affairs. The goal is to assist Chinese authorities in rewriting their current aviation regulations for the economic oversight of the industry in a deregulated environment. By engaging in, and providing technical support for, the Chinese airline deregulation process, the Office of Aviation and

International Affairs seeks to reduce barriers to trade in transportation goods and services and enhance the competitiveness of U.S. air transport providers and manufacturers in the largest potential domestic aviation market in the world.

**Comprehensive Examination of the Operating and Competitive Structures of the Air Cargo Industry .....\$150,000**

This study will outline the structural and organizational changes that have taken place in the air cargo industry, identify drivers of change, and evaluate how they will impact all cargo, integrated, and combination carriers. It will also examine the implications of these changes for public policy vis-à-vis the air cargo and logistics industry. The study will examine air cargo as part of a logistics chain and examine industry dynamics between shippers, airports, consignees, airlines, forwarders, integrators, and fast ships. It will evaluate the various types of capacity supply, including combination carriers, all cargo carriers, and integrators and examine the efficacy of freighter and belly cargo capacity. The study will also examine drivers of demand and growth in the industry, including the types of products carried, the demands of air cargo customers, and the efforts of various logistics, general sales agents, and cargo management services (including new third party management services for the belly cargo of combination carriers) to meet this demand more effectively.

**Survey of Economic Regulation of Airlines in Open Skies Countries .....\$75,000**

This project would fund research materials, conference attendance, and information meetings to enhance DOT's understanding of competition policies in other countries' aviation markets and their impacts on U.S. air carriers (passenger and cargo). Additional work in this area (beyond the existing cooperation between USDOT and the European Union Competition Directorate) will support two other Global Connectivity Outcomes and their associated Performance Measures: (1) reduced barriers to trade in transportation goods and services; and, (2) sustained international leadership in promoting U.S. transportation policies.

**Asia-Pacific Economic Cooperation (APEC) Transportation Ministerial .....\$205,000**

The United States will chair the Asia Pacific Economic Cooperation (APEC) process in 2011, including hosting a series of meetings of high-level officials and ministers, culminating in a heads-of-state meeting and CEO summit in the fall. As the U.S. lead for the APEC Transportation Working Group and in support of the State Department's mission to promote and protect U.S. APEC hemispheric interests, the DOT will host the Transportation Ministerial which will include hosting ministers and senior officials from 20 Asia-Pacific countries (300+ attendees). The Ministerial will provide an effective forum for the U.S. transportation industry to advance business issues and promote their goods and services to foreign government officials. It will also provide the opportunity to facilitate the expansion of transport in the Asia-Pacific region which enables the advancement of important U.S. interests such as economic, trade, and development matters; energy; technology and environmental controls related to transport; air and maritime safety and security; and vehicle and road safety standards.

**Explanation of Funding Changes  
for the  
*Transportation, Research, Planning and Development*  
(\$000)**

**FY 2010 Base (Enacted)** **\$18,168** <sup>1/</sup>

**Overview:**

The funding will continue to support the current activities and the proposed new initiatives of the new Administration to include: the development of transportation policy; coordination of national level transportation planning; analysis of methods of increasing the economic efficiency of transportation; regulatory modernization; energy conservation; freight movement; environmental and safety impacts of transportation; aviation economic policy; livable communities; sustainable transportation; infrastructure finance and innovation; and international transportation issues.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$27
2011 Pay Raise:	\$57
Inflation:	\$63
WCF:	(\$19)
<b>FY 2011 Adjusted Base:</b>	<b>\$18,297</b>

**Base Offsets/Redirection of Resources:**

<b>Earmarks</b>	<b>(\$7,975)</b>
Reduction in earmarks of \$7.975 million.	

**Program Changes (+/-):**

**Two additional positions funded for half-year (1 FTE)** **\$180**

The two new positions funded half-year (1 FTE) will fulfill multiple duties as discussed below; urban transportation issues will be prominent in this Administration. Congestion, livability, greenhouse gases, and other environmental impacts all become acute in metropolitan areas, and metropolitan areas are also the areas where effective transportation systems are also critical in enhancing economic competitiveness. One new staff member is needed to specialize in the economics of transportation in urban areas, both passenger and freight. This person will lead efforts to evaluate the impacts of transportation projects on livability, congestion, the environment, and economic competitiveness in urban areas. This will include analysis of mode choice issues, land use impacts, and equity issues.

A second person is needed to work on the economics analysis of high speed rail. If the Administration's goals for developing an effective high-speed rail network in the United States are to be met, the Department will need to be able to demonstrate that high-speed rail is a cost-effective passenger transportation mode that can achieve the Administration's objectives of improving energy efficiency and reducing greenhouse gases. While outside contract research can contribute to meeting this objective, it cannot be achieved by occasional research projects, but requires continuous analysis of ongoing research and in depth holistic application of that research to policy issues as they arise. These needs can only be met by in-house staff. This position would also focus on factors affecting modal diversion in passenger transportation to identify what high-speed rail routes would be most effective in diverting passengers from highway vehicles to rail.

<b>Travel</b>	<b>\$22</b>
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Increased travel to support new initiatives.

<b>Other Contractual Services</b>	<b>(\$706)</b>
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Reduction in studies. National Infrastructure Investment administrative/oversight funds will be used to analyze that program. Funding to analyze Livable Communities program is included within the \$20 million requested for that program.

<b>Total FY 2011 Request:</b>	<b>\$9,819</b>
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1/ Includes \$2 million for the Mississippi-Missouri Rivers study pursuant to P.L. 111-117, Section 195.

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

PROGRAM AND FINANCING  
(In thousands of dollars)

Identification Code	FY 2009	FY 2010	FY 2011
69-0142-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Transportation policy and planning	16,056	26,023	9,819
00.02 Safe Skies	1,473	3,098	0
00.03 New Building	4,407	552	0
00.04 Mississippi-Missouri Rivers	<u>0</u>	<u>2,000</u>	<u>0</u>
01.00 Total, direct program	21,936	31,673	9,819
09.00 Reimbursable program	<u>900</u>	<u>1,000</u>	<u>1,000</u>
10.00 Total new obligations	22,836	32,673	10,819
<b>Budgetary resources available for obligations:</b>			
21.40 Unobligated balance carried forward, start of year	13,213	13,506	1
22.00 New budget authority (gross)	19,049	19,168	10,819
22.10 Resources available from recoveries of prior year obligations	782	0	0
22.22 Unobligated balance transferred from other accounts (72-1037)	0	0	0
22.30 Expired unobligated balance transfer to unexpired account	<u>3,309</u>	<u>0</u>	<u>0</u>
23.90 Total budgetary resources available for obligations	36,353	32,674	10,820
23.95 Total new obligations	-22,836	-32,673	-10,819
23.98 Unobligated balance expiring or withdrawn	-11		
24.40 Unobligated balance carried forward, end of year	13,506	1	1
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	18,300	18,168	9,819
Discretionary: Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	21	1,000	1,000
58.10 Change in uncollected customer payments from Federal sources	<u>728</u>	<u>0</u>	<u>0</u>
58.90 Spending authority from offsetting collections (total)	749	1,000	1,000
70.00 Total new budget authority (gross)	19,049	19,168	10,819
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	23,843	22,150	14,561
73.10 Total new obligations	22,836	32,673	10,819
73.20 Total outlays (gross)	-19,529	-40,262	-15,855
73.40 Adjustments in expired account (net)	-3,490	0	0
73.45 Recoveries of prior year obligations	-782	0	0
74.00 Change in uncollected customer payments from Federal sources (unexpired)	<u>-728</u>	<u>0</u>	<u>0</u>
74.40 Obligated balance, end of year	22,150	14,561	9,525
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	11,000	8,267	4,928
86.93 Outlays from discretionary balances	<u>8,529</u>	<u>31,995</u>	<u>10,927</u>
87.00 Total outlays (gross)	19,529	40,262	15,855
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash)	21	1,000	1,000
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	728	0	0
88.96 Portion of offsetting collections (cash) credited to expired accounts	0	0	0
<b>Net budget authority and outlays:</b>			
89.00 Budget authority (net)	18,300	18,168	9,819
90.00 Outlays (net)	19,508	39,262	14,855
95.02 Unpaid obligation, end of year	22,943		

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification Code	FY 2009	FY 2010	FY 2011
69-0142-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	\$2,893	\$4,294	\$4,506
11.3 Other than full-time permanent	\$0	\$152	\$154
11.5 Other personnel compensation	<u>\$110</u>	<u>\$62</u>	<u>\$62</u>
11.9 Total personnel compensation	\$3,003	\$4,508	\$4,722
12.1 Civilian personnel benefits	\$615	\$1,003	\$1,086
13.0 Benefit for former personnel		\$0	\$0
21.0 Travel and transportation of person	\$278	\$152	\$175
23.0 Rent and Comm, Util	\$1,246	\$0	
24.0 Printing	\$0	\$19	\$19
25.0 Other services	\$16,745	\$25,955	\$3,781
26.0 Supplies and materials	\$32	\$20	\$20
31.0 Equipment	<u>\$17</u>	<u>\$15</u>	<u>\$15</u>
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
99.0 Subtotal, direct obligations	\$21,936	\$31,673	\$9,819
99.0 Reimbursable obligations	<u>\$900</u>	<u>\$1,000</u>	<u>\$1,000</u>
99.9 Total obligations	\$22,836	\$32,673	\$10,819

PERSONNEL SUMMARY

Identification Code	FY 2009	FY 2010	FY 2011
69-0142-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
1001 Total compensable workyears:	21.6	31	32
Full-time equivalent employment			

**EXHIBIT III-2****OFFICE OF CIVIL RIGHTS**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2010 TO FY 2011**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

<b>Item</b>	<b>Total (\$000s)</b>	<b>FTE</b>
<b>FY 2010 Base (Enacted)</b>	<b>9,667</b>	<b>55.0</b>
<b>Adjustments to Base:</b>		
Annualization of 2010 Comparability Pay Increase	34	
2011 Comparability Pay Increase	73	
Inflation	13	
Working Capital Fund/Worker's Comp/Rent	(51)	
Subtotal, Adjustments to Base	69	0.0
<b>Total, FY 2011 Baseline Estimates</b>	<b>9,736</b>	<b>55.0</b>
<b>Change in Program Level (+/-)</b>		
IT applications and databases improvements	31	
Subtotal, New or Expanded Programs	31	0.0
<b>Total FY 2011 Request</b>	<b>\$ 9,767</b>	<b>55.0</b>

## Detailed Justification for Office of Civil Rights

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference From FY 2010</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	6,853	7,061	7,177	116
Travel	54	54	54	0
Other Costs	2,477	2,552	2,536	-16
<b>TOTAL</b>	<b>9,384</b>	<b>9,667</b>	<b>9,767</b>	<b>100</b>
<b><u>STAFFING</u></b>				
Direct Postions	64	64	64	0
Reimbursable Positions	0	0	0	0
 Direct FTE	 55	 55	 55	 0
Reimbursable FTE	0	0	0	0

<b>Departmental Office of Civil Rights</b>	<b>FY 2011 Request: \$9,767</b>
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### Overview:

The Departmental Office of Civil Rights (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 customers with business operation and information technology services that support informed and timely civil rights decision making.

DOCR operates the Department of Transportation's (DOT) national civil rights program from its Washington, DC, headquarters, and regional offices (Cambridge, MA; Atlanta, GA; Chicago, IL; and Fort Worth, TX). 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

regional personnel provide Title VII, Civil Rights Act 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 to reduce civil rights related complaints filed against DOT and recipients of federal transportation funding; 3) process civil rights related complaints 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.

**FY 2010 Base:**

The Departmental Office of Civil Rights will operate within the enacted budget amount to accomplish the mission outlined above.

**Anticipated FY 2010 Accomplishments:**

- DOCR will continue to focus on prevention, early intervention, and effective resolution of internal and external conflicts and complaints, ultimately reducing the need for formal complaint processing. DOCR will augment its EEO programs through Departmental initiatives that are designed to encourage resolution, address and resolve disputes prior to the formal complaint stage, reduce complaint processing times, and establish/maintain quality and accurate EEO information. DOCR will further its steps to standardize EEO/civil rights-related training throughout the Department and ensure that statutory training requirements are met.
- DOCR will continue to deliver its Disadvantaged Business Enterprise program, Limited English Proficiency policy, external discrimination complaint processing, and disability rights services. DOCR will provide training on these and other external civil rights policy matters to recipients of DOT funds and the OAs. DOCR will also continue its leadership in maintaining a DOT-wide Limited English Proficiency Workgroup and its collaborative efforts with the Department of Justice and other Federal agencies.
- DOCR will process appeals filed by businesses that have been denied certification as a Disadvantaged Business Enterprise (DBE) by a highway, transit, or aviation recipient. Although the number of appeals filed has increased dramatically and is expected to increase even more with the anticipated increase in transportation infrastructure projects, DOCR will continue to issue final agency decisions within the timelines specified in the Department's regulations through allocating additional resources to support the DBE program.
- DOCR will continue the expansion of the office's role and interface with internal stakeholders involved in Emergency Transportation planning, training, coordination and response involving Special Needs Populations, including

persons with disabilities, transit dependent persons at or below poverty levels, and other individuals with limited mobility. DOCR serves as a technical advisor on Special Needs Population and Persons With Targeted Disabilities to the Department's Emergency Transportation Work Group and represents the Department on the Department of Homeland Security's Interagency Coordinating Council on Emergency Response and Individuals with Disabilities and Department of Labor's Disability Executive Committee.

- DOCR will continue meeting on a trimester basis with the DOT senior leaders to discuss each organization's progress and compliance with civil rights laws and the department's policies. These meetings will continue to serve as timely forums for DOT's leadership to share initiatives, strategies and successful programs and actions for ensuring equal employment opportunity in its policies and practices. The meetings will be used as a civil rights oversight and accountability mechanism to focus agency leaders on DOT's civil rights obligations in administering and conducting its programs and activities.
- DOCR will maintain its civil rights information on-line repository so that customers may easily request and receive Disadvantaged Business Enterprise appeal decisions, external civil rights policy guidance, and other civil rights information. The implementation of this repository will begin the final stage of the organization's goal to establish timely, quality and accurate automated civil rights services.
- DOCR will continue to manage the Department's National Federal Women's Program, in place for the purpose of identifying and eliminating barriers to Equal Employment Opportunity that are experienced by female job applicants and employees at DOT. The program is also intended to raise awareness among women of employment opportunities at DOT. Additionally, the National Federal Women's Program Manager provides training to DOT employees on issues of importance to women in the workforce.

**FY 2011 Budget Request:**

DOCR is requesting \$9.767 million and 55 FTEs to continue the mission outlined above. The FY 2011 request represents a small increase over the FY 2010 Enacted budget level. The 2011 request will fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, and a .5 percent inflation adjustment. A decrease in other costs is due to a reduction in working capital fund costs and is partially offset by an increase in contractual services. The following activities will be funded within the FY 2011 request:

- **\$27 thousand for licensed certified public accountant services.** DOCR will establish a contract for certified public accounting services. These services will require the contractor to provide ongoing advice and counsel (on an as-needed basis) regarding accounting, tax, and personal net worth DBE appeal certification requirements. By regulation, DOCR processes appeals filed by businesses that were denied certification as a DBE by a highway, transit, aviation recipients, or

other departmental entities. Only disadvantaged persons having a personal net worth (PNW) of less than \$750,000 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 their 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 \$750,000 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 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.

- **\$827 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. 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 final agency decisions (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.
- **\$456 thousand for IT infrastructure, applications and databases.** These products and services will enhance the organization's ability to provide timely and quality civil rights services and products to its partners and customers. Inter/intra agency agreements and contracts are established to support infrastructure requirements that provide the organization's regional personnel with secure automated business environments. The applications and databases provide DOT's civil rights community with an enterprise solution for collecting and disseminating information for its civil rights programs consistent with annual reporting requirements supporting the Civil Rights Act (1964) e.g. EEOC Form 462, DOJ 12250 and the No FEAR Act. DOCR will also implement a reasonable accommodation tracking system to capture and maintain accommodation requests Department-wide. The system is necessary to ensure compliance with the DOT

Order on Reasonable Accommodation and general guidance from the Equal Employment Opportunity Commission.

- **\$25 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.
- **\$25 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, 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
- **\$766 thousand to reimburse WCF for business operation services.** The working capital fund enables DOCR to purchase shared goods and services (fee-for-service components and administrative support), i.e., building security, copy centers, Departmental initiatives, the Disability Resource Center, DOT's work life/wellness initiatives, and other proportional charges that are expended for common services.
- **\$50 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.
- **\$275 thousand for intra agency service agreements and contracts.** DOCR uses reimbursable agreements and contracts to support the organization's regional offices. DOCR provides facilities and services, consistent with those supporting employees in its headquarters location, to regional employees located in Cambridge, MA; Atlanta, GA; Chicago, IL; and Dallas, TX. These financial agreements provide services for telecommunication, IT support, and administrative support, including mail service, physical and cyber security and employee transit benefits.
- **\$85 thousand to implement and maintain secure and comprehensive electronic civil rights records.** DOCR will harness the power of technology by

capturing, storing and organizing physical and unstructured electronic civil rights information. The use of technology makes information more accessible to the organization's customer base and allows it to be used 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 how electronically stored information (ESI) such as contracts, spreadsheets and email are handled internally, and more importantly produced to the courts when required.

**Explanation of Funding Changes  
for the  
*Office of Civil Rights*  
(\$000)**

<b>FY 2010 Base (Enacted)</b>	<b>\$9,667</b>
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**Overview:**

An increase is required to fund 2010 and 2011 pay raise costs and 2011 inflation.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$34
2011 Pay Raise:	\$73
Inflation:	\$13
WCF	(\$51)
<b>FY 2011 Adjusted Base:</b>	<b>\$9,736</b>

**Program Changes (+/-):**

<b>Contractual Services:</b>	<b>\$31</b>
Improvements to OCR IT applications and databases	

<b>Total FY 2011 Request:</b>	<b>\$9,767</b>
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DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-0118-0-1-407			
<b>Obligations by program activity:</b>			
0.01 General Administration	8,081	9,667	9,767
0.91 Total direct program	8,081	9,667	9,767
9.01 Reimbursable program	0	0	0
10.00 Total obligations	8,081	9,667	9,767
 Budgetary resources available for obligation			
21.40 Unobligated balance available, start of year	0	0	0
22.00 New budget authority (gross)	9,384	9,667	9,767
22.10 Resources available from recoveries of prior year obligations	0	0	0
22.22 Unobligated balance transferred from other accounts	0	0	0
23.90 Total budgetary resources available for obligation	9,384	9,667	9,767
23.95 New obligations	-8,081	-9,667	-9,767
23.98 Unobligated balance expiring or withdrawn	0	0	0
24.40 Unobligated Balance carried forward EOY	1,303	0	0
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation (definite)	9,384	9,667	9,767
40.35 Appropriation permanently reduced	0	0	0
41.00 Transfers to other accounts	0	0	0
42.00 Transfers from other accounts	0	0	0
43.00 Appropriation (total)	9,384	9,667	9,767
Discretionary spending authority from offsetting collections:			
58.00 Offsetting collections (cash) (unexpired only)	0	0	0
58.10 Change in uncollected cust paymts fm Fed sources (unexp)	0	0	0
58.90 Spending authority fm offsetting collections (total)	0	0	0
70.00 Total new budget authority (gross)	9,384	9,667	9,767
 <b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	1,745	1,846	967
73.10 New obligations	8,081	9,667	9,767
73.20 Total outlays (gross)	-7,952	-10,546	-9,756
73.32 Obligated balance transferred from other acct	0	0	0
73.40 Adjustments in expired accounts (net)	-91	0	0
73.45 Recoveries of prior year obligations	0	0	0
74.00 Chg in Uncollected cust orders fm Fed Sources (unexpired)	0	0	0
74.10 Chg in Uncollected cust orders fm Fed Sources (expired)	63		
74.40 Obligated balance end of year	1,846	967	978
 <b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	6,919	8,700	8,791
86.93 Outlays from discretionary balances	1,033	1,845	966
87.00 Total outlays (gross)	7,952	10,546	9,756
<b>Offsets:</b>			
<i>Against gross budget authority and outlays</i>			
Offsetting collections (cash) from:			
88.00 Federal sources	28	0	0
88.95 Portion of offsetting collection credited to unexpired accounts	0	0	0
88.96 Portion of offsetting collection credited to expired accounts	-28	0	0
 <b>Net budget authority and outlays:</b>			
89.00 Budget authority (net)	9,384	9,667	9,767
90.00 Outlays (net)	7,923	10,546	9,756
95.02 Unpaid Obligations, EOY	1,956		

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

OFFICE OF CIVIL RIGHTS

OBJECT CLASSIFICATION

(In thousands of dollars)

Identification Code		FY 2009	FY 2010	FY 2011
69-0118-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	4,390	5,150	5,230
11.3	Other than full-time permanent	98	36	37
11.5	Other personnel compensation	<u>76</u>	<u>103</u>	<u>103</u>
11.9	Total personnel compensation	4,563	5,289	5,370
12.1	Civilian personnel benefits	1,030	1,772	1,807
21.0	Travel and transportation of persons	65	54	54
22.0	Transportation of things	0	0	0
23.1	Rent Payments to GSA	10	251	253
23.3	Communications, utilities and misc.	1	77	78
24.0	Printing	5	2	2
25.2	Other services	2,228	2,192	2,173
26.0	Supplies and materials	27	20	20
31.0	Equipment	152	10	10
99.0	Subtotal, direct obligations	8,081	9,667	9,767
99.9	Total obligations	8,081	9,667	9,767

PERSONNEL SUMMARY

Identification Code		FY 2009	FY 2010	FY 2011
69-0118-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
1001	Total compensable workyears:	43	55	55
	Full-time equivalent employment			

**EXHIBIT III-2****MINORITY BUSINESS OUTREACH**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2010 TO FY 2011**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

<b>Item</b>	<b>Total</b>	
	<b>(\$000s)</b>	<b>FTE</b>
<b>FY 2010 Base (Enacted)</b>	<b>\$3,074</b>	<b>1.0</b>
<b>Adjustments to Base:</b>		
Annualization of 2010 Comparability Pay Increase	1	
2011 Comparability Pay Increase	1	
Inflation	15	
WCF Decrease	(6)	
Subtotal, Adjustments to Base	11	-
<b>Total, FY 2011 Baseline Estimates</b>	<b>\$3,085</b>	<b>1.0</b>
<b>Change in Program Level (+/-)</b>	<b>310</b>	<b>1</b>
Subtotal, Change in Program Level:	310	1
<b>Total FY 2011 Request</b>	<b>\$ 3,395</b>	<b>2.0</b>

## Detailed Justification for the Minority Business Outreach

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference From FY 2010</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	130	135	275	140
Travel	123	124	128	5
Other Costs	2,803	2,815	2,992	176
<b>TOTAL</b>	<b>3,056</b>	<b>3,074</b>	<b>3,395</b>	<b>321</b>
<b><u>STAFFING</u></b>				
Direct Positions	1	1	3	2
Reimbursable Positions	0	0	0	0
Direct FTE	1	1	2	1
Reimbursable FTE	0	0	0	0
<b>Minority Business Outreach</b>		<b>FY 2011 Request: \$ 3,395</b>		

### Overview:

The Minority Business Outreach (MBO) program provides contractual support to the small, minority, women-owned and disadvantaged business enterprise (DBE) community. DOT's Office of Small and Disadvantaged Business Utilization (OSDBU) operates the Small Business Transportation Resource Centers (SBTRCs), through its Regional Partnership Division (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.

The primary mechanism for reaching small businesses is through the SBTRCs. The purpose of the SBTRCs is to offer a comprehensive delivery system of business training, business counseling, technical assistance, business counseling, and dissemination of information to transportation-related small business enterprises within their regional areas. OSDBU is authorized under Title 49, subtitle 1, chapter 3, subchapter II, Sec. 332 to operate the RPD.

OSDBU enters into Cooperative Agreements with 1) business-centered community-based organizations, 2) trade associations, 3) colleges and universities, 4) community colleges, and 5)

chambers of commerce to establish SBTRCs on a region-wide basis. 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 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.
- Providing general management, technical assistance, and training.
- Collaborating and coordinating with agencies (e.g., SBA, MBDCs, SCORE, PTACs, SBDCs and other local technical assistance entities) to offer a broad range of counseling services to transportation-related small business enterprises.
- Conducting outreach and disseminate information to small businesses at regional transportation-related conferences, seminars, and workshops.
- Working with the Short Term Lending Program (STLP), 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.

In addition to the SBTRCs, the 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 the 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 the toll-free number. The NIC also provides statistical and program feedback on OSDBU lending, technical assistance and procurement programs.

**FY 2010 Base:**

Minority Business Outreach will operate within the enacted budget amount to accomplish the mission outlined above.

**Anticipated FY 2010 Accomplishments:**

The SBTRC program will provide assistance to the small business community through an array of services during FY 2010. The SBTRC will continue its Cooperative Agreements with 9 Regional SBTRCs, and will add 2 additional Centers by the end of FY 2010. The basic services to small businesses will continue to include categories such as: 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 will also be provided 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, and have local bank participation in the sessions.

Starting in FY 2010, the Regional Partnerships Division will perform a thorough review of the SBTRC program to add different functions that are not currently performed in providing direct assistance to the small business community, including minority and women owned businesses. Updated statistical data will be used to identify new locations for adding at least a total of three more SBTRCs to the Regional network (two in FY 2010 and one in FY 2011).

A training and orientation session (2 days) will be held for all SBTRCs that is designed to exchange ideas and program initiatives between the Regional Centers. The initial session will be held in Washington, DC so that DOT Headquarters officials can participate and give their input to the program.

A major OSDBU initiative is the recently launched Pilot Entrepreneurial Training and Technical Assistance Women and Girls Program to encourage girls to pursue careers in science, engineering, and technology and help women in the field to achieve their goals. This program is managed by a partnership between OSDBU and Spellman 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. This new program, which falls under OSDBU's Regional Partnerships Division, has been a success receiving attention from the White House, members of Congress, and other groups. During FY 2010 OSDBU expects an increase activities directly related to this program, such as town hall meetings, an increase in outreach to the small business community promoting DOT programs and the development of case studies featuring small women-owned transportation related businesses, and workshops and entrepreneurial trainings to the students and small business community.

**FY 2011 Budget Request:**

The MBO program is requesting \$3.395 million and 2 FTEs in FY 2011 for outreach to the small and disadvantaged business community to encourage participation in DOT-funded contracting opportunities and empower them to compete for and obtain contract opportunities. The FY 2011 request will fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, and a .5 percent inflation adjustment. It also includes \$.140 million for two new positions funded half-year (1 FTE) to support the SBTRC Program, \$.04 million for additional travel expenses and an additional \$.165 million to expand the SBTRC services throughout the Nation.

Federal agencies' procurement goals require the expansion of SBTRCs to locations that were not planned during the first roll out of SBTRCs. Therefore, the additional FTE requested will ensure the establishment of another SBTRC to increase the presence of SBTRCs in areas that have not been reached and adequate human resources necessary to fully implement the Women and Girls initiative in additional regions across the United States.

**Explanation of Funding Changes  
for the  
*Minority Business Outreach*  
(\$000)**

**FY 2010 Base (Enacted)** **\$3,074**

**Overview:**

An increase is required to fund 2010 and 2011 pay raise costs and 2011 inflation. Additional funds are being requested to expand the SBTRC program and support an additional FTE.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$1
2011 Pay Raise:	\$1
Inflation:	\$15
WCF:	(\$6)
<b>FY 2011 Adjusted Base:</b>	<b>\$3,085</b>

**Program Changes (+/-):**

**Staff Increase** **\$140**

Two new positions funded half-year (1 FTE) to be paid out of the MBO Budget. The increase in scope of OSDBU's activities and MBO services will require an additional Program Analyst and an Administrative Support Assistant.

**Travel** **\$4**

**SBTRC Expansion** **\$165**

During FY 2011 the SBTRCs will continue to grow in services offered and in reach throughout the Nation. Starting in FY2010, the Regional Partnerships Division will perform a thorough review of the SBTRC program to add different functions that are not currently performed, providing direct and much needed assistance to the small business community, including minority and women owned businesses. An increased number of new small businesses, including DBEs, across the country requires the expansion of SBTRCs to locations that were not planned during the first roll out of SBTRCs. Therefore, the establishment of another SBTRC will be required. Additionally, full implementation of the Pilot Entrepreneurial Training and Technical Assistance Women and Girls Program across the United States will require adequate resources.

**Total FY 2011 Request:** **\$3,395**

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

MINORITY BUSINESS OUTREACH

PROGRAM AND FINANCING  
(In thousands of dollars)

Identification Code	FY 2009 <u>ACTUAL</u>	FY 2010 <u>ESTIMATE</u>	FY 2011 <u>ESTIMATE</u>
69-0119			
<b>Obligations by program activity:</b>			
0.01 General Administration	2,740	3,065	3,235
0.02 Bonding Assistance	145	0	0
9.01 Reimbursable program	0	0	0
10.00 Total obligations	2,885	3,065	3,235
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year	9,116	9,010	9,019
22.00 New budget authority (gross)	3,056	3,074	3,395
22.10 Resources available from recoveries of prior year obligations	1	0	0
22.22 Unobligated balance transferred from other accounts	0	0	0
23.90 Total budgetary resources available for obligation	12,173	12,084	12,414
23.95 New obligations	-2,885	-3,065	-3,235
23.98 Unobligated balance expiring or withdrawn	-279	0	0
24.40 Unobligated balance available, end of year	9,010	9,019	9,179
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation (definite)	3,056	3,074	3,395
40.35 Appropriation permanently reduced	0	0	0
41.00 Transfers to other accounts	0	0	0
42.00 Transfers from other accounts	0	0	0
43.00 Appropriation (total)	3,056	3,074	3,395
<b>Discretionary spending authority from offsetting collections:</b>			
58.00 Offsetting collections (cash) (unexpired only)	0	0	0
58.10 Change in uncollected cust paymts fm Fed sources (unexp)	0	0	0
58.90 Spending authority fm offsetting collections (total)	0	0	0
70.00 Total new budget authority (gross)	3,056	3,074	3,395
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	4,535	5,138	19
73.10 New obligations	2,885	3,065	3,235
73.20 Total outlays (gross)	-2,170	-8,184	-3,362
73.32 Obligated balance transferred from other acct	0	0	0
73.40 Adjustments in expired accounts (net)	-111	0	0
73.45 Recoveries of prior year obligations	-1	0	0
74.00 Chg in Uncollected cust orders fm Fed Sources (unexpired)	0	0	0
74.10 Chg in Uncollected cust orders fm Fed Sources (expired)	0	0	0
74.40 Obligated balance end of year	5,138	19	-108
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	256	2,767	3,056
86.93 Outlays from discretionary balances	1,914	5,417	306
87.00 Total outlays (gross)	2,170	8,184	3,362
<b>Offsets:</b>			
<i>Against gross budget authority and outlays</i>			
Offsetting collections (cash) from:			
88.00 Federal sources	0	0	0
88.95 Portion of offsetting collection credited to unexpired accounts	0	0	0
88.96 Portion of offsetting collection credited to expired accounts	0	0	0
<b>Net budget authority and outlays:</b>			
89.00 Budget authority (net)	3,056	3,074	3,395
90.00 Outlays (net)	2,170	8,184	3,362
95.02 Unpaid Obligations, EOY	5,138		

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
MINORITY BUSINESS OUTREACH

OBJECT CLASSIFICATION  
(In Thousands)

Identification Code		FY 2009	FY 2010	FY 2011
69-0119-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:				
11.0	Personnel compensation	98	106	221
12.1	Civilian benefits	18	29	54
21.0	Travel and transportation of persons	69	124	128
22.0	Transportation of Things	7	0	0
23.0	Rent, Communications & Utilities	1	0	0
25.2	Other Services	886	1,253	1,422
26.0	Supplies & Materials	9	5	5
41.0	Grants, subsidies and contributions	1,653	1,557	1,565
42.0	Insurance claims and indemnities	<u>145</u>	<u>0</u>	<u>0</u>
99.9	Total obligations	2,885	3,074	3,395

PERSONNEL SUMMARY

Identification Code		FY 2009	FY 2010	FY 2011
69-0119-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
Direct:				
1001	Total compensable workyears: Full-time equivalent employment	1	1	2
Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	0	0	0

**EXHIBIT III-2****MINORITY BUSINESS RESOURCE CENTER**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2010 TO FY 2011**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

<b>Item</b>	<b>Total</b>	
	<b>(\$000s)</b>	<b>FTE</b>
<b>FY 2010 Base (Enacted)</b>	<b>\$923</b>	<b>1.0</b>
<b>Adjustments to Base:</b>		
Annualization of 2010 Comparability Pay Increase	1	
2011 Comparability Pay Increase	2	
Inflation	2	
WCF Decrease	(4)	
Subtotal, Adjustments to Base	1	-
<b>Total, FY 2011 Baseline Estimates</b>	<b>\$924</b>	<b>1.0</b>
<b>Base Offset/Redirection of Resources:</b>		
Subsidy decrease based on decrease in subsidy rate due to lower defaults.	(24)	
Increase In Administrative expenses	14	
<b>Total FY 2011 Request</b>	<b>\$ 913</b>	<b>1</b>

## Detailed Justification for the Minority Business Resource Center Program

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference From FY 2010</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Guaranteed Loan Subsidy	353	353	329	-24
Administrative Expenses	559	570	584	14
<b>TOTAL</b>	<b>912</b>	<b>923</b>	<b>913</b>	<b>-10</b>
<b><u>STAFFING</u></b>				
Direct Positions	1	1	1	0
Reimbursable Positions	0	0	0	0
Direct FTE	1	1	1	0
Reimbursable FTE	0	0	0	0

<b>Minority Business Resource Center Program Account</b>	<b>FY 2011 Request: \$913</b>
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### Overview:

The Short Term Lending Program (STLP) offers 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. Access to the lines of credit allows the small business to meet short-term operating costs that it would otherwise be unable to finance and results in 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.

**FY 2010 Base:**

The Short-Term Lending Program will operate within the enacted funding levels for subsidy and administrative costs to accomplish the mission outlined above.

**Anticipated FY 2010 Accomplishments:**

In FY 2010, 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.

**FY 2011 Budget Request:**

The Minority Business Resource Center (MBRC) is requesting \$.913 million and 1 FTE in FY 2011. Of this, \$.329 million is requested for the guaranteed loan subsidy, and \$.584 million is requested for the program's administrative expenses. The FY 2011 request for the administrative expenses will fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent, and a .5 percent inflation adjustment offset by a reduction in Working Capital Fund costs. With this funding, the MBRC will be able to guarantee revolving lines of credit totaling \$18.367 million. The \$.024 million reduction in guaranteed loan subsidy is based on a decrease in the subsidy rate due to lower defaults. Of this amount \$.014 million will be used to support the increase in administrative expenses.

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs and administrative expenses of the Short Term Lending Program.

**Explanation of Funding Changes  
for the  
*Minority Business Resource Center*  
(\$000)**

<b>FY 2010 Base (Enacted)</b>	<b>\$923</b>
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**Overview:**

An increase is required to fund 2010 and 2011 pay raise costs and 2011 inflation.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$1
2011 Pay Raise:	\$2
Inflation:	\$2
WCF:	(\$4)

<b>FY 2011 Adjusted Base:</b>	<b>\$924</b>
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**Base Offset/Redirection of Resources:**

Subsidy decrease based on decrease in subsidy rate due to lower defaults.	(\$24)
Increase in administrative expenses	14

<b>Total FY 2011 Request:</b>	<b>\$913</b>
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DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

MINORITY BUSINESS RESOURCE CENTER  
PROGRAM ACCOUNT

PROGRAM AND FINANCING  
(In thousands of dollars)

Identification code	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-0155-0-1-407			
<b>Program by activities:</b>			
00.02 Guaranteed loan subsidy	93	342	329
00.07 Reestimate of guaranteed loan subsidy	2	0	0
00.08 Interest on reestimate of guaranteed loan subsidy	1	1	0
00.09 Administrative expenses	<u>407</u>	<u>570</u>	<u>584</u>
10.00 Total obligations	502	913	913
<b>Budget resources available for obligation:</b>			
22.00 New budget authority (gross)	915	924	913
23.95 New obligations	<u>-502</u>	<u>-913</u>	<u>-913</u>
23.98 Unobligated balance expiring	-412	-11	0
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	912	923	913
40.33 Appropriation Permanently Reduced	0	0	0
40.35 Appropriation Permanently Reduced	<u>0</u>	<u>0</u>	<u>0</u>
43.00 Total new budget authority	912	923	913
Mandatory:			
60.00 Appropriation	<u>3</u>	<u>1</u>	<u>0</u>
70.00 Total new budget authority (gross)	915	924	913
<b>Change in unpaid unobligation</b>			
72.40 Obligated balance, start of year	337	330	0
73.10 New obligations	502	913	913
73.20 Total outlays (gross)	425	-1,243	-913
73.40 Adjustments in expired accounts (net)	<u>-84</u>	<u>0</u>	<u>0</u>
74.40 Unpaid obligations, end of year	330	0	0
74.99 Obligated balance, end of year	330	0	0
<b>Outlays (gross) detail:</b>			
86.90 Outlays from new discretionary authority	329	912	913
86.93 Outlays from discretionary balances	93	330	0
86.97 Outlays from mandatory authority	<u>3</u>	<u>1</u>	<u>0</u>
87.00 Total outlays (gross)	425	1,243	913
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	915	924	913
90.00 Outlays	425	1,243	913
95.02 Obligated balance, end of year	330	0	0

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 2009	FY 2010	FY 2011
69-0155-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
2150 Loan guarantee levels	18,367	18,367	18,367
2159 Total loan guarantee levels	4,989	18,367	18,367
2320 Subsidy rate	1.86	1.86	1.79
2329 Weighed average subsidy rate	1.86	1.86	1.79
2330 Subsidy BA	93	342	329
2339 Total subsidy BA	93	342	329
2340 Subsidy outlays	59	342	329
2349 Total subsidy outlays	59	342	329
2350 Upward reestimate	3	1	0
2370 Downward reestimate	67	58	0
3510 Administrative expense BA	407	570	584
3580 Administrative expense outlays from balances	93	136	0
3590 Administrative expense outlays from new authority	271	570	584

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification code	FY 2009	FY 2010	FY 2011
69-0155-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
99.50 Below reporting threshold	502	913	913

PERSONNEL SUMMARY  
(In thousands of dollars)

Identification code	FY 2009	FY 2010	FY 2011
69-0155-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct:			
Total compensable workyears: Civilian full-time			
1001 equivalent employments	1	1	1

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 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-4082-0-3-407			
<b>Program by activities:</b>			
00.01 Default claims	0	411	371
00.02 Payment of interest to Treasury	0	0	0
08.02 Downward subsidy reestimate	61	55	0
08.04 Interest on downward subsidy reestimate	<u>6</u>	<u>4</u>	<u>0</u>
10.00 Total obligations	67	469	371
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance carried forward, start of year	121	151	23
22.00 New financing authority (gross)	98	341	369
23.90 Total budgetary resources available for obligation	219	492	392
23.95 Total new obligations	<u>-67</u>	<u>-469</u>	<u>-371</u>
24.40 Unobligated balance carried forward, end of year	151	23	21
<b>New financing authority (gross), detail:</b>			
Spending authority from offsetting collections			
Mandatory			
67.10 Borrowing authority	0	0	0
69.00 Offsetting collections (cash)	64	375	369
69.10 Change in uncollected customer payments from Federal sources	34	-34	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)	98	341	369
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	0	-34	0
73.10 Total new obligations	67	469	371
73.20 Total financing disbursements (gross)	-67	-469	-371
74.00 Change in uncollected customer payments from Federal sources	<u>-34</u>	<u>34</u>	<u>0</u>
74.40 Obligated balance, end of year	-34	0	0
<b>Outlays (gross), detail</b>			
87.00 Total financing disbursements (gross)	67	469	371
<b>Offsets</b>			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from : Federal sources (subsidy)	59	342	329
88.00 Offsetting collections (cash) from : Federal sources (upward reestimate)	3	0	
88.25 Interest on uninvested funds	3	32	40
88.90 Total offsetting collections (cash)	64	374	369
88.95 Change in uncollected customer payments from Federal sources	34	-34	0
<b>Net financing authority and financing disbursements</b>			
89.00 Financing authority	0	0	
90.00 Financing disbursements	<u>3</u>	<u>94</u>	<u>2</u>

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 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-4082-0-3-407			
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	13,378	0	0
2150 Total guaranteed loan commitments	4,989	18,367	18,367
2199 Guaranteed amount of guaranteed loan commitments	3,742	13,775	13,775
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	3,350	3,500	18,367
2231 Disbursements of new guaranteed loans	3,150	18,367	18,367
2251 Repayments and prepayments	-3,000	-3,089	-17,996
2263 Terminations for default that result in claim payments	0	-411	-371
2264 Other adjustments, net			
2290 Outstanding, end of year	3,500	18,367	18,367
Memorandum:			
2299 Guaranteed amt of guaranteed loans outstanding, EOY	2,625	13,775	13,775
6300 Net financing disbursements	3	94	-11

MINORITY BUSINESS RESOURCE CENTER  
GUARANTEED LOAN FINANCING ACCOUNT

BALANCE SHEET  
(In thousands of dollars)

Identification Code	FY 2009
69-4082-0-3-407	ACTUAL
ASSETS:	
Federal assets:	
1101 Fund balances with Treasury	117
1106 Receivables, Net	1
1999 Total assets	118
LIABILITIES:	
2101 Accounts Payable	57
2103 Debt	0
2104 Resources payable to Treasury	0
2204 Non-Federal liabilities: Liabilities for loan guarantees	61
2999 Total liabilities	118
NET POSITION:	
3999 Total net position	
4999 Total liabilities and net position	118

**FINANCIAL MANAGEMENT CAPITAL**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2010 TO FY 2011**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

<b>Item</b>	<b>Total (\$000s)</b>	<b>FTE</b>
<b>FY 2010 Base (Enacted)</b>	<b>\$5,000</b>	<b>0.0</b>
<b>Adjustments to Base:</b>		
Annualization of 2010 Comparability Pay Increase	0	
2011 Comparability Pay Increase	0	
Non-pay inflation	25	
Working Capital Fund	0	
Subtotal, Adjustments to Base	25	0.0
<b>Total, FY 2011 Baseline Estimates</b>	<b>\$5,025</b>	
<b>Change in Program Level (+/-)</b>	<b>15,975</b>	<b>1.5</b>
Subtotal, New or Expanded Programs	15,975	1.5
<b>Total FY 2011 Request</b>	<b>\$ 21,000</b>	<b>1.5</b>

## Detailed Justification for Financial Management Capital

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference From FY 2010</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	0	0	183	183
Travel	0	0	9	9
Other Costs	5,000	5,000	20,808	15,808
<b>TOTAL</b>	<b>5,000</b>	<b>5,000</b>	<b>21,000</b>	<b>16,000</b>
<b><u>STAFFING</u></b>				
Direct Positions	0	0	3.0	3.0
Reimbursable Positions	0	0	0	0
Direct FTE	0	0	1.5	1.5

<b>Financial Management Capital</b>	<b>FY 2011 Request: \$21,000</b>
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### **FY 2011 Budget Request:**

In FY 2009, the Department of Transportation (DOT) embarked on a multi-year business transformation that will fully redefine and streamline how the Department's financial management community conducts business. At every level, policies, processes, and systems will be enhanced in a manner that allows the DOT to execute mission critical programs, projects, and initiatives as effectively and efficiency as possible. At the forefront of this Financial Management Business Transformation (FMBT) initiative is the modernization of DOT's financial management system, which will allow the Department to look more strategically across organizations and operations and make data and results more transparent both internally and externally, including to Congress and the American public. DOT's financial infrastructure requires upgrade to better meet financial system standards, transparency requirements, common government-wide accounting structure requirements, and improved functionality that accompanies the next FSIO-compliant version of Oracle Financials.

The FMBT is led by the Office of the Assistant Secretary for Budget and Programs/CFO and includes full participation and support from each Operating Administration (OA) to ensure success of the project. FY 2011 marks an important year for the FMBT. FY 2009 and FY 2010 form the foundation for an effort that will significantly ramp up in FY 2011. Future system planning and process reengineering, which are paramount in FY 2009 and FY 2010, will lead to major system applications, analytics, reporting, and hardware acquisitions in FY 2011.

In FY 2011 a total of \$25 million is requested to upgrade the Departmental financial systems and processes as part of the FMBT initiative. Of the \$25 million, \$21 million is represented by this Financial Management Capital request and an additional \$4 million contribution by the DOT Operating Administrations (OAs) as the project sponsors and beneficiaries. This contribution will directly support critical systems activities including applications support, information technology service continuity management, implementation support, and hardware modernization. The descriptions of those areas and funding resources are detailed below.

This request includes the costs for 3 new positions funded half-year (1.5 FTE) to initially focus on maintaining compliance with internal control requirements within the Financial Management Business Transformation (FMBT) initiative particularly within the Business Process Transformation (BPT) team.

### **Improving Financial Management**

#### **Project Management**

**FMC Funding: \$1,700,000**

The Project Management Office (PMO) will maintain a critical presence in the FMBT initiative for FY 2011 with an expected steady state cost of \$1.7 million. The PMO will continue to develop, manage and monitor project performance in such areas as metrics, risks, reporting, governance, and cost/financial data. Because the overall FMBT funding request for FY 2011 has been elevated to address the significant project scope that DOT has undertaken, a strong PMO will provide the necessary overall management needed to align activities and tasks to goals and intended outcomes and meet approved timelines.

The PMO team is responsible for assisting with the translation of business process reengineering results into business requirements for the future systems, and this work will be significant in FY 2011 timeframe.

#### **Business Process Transformation**

**FMC Funding: \$3,300,000**

The Business Process Transformation (BPT) team will develop standard Department-wide business processes that will serve as the functional design documents to design the future state system (Oracle Core Financials Release 12). Utilizing experience gained during two years of methodology application, BPT teams will further maximize business processes analyzed and reengineering begun in FY 2010.

The BPT team will continue to execute the business process reengineering methodology for all relevant business processes, including the development of the Process Area Framework (including major processes and sub-processes), current state analysis, optimal state analysis, gap analysis, enhanced state development, future state process flow charting, and future state business requirements development. Process areas that will be reviewed during this period include further work with procure-to-pay; cost accounting; Property, Plant, and Equipment

(PP&E); Federal agreements (Inter/Intra agency agreements); financial reporting, and receivables management. Benefits of these efforts are:

- Elimination of redundancies in business processes, systems and overhead costs
- Increase in operational and systematic efficiencies
- Minimization of errors and customized solutions as DOT move to a single solution to complex processes and sub-processes
- Improvement of project management and help achieving objectives of earned value management (EVM)
- Improvement in process-based training, communications, and documentation

### **Information Management and Reporting**

**FMC Funding: \$1,200,000**

The Information Management and Reporting (IMR) team is tasked with developing and implementing a Department-wide Accounting Classification Structure (ACS) in accordance with OMB's Common Government-wide Accounting Classification (CGAC) structure and with defining and developing the data and reporting requirements for the future transformation to Oracle Release 12.

In FY 2009, the IMR team began working on a comprehensive analysis and documentation of the current classification structures. This involves assessing the current accounting classification structures, including an applicable set of definitions, adopted by both budget and finance practitioners across DOT and reviewing the current accounting classification structures (ACS).

In FY 2010, the IMR team will begin to crosswalk the current accounting classification structures (ACS) to OMB's CGAC structure as well as define the new DOT accounting classification structure. Standardization of the accounting classification structure across the Government will help integrate procurement, asset management, grants and financial data. For FY 2011 the IMR team will need to work closely with the Systems team on the development of the data warehousing and management strategies. Data warehouses are designed to facilitate reporting and analysis. This includes business intelligence tools; tools to extract, transform, and load data into the repository; and tools to manage and retrieve the data.

The American Recovery and Reinvestment Act (ARRA) clearly directs every federal agency to achieve unprecedented levels of transparency and accountability. DOT has used the Oracle Discoverer tool-set for ad-hoc querying, reporting and data analysis for the past 12 years. With Release 12, Oracle has introduced a new reporting / business information tool called Oracle Business Intelligence Suite Enterprise Edition (OBIEE). OBIEE offers an upgraded comprehensive suite of enterprise Business Intelligence (BI) products, delivering the full range of BI capabilities including interactive dashboards; full ad hoc, proactive intelligence and alerts; and enterprise reporting and analytics.

Benefits from these activities include:

- Standardization of accounting classification structures for management and external reporting and analysis
- Facilitating transparency and understanding of data by common definitions and recording
- Minimization of data-related errors
- Reduction in and standardization of financial reports

**Systems (costs divided into system categories below).**

The systems team is responsible for evaluating the system impacts, capabilities, and changes needed to address the transformation outcomes from the other FMBT teams, particularly the BPT and IRM teams.

In FY 2009, DOT has undertaken a focused effort of discovery and education of the Department's future financial management system, Oracle's Release 12. Additionally, the current system's (Oracle 11i) functionality was analyzed to identify immediate opportunities for process reengineering, reporting, and data management success.

In FY 2010, the team will begin to apply this knowledge to planning new system design activities that will demonstrate system capabilities through proof of concept sessions. This will be a highly collaborative effort with the DOT OAs' subject matter experts and other stakeholders to ensure results are meeting expectations prior to the build phases of the new financial system's layout for future implementation. Additionally, in FY 2010, emerging technology research will be used to pilot product line opportunities to further enhance current systems (for the interim period prior to migration to the new system) and the future system. This team will work closely with the IMR team anticipating the introduction of Oracle Business Intelligence Enterprise Edition (OBIEE). This business intelligence solution will better be able to meet managerial needs and ARRA and transparency requirements.

The implementation of Oracle Federal Financial Release 12 is a multi-faceted business imperative for DOT. The migration to Release 12 is needed to leverage the latest technologies and the improved enterprise resource planning (ERP) capabilities of Release 12 in order to enhance the very important information technology and financial services business disciplines in:

- Application support
- Financial analytics and decision support
- Information technology service continuity management (ITSCM) (traditionally known by terms such as Disaster Recovery, Business Continuity Planning, Continuity of Operations)
- Implementation support
- Hardware modernization

Each of the listed areas of DOT support is provided either directly by the Enterprise Services Center (ESC) or via agreements with the ESC and its associated contract business partners and other government entities. The following technical, financial, security, and DOT mission effects

are anticipated from the action of migrating from the Oracle Federal Financial 11i release to the version 12 release:

**Systems - Applications Support**

**FMC Funding: \$2,000,000**

**OA Contribution: \$1,000,000**

Funding will be utilized to enhance the testing process for systems changes. Currently all testing procedures are performed using a manual scripted process and are then pushed to our DOT OA representatives for additional manual testing and acceptance of changes. The current turn around time of this process is an average range of eight weeks. Lessons learned documented for manual testing has shown to produce missed steps, missed specific customer requirements, failure to process in the production environment and in some instances a full shut down of our systems environment causing major impact to our financial community. Enhanced methods of testing through automated sources utilizing a testing application will provide for a higher accuracy rate of success upon systems solution application and reduce the risk of downtime or errors. Additionally this will increase turn out time for help desk solution and aid analyst in finding errors more rapidly as these scripts can be reproduced on demand. Utilizing automated testing tools to ensure software changes are meeting all customer requirements will improve the turn around time of systems enhancements, lower labor costs for manual testing times, and lower the amount of time DOT OA representatives spend on the test and acceptance phase of each solution placed into the production environment. Automated testing tools also link directly into systems training materials which can be created as steps are reproduced in creation of scripts. This saves staff in performing additional work allowing for a multi tasking environment of building the process once not twice. Starting in FY 2011 this automated tool will require dedicated staff to set up the testing tool working closely with the BPT teams to ensure scripts are accurate and accommodate all specific requirements for each DOT OA. This testing tool will begin to be utilized as a pilot in FY 2011 in the proof of concept stage. An added benefit of starting the automated testing solution as progress is made through the plan is that it will systematically offer customers the use of the current system environment without downtime for cut over to a new system. The use of the testing tool prior to the availability of the new system will enhance the ability to thoroughly test and review results.

**Systems - Financial Analytics and Decision Support**

**FMC Funding: \$700,000**

One essential business goal of the business transformation of financial management within DOT is to improve the decision support activities for the OAs and higher level planners. As part of the implementation, ESC will implement an additional Oracle business enhancement product called OBIEE.

This provides the following business benefits:

- Creates a capability that is tightly integrated to the data structures of the financial data repository, which provides the DOT financial community an ability to intelligently query

the entire financial repository at the logical level --- providing decision support based on 'business rules' versus 'technical rules'

- Creates the ability to accomplish financial analytical reports in real time, with current data, is essential to the DOT OAs given the need for transparency at all levels of federal financial communities
- Creates a tie point between the financial community and other non financial support communities within the agency by utilizing shared data sources without added storage to the financial systems. Other communities would be Human Resources, Procurement and Acquisitions, Budget and Grants
- Allows for financial and non financial communities to perform 'what if' analysis against actual financial data to better determine needs for future funding needs, giving program offices the ability to perform comparative analysis with actual versus budgeted amounts for resourcing, planned and unplanned expenditures, and meeting on demand mandates
- Creates an opportunity for ESC and DOT to build an entire financial life cycle management process that is in consonance with the business objectives of the Financial Systems Integration Office (FSIO) initiatives that include:
  - Developing performance measures (cost, quality, timeliness) to assess the performance of financial services offered by a financial service organization
  - Developing standard business processes, data specifications and business rules for core financial management functions (e.g. funds management, payments, receipts and reporting) to be adopted by all federal agencies
  - Working with agencies to implement a common government-wide accounting code structure, including an applicable set of definitions and the layout, which federal agencies' new financial systems must adhere

Beginning in FY 2011, ESC will purchase 100 OBIEE development and support licenses. These licenses will be used to begin setup and testing of the following modules:

- Dashboard Answers
- Business Intelligence Publisher
- Analytics for Projects
- Analytics for Federal Financials
- Analytics for Purchasing
- Analytics for Procurement
- Web Center for Oracle Fusion

These beginning modules will be configured for both the current and future versions of the financial system. FY 2011 will provide for a start to a new reporting solution based upon business needs derived from the IMR and BPT requirements.

**Systems - Information Technology Service Continuity Management (ITSCM)**

**FMC Funding: \$2,000,000**

**OA Contribution: \$1,400,000**

The DOT financial management business transformation initiative includes the development of an integrated methodology, both at the hardware and software level, to ensure that service

continuity is ‘built in’ to the financial services provided to the DOT. Service continuity is the strategic and tactical solution for Disaster Recover of systems to meet audit mandates for systems compliance through SAS 70 and FSIO certification mandates.

ESC not only is required to meet regulatory and audit mandates for the recovery of any given disaster, whether by an act of God or any other sources, they must maintain a protection for their customers to ensure no loss of work, loss of security, limited loss of data and limited loss of process time occurs. The purchase of this product line will provide for a less downtime environment in the event of any disaster, allowing for a more real time transition from the production environment to the disaster recovery site which would be invisible to the end user. ESC will be purchasing additional safeguards in FY 2011 to ensure these protections are not only implemented in the future systems environment, but will be made available in the current systems environment.

The business benefits include:

- The ability to support a network addressable storage infrastructure (see hardware section below) that lends itself to improved backup and recovery times required to meet customer/mission recovery point objectives (minimal loss of data) and customer/mission recovery time objectives (minimal loss of system availability)
- Improved ability to rapidly provision development and test environments supporting the ESC operations and maintenance operations
- Improves the warranty that is inherent in the support of the software services provided by the ESC to the DOT customers and users of the current financial management system by mitigating the threat of staying on an unsupported or lesser support release of the software
- Ensures the presence of a supported security patch management process for the financial management software. In some cases new patches that mitigate security findings are unavailable to earlier releases because of the requirement for the vendor to redesign and invest in the code, which commercial vendors will not do.

#### **Systems - Implementation Support**

**FMC Funding: \$6,692,000**

**OA Contribution: \$1,100,000**

The existing operations and maintenance of the current financial application and its associated infrastructure and interfacing systems are essential to the current mission support to the DOT OAs. DOT has to support the existing operational system and concurrently invest in the planning and execution necessary to move to the next generation of systems. The operational and maintenance costs of the current system are not included in this request; this funding is for the future staffing requirements of a solely dedicated team with advanced expertise in DOT business operations, Federal Government compliance requirements, and Oracle Federal Financials to support the Financial Management Business Transformation effort from a systems support stand point. The staff will be separated by organizational lines and only focused on this effort until the end of the system lifecycle. Contract and consultant support will be obtained to ensure the “best of the market” advisement is put into the design and build phases for system

lifecycle in areas of application development, hardware requirements, systems application setup, business rules development and reporting for Federal Government through application design strategies.

This initiative is more than just a move to a new software release: it is a transformative action for DOT and ESC, and as such requires a full reassessment, redesign, and disciplined project management influence in order to minimally disrupt the operation of the current financial management activities of the DOT. The business and mission benefits include:

- Meeting the major challenges that exist in the implementation of the new release
- Ensuring that the personnel associated with the design and implementation can work non-disruptively as dedicated assets to the NEW system
- Ensuring that the new skills required to use the Release 12 business processes are in place during the implementation and are transferred properly to the technical and financial professionals after implementation
- Creating a transition plan that guarantees the transference of knowledge before, during, and after implementation
- Ensuring that training, space, processes and development of proper procedures, processes, and working instructions are accomplished in a timely and effective manner.
- Coordinating a plan that will enhance the success of the parallel activities of maintaining the R11 version of Oracle (fixing any broken processes and implementing the continuing security related patches) and building stable processes, including new hardware and software instances, new ways of producing reports, designing new applications to take advantage of the increased functionality in R12 integrated views, and the documentation of all activities require a substantial interim staffing level of highly capable professionals in both the old production environment and the newly targeted R12 environment.
- Ensuring that all financial management activities (current and future) are mutually supportive and mitigating the sensitivity to the change, release, and configuration management of the hardware and software baseline of the ESC Delphi support environment.

### **Systems - Hardware Modernization**

**FMC Funding: \$1,700,000**

**OA Contribution: \$500,000**

In FY 2011, the ESC will provide several new instances in support of Oracle Release 12. These instances will provide ESC experts with the ability to (1) prepare system set up by business process requirements, (2) test proof of concept theories on how best to accomplish OMB CGAC requirements, (3) develop features and capability demonstrations for the business community, and (4) show how the system will enhance business processes and further efforts in the IMR area. This cost is a representation of the supporting staff required to build, maintain and purchase the required components of these instances. Hardware components, storage and processing requirements will be based upon advisement from hardware vendor support as to what is needed for the DOT module. In addition to hardware and staffing costs for hardware design and setup, these costs include meeting the mandates of the DOT CIO through Information Security Software Organizational (ISSO) requirements to ensure SAS 70 audit requirements for

the design and build phase of our systems lifecycle are adhere to in advance of a production environment of Oracle R12.

**Systems - Facilities and Equipment**

**FMC Funding: \$1,210,000**

The ESC is located at the Federal Aviation Administration (FAA), Mike Monroney Aeronautical Center (MMAC) facilities in Oklahoma City. Currently the campus has over 5,000 attendees, not including yearly attendance of over 1,800 air traffic control students attending the FAA Academy. The MMAC is currently experiencing facility space capacity constraints and in FY 2009 ESC began housing additional staffing to support the DOT financial services mission into modular buildings. The Facilities requirement for FY 2011 addresses capacity needs to support the Business Transformation effort staff solely. The modular design for space allows for faster turn around time to satisfy space requirements to ensure there is no interruption of services provided when new staffing is required to fulfill the mission. The ESC envisions housing well over 100 personnel which would be a mix of FTE and contract support into one modular design building. The facilities costs are estimated at \$1 million which will include the structure, enhanced networking requirements for a systems design staff, standard and enhanced electrical requirements for systems equipment as well as all standard mechanical specifications to meet federally mandated space requirements as set forth by both the American Disabilities Act (ADA) and General Services Administration space requirements to house Federal Government workers.

Along with the office space, each staff member will require furniture, computer equipment, telecom and networking equipment, as well as being equipped for conference facilities to maintain communications with DOT personnel for the mission of FMBT. This is estimated to cost \$.210 million.

**Change Management and Learning**

**FMC Funding: \$300,000**

Change management and training programs will grow as the FMBT efforts expand in FY 2011. The significant reengineering that will occur in FY 2009, 2010, and 2011 will require a comprehensive program for alerting and educating all relevant stakeholder communities in new or modified requirements, policies, procedures, and system modifications. The Change Management and Learning team will coordinate all communication media, training, and change management for the FMBT and will be responsible for obtaining feedback on any program changes that can be made to improve outreach. FY 2011 will require programs to bring Departmental resources on-board for a multitude of project teams to assist all of the business transformation teams with carrying out the planning, analysis, and roll-out of business and system requirements for the future financial system.

**Internal Control Quality Control Unit****FMC Funding: \$198,000**

The Internal Control Quality Control Unit will initially focus on maintaining compliance with internal control requirements within the Financial Management Business Transformation (FMBT) initiative particularly within the Business Process Transformation (BPT) team. Internal Control requirements are being closely monitored by the President, Congress, OMB and the Department's Office of Inspector General. A solid internal control program directly aligns to the President's agenda for increased transparency and accountability and forms the basis for the Annual Statement of Assurance that is required in the annual Performance and Accountability Report (PAR). As we continue to execute the business process reengineering methodology for all relevant business processes, we will need to ensure proper internal controls are documented and tested thoroughly.

The ultimate impact associated with non-compliance with FMFIA, OMB Circular A-123 and other internal control related legislation include: non-compliance with law; jeopardizing the Department's audit opinion; and the probable imposition of a requirement by OMB for a separate, independent audit opinion on the Department's internal controls, increasing annual audit costs by millions of dollars accelerating annually.

Since OMB Circular A-123 was revised in December 2004, which introduced Appendix A – *Internal Control over Financial Reporting*, internal control requirements have increased exponentially. OMB has issued additional requirements under the Circular (Appendix B – Government Charge Cards, Appendix C – Improper Payments, and Acquisitions Assessments).

**Each Operating Administration's share of the \$4 million is displayed in the following table:**

<b>Operating Administrations and WCF</b>	<b>Share (\$)</b>	<b>Operating Administrations and WCF</b>	<b>Share (\$)</b>
FAA	\$2,167,038	OIG	\$ 30,275
FHWA	\$ 817,394	OST	\$ 59,949
FMCSA	\$ 165,688	WCF	\$107,464
FRA	\$ 81,908	STB	\$ 12,140
FTA	\$ 183,290	VOLPE	\$134,942
MARAD	\$ 77,670	PHMSA	\$ 47,999
NHTSA	\$ 74,186	RITA	\$ 40,057

**Explanation of Funding Changes  
for the  
*Financial Management Capital*  
(\$000)**

**FY 2010 Base (Enacted) \$5,000**

**Overview:**

An increase is required to support the Financial Management Business Transformation Initiative to modernize DOT's financial management system.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$0
2011 Pay Raise:	\$0
Inflation:	\$25
WCF:	\$0
<b>FY 2011 Adjusted Base:</b>	<b>\$5,025</b>

**Program Changes (+/-):**

**Upgrade DOT's Financial Management System: \$15,777**

An increase is requested to upgrade DOT's financial systems and processes as part of the Financial Management Business Transformation (FMBT) initiative. This initiative will fully redefine and streamline how the DOT financial community conducts business.

**Internal Control Quality Control Unit: \$198**

An increase is requested to fund 1.5 new FTEs (3 positions) and associated costs. This increase is requested to establish a Departmental Internal Control Quality Control Unit to initially focus on maintaining compliance with internal control requirements within the Financial Management Business Transformation (FMBT) initiative, particularly within the Business Process Transformation (BPT) team.

**Total FY 2011 Request: \$21,000**

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

PROGRAM AND FINANCING

(In thousands of dollars)

Identification code	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-0116-0-1-407			
<b>Obligations by program activity:</b>			
0.01 General Administration	0	10,000	21,000
0.91 Total direct program	0	10,000	21,000
9.01 Reimbursable program	0	0	0
10.00 Total obligations	0	10,000	21,000
 Budgetary resources available for obligation			
21.40 Unobligated balance available, start of year	0	5,000	0
22.00 New budget authority (gross)	5,000	5,000	21,000
22.10 Resources available from recoveries of prior year obligations	0	0	0
22.22 Unobligated balance transferred from other accounts	0	0	0
23.90 Total budgetary resources available for obligation	5,000	10,000	21,000
23.95 New obligations	0	-10,000	-21,000
23.98 Unobligated balance expiring or withdrawn	0	0	0
24.40 Unobligated Balance carried forward EOY	5,000	0	0
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation (definite)	5,000	5,000	21,000
40.35 Appropriation permanently reduced	0	0	0
41.00 Transfers to other accounts	0	0	0
42.00 Transfers from other accounts	0	0	0
43.00 Appropriation (total)	5,000	5,000	21,000
Discretionary spending authority from offsetting collections:			
58.00 Offsetting collections (cash) (unexpired only)	0	0	0
58.10 Change in uncollected cust paymts fm Fed sources (unexp)	0	0	0
58.90 Spending authority fm offsetting collections (total)	0	0	0
70.00 Total new budget authority (gross)	5,000	5,000	21,000
 <b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	0	0	1,000
73.10 New obligations	0	10,000	21,000
73.20 Total outlays (gross)	0	-9,000	-17,800
73.32 Obligated balance transferred from other acct	0	0	0
73.40 Adjustments in expired accounts (net)	0	0	0
73.45 Recoveries of prior year obligations	0	0	0
74.00 Chg in Uncollected cust orders fm Fed Sources (unexpired)	0	0	0
74.10 Chg in Uncollected cust orders fm Fed Sources (expired)	0		
74.40 Obligated balance end of year	0	1,000	4,200
 <b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	0	4,000	16,800
86.93 Outlays from discretionary balances	0	5,000	1,000
87.00 Total outlays (gross)	0	9,000	17,800
<b>Offsets:</b>			
Against gross budget authority and outlays			
Offsetting collections (cash) from:			
88.00 Federal sources	0	0	0
88.95 Portion of offsetting collection credited to unexpired accounts	0	0	0
88.96 Portion of offsetting collection credited to expired accounts	0	0	0
 <b>Net budget authority and outlays:</b>			
89.00 Budget authority (net)	5,000	5,000	21,000
90.00 Outlays (net)	0	9,000	17,800
95.02 Unpaid Obligations, EOY			

Section 3 - FY 2011 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

FINANCIAL MANAGEMENT CAPITAL

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification Code	FY 2009	FY 2010	FY 2011
69-0116-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
25.2 Other services	0	10,000	21,000

PERSONNEL SUMMARY

Identification Code	FY 2009	FY 2010	FY 2011
69-0116-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
1001 Total compensable workyears:	0	0	1.5
Full-time equivalent employment			

**EXHIBIT III-2****ESSENTIAL AIR SERVICE  
Mandatory Funding****SUMMARY ANALYSIS OF CHANGE FROM FY 2010 TO FY 2011  
Appropriations, Obligations, Limitations, and Exempt Obligations  
(\$000)**

<b>Item</b>	<b>Total (\$000s)</b>	<b>FTE</b>
<b>FY 2010 Base (Enacted)</b>	<b>\$50,000</b>	<b>14.0</b>
<b>Adjustments to Base:</b>		
Annualization of 2010 Comparability Pay Increase	7	
2011 Comparability Pay Increase	21	
Inflation	240	
WCF	34	
Subtotal, Adjustments to Base	302	-
<b>Total, FY 2011 Baseline Estimates</b>	<b>\$50,302</b>	<b>14.0</b>
<b>Change in Program Level (+/-)</b>		
Additional FTE	-	-
Essential Air Subsidies:		
Reduction to Fund FTE	-	
Reduction to Fund Base Adjustments	(302)	
Subtotal, New or Expanded Programs	(302)	0
<b>Total FY 2011 Request</b>	<b>\$ 50,000</b>	<b>14.0</b>

**EXHIBIT III-2****PAYMENTS TO AIR CARRIERS**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2010 TO FY 2011**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

<b>Item</b>	<b>Total</b>	
	<b>(\$000s)</b>	<b>FTE</b>
<b>FY 2010 Base (Enacted)</b>	<b>\$150,000</b>	<b>0.0</b>
<b>Adjustments to Base:</b>		
Inflation	750	
Subtotal, Adjustments to Base	750	-
<b>Total, FY 2011 Baseline Estimates</b>	<b>\$150,750</b>	<b>0.0</b>
<b>Change in Program Level (+/-)</b>		
Essential Air Subsidies	(18,750)	
Subtotal, New or Expanded Programs	(18,750)	0
<b>Total FY 2011 Request</b>	<b>\$ 132,000</b>	<b>0.0</b>

## Detailed Justification for Essential Air Service (EAS) Program

(In thousands of dollars)

	FY 2009	FY 2010	FY 2011	Difference
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>	from FY 2010
				<u>Enacted</u>
<b><u>FUNDING LEVELS</u></b>				
<b>Payments to Air Carriers (Trust Fund) - Discretionary Budget Authority</b>				
Essential Air Service	86,213	150,000	132,000	-18,000
 <b><i>Essential Air Service (Overflight Fees) - Mandatory Budget Authority</i></b>				
<i>Personnel Compensation and Benefits</i>	1,345	2,018	2,038	21
<i>Travel</i>	11	11	11	0
<i>Other Costs</i>	218	216	259	42
<i>Essential Air Service</i>	10,713	47,755	47,692	-63
<i>Subtotal - Mandatory Budget Authority</i>	12,286	50,000	50,000	0
 TOTAL - Discretionary & Mandatory	<u>98,499</u>	<u>200,000</u>	<u>182,000</u>	<u>-18,000</u>

*EAS Subsidies funded from Start of**Year Unobligated Balance Carried**Forward* [22,714]*Collections from the Sale of Spectrum* [15,000] <sup>1/</sup>**STAFFING**

Direct Positions	10	14	14	0
Reimbursable Positions	0	0	0	0
 Direct FTE	10	14	14	0
Reimbursable FTE	0	0	0	0

<sup>1/</sup>In FY 2009 \$15 million of collections from the sale of spectrum was transferred from the Department of Commerce into the EAS account. 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.

<b>Essential Air Service</b>	<b>FY 2011 Request: \$182,000</b>
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**Overview:**

The EAS program provides subsidies for air transportation service to communities that received schedule air service prior to airline deregulation, but could not otherwise support such service under deregulation.

**Anticipated FY 2010 Accomplishments:**

In FY 2010, the Essential Air Service program will maintain continuous scheduled air service at all eligible communities by paying commuter and regional airlines (under 49 U.S.C. 41731 *et seq.*) to provide service that otherwise would not be provided.

**FY 2010 Base:**

In FY 2010, funding for the EAS program comprised \$50 million of overflight fees collected by the Federal Aviation Administration, and \$150 million from the Airport and Airway Trust Fund.

**FY 2011 Budget Request:**

For FY 2011, the Department requests for the EAS program \$132 million for the Payment to Air Carrier account to supplement the \$50 million of overflight fees collected by the Federal Aviation Administration. Funds will be used to connect eligible communities to the national air transportation network in the most cost-effective way available. In an effort to stabilize the cost of the program, for the 48 contiguous states, the Department is proposing limiting the program size to communities that are receiving subsidized EAS as of October 1, 2010. That plan would remove the contingent liability of tens of millions of dollars because, under current law, all communities that received service on the date the Airline Deregulation Act was signed are guaranteed air service -- with subsidy if necessary.

The EAS program was established as a ten-year transition program following airline deregulation in 1978. The Airport and Airway Safety and Capacity Expansion Act of 1987 extended the program through September 30, 1998. Subsequently, as part of the Federal Aviation Reauthorization Act of 1996, Congress passed the Rural Air Service Survival Act. That Act mandates the collection of user fees – commonly known as overflight fees – for flights operated by other than U.S. airlines that fly over, but do not take-off from or land in, the United States.

History of EAS Funding Sources  
(In thousands of dollars)

	<u>FAA Operations</u>	<u>FAA F&amp;E</u>	<u>P.L. 109- 171</u>	<u>Overflight Fees</u>	<u>Payments to Air Carriers (A&amp;ATF)</u>
FY 1998	\$50,000	.....		.....	.....
FY 1999	.....	\$48,000		.....	.....
FY 2000	\$50,000	.....		.....	.....
FY 2001	\$50,000	.....		.....	.....
FY 2002	.....	\$50,000		.....	\$62,952
FY 2003	.....	\$50,000		.....	\$51,761
FY 2004	.....	.....		/1	\$51,662
FY 2005	.....	.....		\$50,000	\$51,549
FY 2006 Enacted	.....	.....		\$50,000	\$59,400
FY 2007 CR Rate				\$50,000	\$59,400
FY 2008 Enacted		\$8,464	\$15,000 <sup>2</sup>	\$41,566	\$60,000
FY 2009 Enacted				\$12,286 <sup>3</sup>	\$86,213
FY 2010 Enacted				\$50,000	\$150,000
FY 2011 Request				\$50,000	\$132,000

<sup>1</sup> In FY 2004, \$50,000 was funded from unobligated balances of overflight fees.

<sup>2</sup> P.L. 109-171 provides funds from the sale of spectrum.

<sup>3</sup> 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.

Beginning in FY 1998, the first \$50 million of each year's overflight fees were legislated to go directly to carry out the EAS program. Because no overflight fees were collected in FYs 1998, 1999, or 2000, the \$50 million required for EAS was funded from the FAA Operations and the FAA Facilities and Equipment appropriations. In FY 2001 and FY 2002, almost \$30 million was collected in overflight fees each year, but could not be made available for the EAS program pending resolution of litigation; therefore, EAS was again funded from other FAA accounts. In FY 2003, the litigation continued and the program was funded from other FAA accounts. In FY 2004, no overflight fees were collected, the overflight fee litigation was settled, and the EAS program was funded from balances in the overflight fee account. In FY 2005, the program was funded with overflight fees and an additional \$52 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In FY 2006, the

program was funded with overflight fees and an additional \$59.4 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In FY 2007, the program was funded with overflight fees and an additional \$59.4 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In FY 2008, the program was funded with overflight fees and an additional \$60 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In addition, in FY 2008, \$15 million from the sale of spectrum was available to fund the program. In FY 2009, the program is being funded with overflight fees and \$86.2 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account. In FY 2010 the program is funded with \$50 million from overflight fees and an additional \$150 million appropriated from the Airport and Airway Trust Fund to OST's Payments to Air Carriers Trust Fund account.

For FY 2011, the Department proposes a \$182 million budget made up of \$50 million of overflight fees collected by the Federal Aviation Administration, and \$132 million appropriated from the Airport and Airway Trust Fund. \$182 million equates to the current annualized subsidy cost of the 45 communities in Alaska and the 114 communities in the 48 contiguous States participating in the EAS program as of December 31, 2009.

In FY 2011, \$2.3 million will be used to pay salaries and administrative costs for staff to administer this program. The FY 2011 request for salaries and administrative costs includes an increase to fund the annualization of the 2010 pay raise, the 2011 civilian pay increase of 1.4 percent and fund a .5 percent inflation adjustment.

**Explanation of Funding Changes  
for the  
*Essential Air Service*  
(\$000)**

<b>FY 2010 Base (Enacted)</b>	<b>\$50,000</b>
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**Overview:**

Provide funding for subsidies and administrative costs.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$7
2011 Pay Raise:	\$21
Inflation:	\$240
WCF:	\$34
<b>FY 2011 Adjusted Base:</b>	<b>\$50,302</b>

**Program Changes (+/-):**

**Essential Air Service Subsidies**

**(\$302)**

Base offset to fund the annualization of the 2010 Pay Raise, the 2011 Pay Raise, inflation and the WCF increase.

<b>Total FY 2011 Request:</b>	<b>\$50,000</b>
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**Explanation of Funding Changes  
for the  
*Payments to Air Carriers*  
(\$000)**

<b>FY 2010 Base (Enacted)</b>	<b>\$150,000</b>
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**Overview:**

Provide funding for subsidies.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$0
2011 Pay Raise:	\$0
Inflation:	\$750
WCF:	\$0
<b>FY 2011 Adjusted Base:</b>	<b>\$150,750</b>

**Program Changes (+/-):**

<b>Essential Air Service Subsidies</b>	<b>(\$18,750)</b>
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<b>Total FY 2011 Request:</b>	<b>\$132,000</b>
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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 2009	FY 2010	FY 2011
69-8304-0-7-402		ACTUAL	ESTIMATE	ESTIMATE
<b>Obligations by program activity:</b>				
00.01	Essential Air Service Subsidies	<u>99,852</u>	<u>151,126</u>	<u>132,000</u>
01.00	Total, direct program	99,852	151,126	132,000
09.01	Reimbursable program	<u>0</u>	<u>0</u>	<u>0</u>
10.00	Total new obligations	99,852	151,126	132,000
<b>Budgetary resources available for obligations:</b>				
21.40	Unobligated balance carried forward, start of year	13,840	1,126	0
22.00	New budget authority (gross)	86,213	150,000	132,000
22.10	Resources available from recoveries of prior year obligations	<u>925</u>	<u>0</u>	<u>0</u>
23.90	Total budgetary resources available for obligations	100,978	151,126	132,000
23.95	Total new obligations	-99,852	-151,126	-132,000
24.40	Unobligated balance carried forward, end of year	1,126	0	0
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.26	Appropriation (trust fund)	86,213	150,000	132,000
Discretionary: Spending authority from offsetting collections:				
58.00	Offsetting collections (cash)	0	0	0
70.00	Total new budget authority (gross)	86,213	150,000	132,000
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	14,038	28,134	60,001
73.10	Total new obligations	99,852	151,126	132,000
73.20	Total outlays (gross)	-84,831	-119,259	-139,200
73.45	Recoveries of prior year obligations	<u>-925</u>	<u>0</u>	<u>0</u>
74.40	Obligated balance, end of year	28,134	60,001	52,801
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	81,323	90,000	79,200
86.93	Outlays from discretionary balances	<u>3,508</u>	<u>29,259</u>	<u>60,000</u>
87.00	Total outlays (gross)	84,831	119,259	139,200
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash)	0	0	0
<b>Net budget authority and outlays:</b>				
89.00	Budget authority (net)	86,213	150,000	132,000
90.00	Outlays (net)	84,831	119,259	139,200
95.02	Unpaid obligation, end of year	28,134		

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

PAYMENT TO AIR CARRIERS  
(AIRPORT AND AIRWAY TRUST FUND)

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification Code		ESTIMATE	FY 2010	FY 2011
69-8304-0-7-402		ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:				
41.0	Grants, subsidies and contributions	<u>99,852</u>	<u>151,126</u>	<u>132,000</u>
99.9	Total obligations	99,852	151,126	132,000

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 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-5423-0-2-402				
<b>Obligations by program activity:</b>				
00.01	Essential Air Service	49,936	50,000	50,000
00.02	Payment to Other Accounts	<u>8,643</u>		
00.03	Essential Air Service PY Balance (Canceled)			
00.04	Essential Air Service PY Balance (Expired but not Canceled)	<u>0</u>	<u>0</u>	<u>0</u>
	Total Direct obligations	<u>58,579</u>	<u>50,000</u>	<u>50,000</u>
	Reimbursable obligations			
10.00	Total new obligations	58,579	50,000	50,000
<b>Budgetary resources available for obligations:</b>				
21.40	Unobligated balance carried forward, start of year	13,779	13,852	13,852
21.45	Adjustment to unobligated balance carried forward, start of year	3,400		
22.00	New budget authority (gross)	27,286	50,000	50,000
22.10	Resources available from recoveries of prior year obligations	8,652	0	0
22.22	Unobligated balance transferred from other accounts [69-5422]	22,714	0	0
22.60	Portion applied to repay debt	<u>0</u>	<u>0</u>	<u>0</u>
23.90	Total budgetary resources available for obligations	75,831	63,852	63,852
23.95	Total new obligations	-58,579	-50,000	-50,000
23.98	Unobligated balance expiring or withdrawn (but not executed in F'	0	<u>0</u>	<u>0</u>
23.98	Unobligated balance expiring or withdrawn	<u>-3,400</u>	<u>0</u>	<u>0</u>
24.40	Unobligated balance carried forward, end of year	13,852	13,852	13,852
<b>New budget authority (gross), detail:</b>				
	Mandatory			
62.00	Transferred from FAA overflight fees [69-5422]	27,286	50,000	50,000
	Discretionary: Spending authority from offsetting collections:			
69.00	Offsetting collections (cash)	<u>15,000</u>	<u>0</u>	<u>0</u>
69.47	Portion applied to repay debt	<u>-15,000</u>		
70.00	Total new budget authority (gross)	27,286	50,000	50,000
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	25,570	22,813	20,001
73.10	Total new obligations	58,579	50,000	50,000
73.20	Total outlays (gross)	-52,684	-52,812	-50,000
73.45	Recoveries of prior year obligations	<u>-8,652</u>	<u>0</u>	<u>0</u>
74.40	Obligated balance, end of year	22,813	20,001	20,001
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new mandatory authority	27,286	30,000	30,000
86.98	Outlays from mandatory balances	<u>25,398</u>	<u>22,812</u>	<u>20,000</u>
87.00	Total outlays (gross)	52,684	52,812	50,000
<b>Offsets:</b>				
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	15,000	0	0
<b>New budget authority and outlays:</b>				
89.00	Budget authority (net)	12,286	50,000	50,000
90.00	Outlays (net)	37,684	52,812	50,000
95.02	Unpaid obligation, end of year	22,812		

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

ESSENTIAL AIR SERVICE AND RURAL AIRPORT IMPROVEMENT FUND

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification Code	FY 2009	FY 2010	FY 2011
69-5423-0-2-402	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	1,017	1,541	1,562
11.5 Other personnel compensation	<u>24</u>	<u>21</u>	<u>21</u>
11.9 Total personnel compensation	1,041	1,561	1,583
12.1 Civilian personnel benefits	238	456	455
21.0 Travel and transportation of persons	2	11	11
23.0 Communication and utilities	0	29	29
25.0 Other services	178	179	221
26.0 Supplies and materials	4	3	3
31.0 Equipment	0	5	5
41.0 Grants, subsidies, and contributions	48,473	47,755	47,692
44.0 Refunds	<u>8,643</u>	<u>0</u>	<u>0</u>
99.0 Subtotal, direct obligations	58,579	50,000	50,000
99.0 Reimbursable obligations	<u>0</u>	<u>0</u>	<u>0</u>
99.9 Total obligations	58,579	50,000	50,000

PERSONNEL SUMMARY

Identification Code	FY 2009	FY 2010	FY 2011
69-5423-0-2-402	ACTUAL	ESTIMATE	ESTIMATE
1001 Total compensable workyears:	9.25	14	14
Full-time equivalent employment			

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

COMPENSATION FOR AIR CARRIERS

PROGRAM AND FINANCING

(In thousands of dollars)

Identification Code	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-0111-0-1-407			
<b>Obligations by program activity:</b>			
00.01 Compensation for Air Carriers	<u>1</u>	<u>383</u>	<u>0</u>
10.00 Total new obligations (object class 41.0)	1	383 <sup>1/</sup>	0
<b>Budgetary resources available for obligations:</b>			
21.40 Unobligated balance carried forward, start of year	849	383	0
22.00 New budget authority (gross)	-465	0	0
22.10 Resources available from recoveries of prior year obligations	<u>0</u>	<u>0</u>	<u>0</u>
23.90 Total budgetary resources available for obligations	384	383	0
23.95 Total new obligations	<u>-1</u>	<u>-383</u>	<u>0</u>
24.40 Unobligated balance carried forward, end of year	383	0	0
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance permanently reduced	0	0	0
Spending Authority from Offsetting Collections			
58.00 Offsetting collections (cash)	0	0	0
Mandatory:			
60.36 Unobligated balance rescinded	-848	<u>0</u>	<u>0</u>
62.50 Appropriation (total mandatory)	-848		
Discretionary spending authority from offsetting collections:			
69.00 Offsetting collections (cash) (unexpired only)	384		
69.10 Chg in uncollected cust paymts fm Fed sources (unexp)	0		
69.90 Spending Authority from Offsetting Collections (total)	384		
70.00 Total new budget authority (gross)	-465	0	0
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	0	0	0
73.10 Total new obligations	1	383	0
73.20 Total outlays (gross)	<u>-1</u>	<u>-383</u>	<u>0</u>
74.40 Obligated balance, end of year	0	0	0
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	<u>1</u>	<u>383</u>	<u>0</u>
86.97 Outlays from new mandatory authority	0	0	0
86.98 Outlays from mandatory balances	<u>0</u>	<u>0</u>	<u>0</u>
87.00 Total outlays (gross)	1	383	0
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	<u>384</u>	<u>0</u>	<u>0</u>
88.90 Total offsetting collections (cash)	384	0	0
<b>Net budget authority and outlays:</b>			
89.00 Budget authority (net)	-848	0	0
90.00 Outlays (net)	-383	383	0

1/ The remaining balance in this account is not needed for the purpose originally enacted. In FY 2010, the remaining balance will be transferred, if needed, to Payments for Air Carriers pursuant to P.L. 111-117.

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

COMPENSATION FOR AIR CARRIERS

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification Code		FY 2009	FY 2010	FY 2011
69-0111-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:				
41.0	Grants, subsidies and contributions	<u>1</u>	<u>0</u>	<u>0</u>
99.9	Total obligations	1	0	0

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

COMPENSATION FOR AIR CARRIERS

PROGRAM AND FINANCING

(In thousands of dollars)

Identification Code	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-0111-0-1-407			
<b>Obligations by program activity:</b>			
00.01 Compensation for Air Carriers	<u>1</u>	<u>383</u>	<u>0</u>
10.00 Total new obligations (object class 41.0)	1	383 <sup>1/</sup>	0
<b>Budgetary resources available for obligations:</b>			
21.40 Unobligated balance carried forward, start of year	849	383	0
22.00 New budget authority (gross)	-465	0	0
22.10 Resources available from recoveries of prior year obligations	<u>0</u>	<u>0</u>	<u>0</u>
23.90 Total budgetary resources available for obligations	384	383	0
23.95 Total new obligations	<u>-1</u>	<u>-383</u>	<u>0</u>
24.40 Unobligated balance carried forward, end of year	383	0	0
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.36 Unobligated balance permanently reduced	0	0	0
Spending Authority from Offsetting Collections			
58.00 Offsetting collections (cash)	0	0	0
Mandatory:			
60.36 Unobligated balance rescinded	-848	<u>0</u>	<u>0</u>
62.50 Appropriation (total mandatory)	-848		
Discretionary spending authority from offsetting collections:			
69.00 Offsetting collections (cash) (unexpired only)	384		
69.10 Chg in uncollected cust paymts fm Fed sources (unexp)	0		
69.90 Spending Authority from Offsetting Collections (total)	384		
70.00 Total new budget authority (gross)	-465	0	0
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	0	0	0
73.10 Total new obligations	1	383	0
73.20 Total outlays (gross)	<u>-1</u>	<u>-383</u>	<u>0</u>
74.40 Obligated balance, end of year	0	0	0
<b>Outlays (gross), detail:</b>			
86.93 Outlays from discretionary balances	<u>1</u>	<u>383</u>	<u>0</u>
86.97 Outlays from new mandatory authority	0	0	0
86.98 Outlays from mandatory balances	<u>0</u>	<u>0</u>	<u>0</u>
87.00 Total outlays (gross)	1	383	0
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	<u>384</u>	<u>0</u>	<u>0</u>
88.90 Total offsetting collections (cash)	384	0	0
<b>Net budget authority and outlays:</b>			
89.00 Budget authority (net)	-848	0	0
90.00 Outlays (net)	-383	383	0

1/ The remaining balance in this account is not needed for the purpose originally enacted. In FY 2010, the remaining balance will be transferred, if needed, to Payments for Air Carriers pursuant to P.L. 111-117.

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

COMPENSATION FOR AIR CARRIERS

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification Code		FY 2009	FY 2010	FY 2011
69-0111-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:				
41.0	Grants, subsidies and contributions	<u>1</u>	<u>0</u>	<u>0</u>
99.9	Total obligations	1	0	0

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

NEW HEADQUARTERS BUILDING

PROGRAM AND FINANCING  
(In thousands of dollars)

Identification Code		FY 2009	FY 2010	FY 2011
69-0147-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
<b>Obligations by program activity:</b>				
00.01	Direct program activity	1,439	131	0
09.01	Reimbursable program			
10.00	Total new obligations	1,439	131	0
<b>Budgetary resources available for obligations:</b>				
21.40	Unobligated balance carried forward BOY	1,552	131	0
22.00	New budget authority (gross)	0	0	0
22.10	Resources available from recoveries of prior year obligations	19	0	0
23.90	Total budgetary resources available for obligation	1,571	131	0
23.95	Total new obligations	-1,439	0	0
24.40	Unobligated balance, carried forward, end of year	131	131	0
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	0	0	0
43.00	Appropriation (total)	0	0	0
Discretionary: Spending authority from offsetting collections:				
70.00	Total new budget authority (gross)	0	0	0
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	7,445	4,706	0
73.10	Total new obligations	1,439	131	0
73.20	Total outlays (gross)	-4,159	-4,837	0
73.45	Recoveries of prior year obligations	-19	0	0
74.40	Obligated balance, end of year	4,706	0	0
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	906	5	0
86.93	Outlays from discretionary balances	3,253	0	0
87.00	Total outlays (gross)	4,159	5	0
<b>Net budget authority and outlays:</b>				
89.00	Budget authority (net)	0	0	0
90.00	Outlays (net)	4,159	5	0
95.02	Unpaid obligations, end of year	4,706	0	0

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

NEW HEADQUARTERS BUILDING

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification Code		FY 2009	FY 2010	FY 2011
69-0147-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
	Direct obligations:			
25.2	Other services	<u>1,439</u>	<u>131</u>	<u>0</u>
99.0	Subtotal, direct obligations	1,439	131	0
99.9	Total obligations	1,439	131	0

**LIVABLE COMMUNITIES**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2010 TO FY 2011**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

<b>Item</b>	<b>Total (\$000s)</b>	<b>FTE</b>
<b>FY 2010 Base (Enacted)</b>	<b>\$0</b>	<b>0.0</b>
<b>Adjustments to Base:</b>		
Annualization of 2010 Comparability Pay Increase	0	
2011 Comparability Pay Increase	0	
Non-pay inflation	0	
Working Capital Fund	0	
Subtotal, Adjustments to Base	0	0.0
<b>Total, FY 2011 Baseline Estimates</b>	<b>\$0</b>	
<b>Change in Program Level (+/-)</b>		
Ten full-time positions half-year funded	\$669	5.0
Travel	\$150	
Other Services	\$7,111	
Supplies	\$20	
Equipment	\$50	
Grants	\$12,000	
Subtotal, New or Expanded Programs	20,000	5.0
<b>Total FY 2011 Request</b>	<b>\$ 20,000</b>	<b>5.0</b>

## Detailed Justification for Livable Communities

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b><u>From</u></b>
				<b><u>FY 2010</u></b>
				<b><u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	0	0	669	669
Travel	0	0	150	150
Other Costs	0	0	19,181	19,181
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>20,000</b>
<b><u>STAFFING</u></b>				
Direct Positions	0	0	10	10
Reimbursable Positions	0	0	0	0
Direct FTE	0	0	5	5
Reimbursable FTE	0	0	0	0

<b>Livable Communities Program</b>	<b>FY 2011 Request: \$20,000</b>
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### Overview:

The Department requests funding for a new Livable Communities program to be run by the Office of Livable Communities located within the Office of the Under Secretary of Transportation for Policy. The goal of this program is to promote livable communities through investment in transportation infrastructure to decrease transportation costs, improve access to jobs and services, promote healthy communities, improve air quality, protect the natural environment, and enhance the unique characteristics of communities.

### FY 2011 Budget Request:

The Department requests \$20 million to establish an Office of Livable Communities within the Office of the Secretary that would refine federal policies that promote livable communities and work with DOT Operating Administrations, HUD, and EPA to develop programmatic guidance, standards, rules, grant solicitations and program proposals consistent with the new policies. In addition, the Office of Livable Communities will identify current federal program barriers for developing livable communities, options for lifting those barriers, and assessing the effectiveness of various transportation programs in supporting livability.

The Office of Livable Communities would use \$4 million of requested funding to develop uniform benchmarks for assessing the effectiveness of livability-oriented interventions, including performance measures of livability outcomes to determine how various federal infrastructure investments impact livability – all in collaboration with EPA, HUD and DOT's Operating

Administrations. State and local departments of transportation could use the Federal performance measures to evaluate the impact of their long-range transportation plans and transportation improvement programs on livability. The Office of Livable Communities would use a portion of the \$4 million to create tools to better measure mobility, walkability and affordability – tools that could be used both within the DOT programs and by other agencies and projects of the Administration.

The Office of Livable Communities would also use \$12 million for grants and technical assistance targeted at improving States, regions, and localities' ability to plan and execute transportation investments in support of livability and sustainability goals. Strategies to do so can include: improved performance measurement capabilities, thorough alternatives analysis and evaluation of prior and ongoing investments, training and workshops for transportation planning personnel, including the use of visioning tools to enable greater public understanding of livable transportation investments. This program would be jointly developed by DOT, EPA, and HUD and funds made available to State and local public agencies that can demonstrate strong collaboration between transportation, land use, economic development, housing, and environmental planning.

The Office of Livable Communities would also lead and coordinate the development of a competitive grant program administered by the Federal Highway Administration. This program would be jointly developed with EPA, HUD and DOT's Operating Administrations and would be targeted at enhancing the capacity of State and tribal DOTs, MPOs and RPOs, and city and county transportation agencies to plan, assess and implement transportation projects that advance livability outcomes with respect to the uniform benchmarks and measures developed by the Office.

The Office of Livable Communities would also closely work with HUD on the development of their Sustainable Communities Planning Grant and Challenge Grant programs to ensure that transportation needs are addressed and that HUD planning grants and DOT capacity building grants are complementary. DOT's Office of Livable Communities and HUD will also participate in technical assistance provided by EPA's Office of Smart Growth. EPA's program would help assess the planning capacity needs of agencies that would then be able to participate in DOT or HUD's grant programs to address those needs. EPA should also provide technical assistance in the implementation of the products generated by DOT and HUD's grant programs.

Finally, the Department requests that \$4,000,000 be available for administrative and technical oversight activities. Standing up a new office and a completely new program will require extensive efforts to initiate and implement. Funds will be used to provide transactional support for grants and technical assistance, and to evaluate relative long-term benefits of varying State and local approaches to livability-oriented planning.

**Explanation of Funding Changes  
for Livable Communities**  
(\$000)

**FY 2010 Base (Enacted)** **\$0**

**Overview:**

To establish a new Livable Communities program to undertake research, provide technical assistance, and make grants to support Livable Communities.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$0
2011 Pay Raise:	\$0
Inflation:	\$0
WCF:	\$0
<b>FY 2011 Adjusted Base:</b>	<b>\$0</b>

**Program Changes (+/-):**

<b>5 FTE</b>	<b>\$669</b>
10 positions funded half-year (5 FTEs)	

<b>Travel</b>	<b>\$150</b>
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<b>Other Services</b>	<b>\$7,111</b>
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To develop performance measures and metrics and to create tools to better measure mobility, walkability and affordability; technical oversight activities; transactional support for grants and contracts and development and maintenance of grants management systems and procedures; program evaluation.

<b>Supplies &amp; Equipment</b>	<b>\$70</b>
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**Grants and Technical Assistance**

**\$12,000**

The Office of Livable Communities would use \$12 million for grants and technical assistance targeted at improving public outreach, communication and input to direct federal investments and will also fund projects to improve public involvement with State and regional transportations plans, including visioning tools and interactive public workshops.

**Total FY 2011 Request:**

**\$20,000**

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

LIVABLE COMMUNITIES

PROGRAM AND FINANCING

(In thousands of dollars)

Identification Code	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-0158-0			
<b>Obligations by program activity:</b>			
00.01 Livable Communities	<u>0</u>	<u>0</u>	<u>20,000</u>
01.00 Total, direct program	0	0	20,000
09.01 Reimbursable program	<u>0</u>	<u>0</u>	<u>0</u>
10.00 Total new obligations	0	0	20,000
<b>Budgetary resources available for obligations:</b>			
21.40 Unobligated balance carried forward, start of year	0	0	0
22.00 New budget authority (gross)	0	0	20,000
22.10 Resources available from recoveries of prior year obligations	<u>0</u>	<u>0</u>	<u>0</u>
23.90 Total budgetary resources available for obligations	0	0	20,000
23.95 Total new obligations	0	0	-20,000
24.40 Unobligated balance carried forward, end of year	0	0	0
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	0	0	20,000
Discretionary: Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	0	0	0
70.00 Total new budget authority (gross)	0	0	20,000
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	0	0	0
73.10 Total new obligations	0	0	20,000
73.20 Total outlays (gross)	0	0	-8,000
73.45 Recoveries of prior year obligations	<u>0</u>	<u>0</u>	<u>0</u>
74.40 Obligated balance, end of year	0	0	12,000
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	0	0	8,000
86.93 Outlays from discretionary balances	<u>0</u>	<u>0</u>	<u>0</u>
87.00 Total outlays (gross)	0	0	8,000
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash)	0	0	0
<b>Net budget authority and outlays:</b>			
89.00 Budget authority (net)	0	0	20,000
90.00 Outlays (net)	0	0	8,000
95.02 Unpaid obligation, end of year	0		

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

LIVABLE COMMUNITIES

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification Code	FY 2009	FY 2010	FY 2011
69-0158-0	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	0	0	500
11.5 Other personnel compensation	<u>0</u>	<u>0</u>	<u>0</u>
11.9 Total personnel compensation	0	0	500
12.1 Civilian personnel benefits	0	0	169
21.0 Travel and transportation of persons	0	0	150
23.0 Communication and utilities	0	0	0
25.0 Other services	0	0	7,111
26.0 Supplies and materials	0	0	20
31.0 Equipment	0	0	50
41.0 Grants, subsidies, and contributions	<u>0</u>	<u>0</u>	<u>12,000</u>
99.0 Subtotal, direct obligations	0	0	20,000
99.0 Reimbursable obligations	<u>0</u>	<u>0</u>	<u>0</u>
99.9 Total obligations	0	0	20,000

PERSONNEL SUMMARY

Identification Code	FY 2009	FY 2010	FY 2011
69-0106-0	ACTUAL	ESTIMATE	ESTIMATE
1001 Total compensable workyears:			
Full-time equivalent employment	0	0	5

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
  
NATIONAL INFRASTRUCTURE INVESTMENT

PROGRAM AND FINANCING  
(In thousands of dollars)

Identification Code	FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-0143-0			
<b>Obligations by program activity:</b>			
00.01 Discretionary Grants	0	575,000	0
00.02 Administrative Costs	<u>0</u>	<u>7,159</u>	<u>9,057</u>
01.00 Total, direct program	0	582,159	9,057
09.01 Reimbursable program	<u>0</u>	<u>0</u>	<u>0</u>
10.00 Total new obligations	0	582,159	9,057
<b>Budgetary resources available for obligations:</b>			
21.40 Unobligated balance carried forward, start of year	0	0	17,841
22.00 New budget authority (gross)	0	600,000	0
22.10 Resources available from recoveries of prior year obligations	<u>0</u>	<u>0</u>	<u>0</u>
23.90 Total budgetary resources available for obligations	0	600,000	17,841
23.95 Total new obligations	0	-582,159	-9,057
24.40 Unobligated balance carried forward, end of year	0	17,841	8,785
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.00 Appropriation	0	600,000	0
Discretionary: Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	0	0	0
70.00 Total new budget authority (gross)	0	600,000	0
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	0	0	576,159
73.10 Total new obligations	0	582,159	9,057
73.20 Total outlays (gross)	0	-6,000	-126,000
73.45 Recoveries of prior year obligations	<u>0</u>	<u>0</u>	<u>0</u>
74.40 Obligated balance, end of year	0	576,159	459,215
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	0	6,000	0
86.93 Outlays from discretionary balances	<u>0</u>	<u>0</u>	<u>126,000</u>
87.00 Total outlays (gross)	0	6,000	126,000
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash)	0	0	0
<b>Net budget authority and outlays:</b>			
89.00 Budget authority (net)	0	600,000	0
90.00 Outlays (net)	0	6,000	126,000
95.02 Unpaid obligation, end of year	0		

No funds are requested for this program for 2011; instead, the National Infrastructure Innovation and Finance Fund will serve a similar purpose.

Section 3 - FY 2011 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

NATIONAL INFRASTRUCTURE INVESTMENT

OBJECT CLASSIFICATION

(In thousands of dollars)

Identification Code	FY 2009	FY 2010	FY 2011
69-0143-0	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	0	775	1,550
11.5 Other personnel compensation	<u>0</u>	<u>0</u>	<u>0</u>
11.9 Total personnel compensation	0	775	1,550
12.1 Civilian personnel benefits	0	170	357
21.0 Travel and transportation of persons	0	100	201
23.0 Communication and utilities	0	0	0
25.0 Other services	0	6,101	6,925
26.0 Supplies and materials	0	13	25
31.0 Equipment	0	0	0
41.0 Grants, subsidies, and contributions	<u>0</u>	<u>575,000</u>	<u>0</u>
99.0 Subtotal, direct obligations	0	582,159	9,057
99.0 Reimbursable obligations	<u>0</u>	<u>0</u>	<u>0</u>
99.9 Total obligations	0	582,159	9,057

PERSONNEL SUMMARY

Identification Code	FY 2009	FY 2010	FY 2011
69-0106-0	ACTUAL	ESTIMATE	ESTIMATE
1001 Total compensable workyears:			
Full-time equivalent employment	0	7	14

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE TRANSPORTATION SYSTEM  
(RECOVERY ACT)

PROGRAM AND FINANCING  
(In thousands of dollars)

Identification Code	FY 2009	FY 2010	FY 2011
69-0106-0	ACTUAL	ESTIMATE	ESTIMATE
<b>Obligations by program activity:</b>			
00.01 Discretionary Grants	0	1,498,500	0
00.02 Administrative Costs	<u>0</u>	<u>750</u>	<u>750</u>
01.00 Total, direct program	0	1,499,250	750
09.01 Reimbursable program	<u>0</u>	<u>0</u>	<u>0</u>
10.00 Total new obligations	0	1,499,250	750
<b>Budgetary resources available for obligations:</b>			
21.40 Unobligated balance carried forward, start of year	0	1,500,000	750
22.00 New budget authority (gross)	1,500,000	0	0
22.10 Resources available from recoveries of prior year obligations	<u>0</u>	<u>0</u>	<u>0</u>
23.90 Total budgetary resources available for obligations	1,500,000	1,500,000	750
23.95 Total new obligations	0	-1,499,250	-750
24.40 Unobligated balance carried forward, end of year	1,500,000	750	0
<b>New budget authority (gross), detail:</b>			
Discretionary:			
40.01 Appropriation, Recovery Act	1,500,000	0	0
Discretionary: Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	0	0	0
70.00 Total new budget authority (gross)	1,500,000	0	0
<b>Change in obligated balances:</b>			
72.40 Obligated balance, start of year	0	0	1,319,250
73.10 Total new obligations	0	1,499,250	750
73.20 Total outlays (gross)	0	-180,000	-540,000
73.45 Recoveries of prior year obligations	<u>0</u>	<u>0</u>	<u>0</u>
74.40 Obligated balance, end of year	0	1,319,250	780,000
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new discretionary authority	0	0	0
86.93 Outlays from discretionary balances	<u>0</u>	<u>180,000</u>	<u>540,000</u>
87.00 Total outlays (gross)	0	180,000	540,000
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash)	0	0	0
<b>Net budget authority and outlays:</b>			
89.00 Budget authority (net)	1,500,000	0	0
90.00 Outlays (net)	0	180,000	540,000
95.02 Unpaid obligation, end of year			

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

SUPPLEMENTAL DISCRETIONARY GRANTS FOR NATIONAL SURFACE  
TRANSPORTATION SYSTEM  
(RECOVERY ACT)

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification Code	FY 2009	FY 2010	FY 2011
69-0106-0	ACTUAL	ESTIMATE	ESTIMATE
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	0	360	360
11.5 Other personnel compensation	<u>0</u>	<u>0</u>	<u>0</u>
11.9 Total personnel compensation	0	360	360
12.1 Civilian personnel benefits	0	90	90
21.0 Travel and transportation of persons	0	0	0
23.0 Communication and utilities	0	0	0
25.0 Other services	0	300	300
26.0 Supplies and materials	0	0	0
31.0 Equipment	0	0	0
41.0 Grants, subsidies, and contributions	<u>0</u>	<u>1,498,500</u>	<u>0</u>
99.0 Subtotal, direct obligations	0	1,499,250	750
99.0 Reimbursable obligations	<u>0</u>	<u>0</u>	<u>0</u>
99.9 Total obligations	0	1,499,250	750

PERSONNEL SUMMARY

Identification Code	FY 2009	FY 2010	FY 2011
69-0106-0	ACTUAL	ESTIMATE	ESTIMATE
1001 Total compensable workyears:			
Full-time equivalent employment	0	3	3

**EXHIBIT III-2****CYBER SECURITY INITIATIVE**

**SUMMARY ANALYSIS OF CHANGE FROM FY 2010 TO FY 2011**  
**Appropriations, Obligations, Limitations, and Exempt Obligations**  
**(\$000)**

<b>Item</b>	<b>Total (\$000s)</b>	<b>FTE</b>
<b>FY 2010 Base (Enacted)</b>	<b>\$0</b>	<b>0.0</b>
<b>Adjustments to Base:</b>		
Annualization of 2010 Comparability Pay Increase	0	
2011 Comparability Pay Increase	0	
Inflation	0	
Rent	0	
Working Capital Fund	0	
Subtotal, Adjustments to Base	0	0.0
<b>Total, FY 2011 Baseline Estimates</b>	<b>\$0</b>	
<b>Change in Program Level (+/-)</b>		
Thirteen FTE	\$1,812	13.0
Other Services	\$6,952	
Equipment	\$21,236	
Subtotal, New or Expanded Programs	30,000	13.0
<b>Total FY 2011 Request</b>	<b>\$ 30,000</b>	<b>13.0</b>

## Detailed Justification for the Cyber Security Initiative

(In thousands of dollars)

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>Difference</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>	<b>From FY 2010 <u>Enacted</u></b>
<b><u>FUNDING LEVELS</u></b>				
Personnel Compensation and Benefits	0	0	1,812	1,812
Travel	0	0	0	0
Other Costs	0	0	28,188	28,188
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>30,000</b>
<b><u>STAFFING</u></b>				
Direct Positions	0	0	25	25
Reimbursable Positions	0	0	0	0
Direct FTE	0	0	13	13
Reimbursable FTE	0	0	0	0

Cyber Security	FY 2011 Request: \$ 30,000
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**Overview:**

The DOT Office of the Chief Information Officer (OCIO) is requesting a one-time \$30 million appropriation, to remain available until expended, to meet the requirements of cyber security initiatives, and close the Department's most serious cyber security performance gaps.

The OCIO oversees a comprehensive agency-wide cyber security and privacy program for the Department's 72,000+ employees and 417 systems, and is expected to:

- deliver standards- and stakeholder-driven technical services,
- adapt and be responsive to increased use of pervasive technology,
- fulfill requirements for transparency, and
- respond to an ever-growing cyber-threat.

The threat against the nation's cyber infrastructure – both Federal and private – is increasing and becoming more sophisticated and focused. In response, the President has made cyber security a top priority as communicated in his 60-day Cyber Security Policy Review. In addition to implementing the most critical requirements, including those deriving from NSPD-54 / HSPD-23, DOT's challenge in responding to the President's priorities will be to:

- Close DOT's existing cyber security and privacy performance gaps,
- Adapt DOT's security posture to a Web 2.0 environment,
- Transition from a reactive to a proactive security posture, and
- Achieve the goals of Federal cyber security strategic plans and initiatives.

To achieve the goals, DOT will make investments needed to implement the President's priorities through a one-time appropriation of \$30.0 million, 25 positions, and 13 FTE in FY 2011. This increase will support key program enhancements including infrastructure upgrades that will improve detection and response capabilities, provide contractual resources to address Federal security requirements of DOT's network, support on-going Federal initiatives, and close critical gaps. The end goal is to ensure integration of cyber security and privacy requirements into tactical and strategic plans, and to shift the Department from a reactive cyber security posture to a proactive posture that avoids system compromise and information loss, to the maximum extent practicable.

**FY 2011 Budget Request:**

For FY 2011, the DOT OCIO requests \$30,000,000 for cyber security initiatives, including improvement of network perimeter controls and identity management, enhancement of information technology validation, implementation of national cyber security initiatives and infrastructure enhancements, implementation of enhanced security controls on network devices, and enhancement of cyber security workforce training tools.

The OCIO's priorities for this request and the corresponding 25 positions, and 13 FTE in FY 2011 are as follows:

**1. Enhance Network Perimeter Controls and Identity Management:**

- Mitigate existing weaknesses and risks identified by audits and independent assessments.
- Enhance protection at the edges of the network to assess the security of connecting devices and quarantine or remediate those that are threats.
- Ensure that only authorized personnel access DOT networks and systems through greater use of new Federal identification (PIV) cards and by incorporating the President's national Identity Management strategy into tactical, strategic, and operational plans.
- Replace aging infrastructure with new equipment such as perimeter routers to filter traffic.
- Increase the security capabilities of our network edge through enhanced technologies.
- Increase the storage capacity to monitor and capture logs of activity.

**2. Implement Federal Cyber Security Initiatives and Infrastructure Enhancements:**

- Execute and implement CNCI (NSPD-54/HSPD-23) initiatives including deployment of Trusted Internet Connection (TIC) services for DOT to reduce exposure to external attacks.
- Consolidate DOT internet access points (IAP) to the TIC sites.
- Implement Einstein 2 intrusion detection services to enhance situational awareness and better detect malicious or unauthorized activity.

- Complete upgrades to secure DOT domain name services (DNSSec – 16 devices) to meet Federal and DHS requirements.

**3. Securing the Desktop and Improving Compliance:**

- Fully implement encryption on DOT desktop and laptop computers, removable devices, and networks, in order to protect mission and business sensitive and privacy information.
- Fully implement National Institute of Standards and Technology (NIST) configuration standards and automated configuration management, including the Federal Desktop Core Configuration (FDCC), on all DOT desktop, laptop, server, and network devices to protect against common security vulnerabilities.
- Reduce new risks introduced by unauthorized changes, and improve compliance assessment and reporting for configuration management.
- Extend and enhance monitoring, alerting, and reporting to reduce existing vulnerabilities and risks, and improve responsiveness to cyber security and privacy incidents. With 9,300+ desktops / laptops and 2,300 blackberries under the management of the OCIO, the ability to automate the monitoring and compliance of changes is critical to be able to react quickly.

**4. Extend and Enhance Information Technology Validation:**

- Ensure that new business applications, systems, and services meet Federal and DOT cyber security and privacy requirements prior to production deployment through enhancements to testing, change management, processes, and technology.

**5. Enhance, and Train the Cyber Workforce:**

- Enhance the cyber security and privacy training program for the 72,000+ Federal personnel, and contract personnel to improve program performance, reduce risks associated with untrained personnel, and reduce the occurrence of incidents resulting from personnel awareness and training gaps.
- Integrate messaging and content from the Department of Homeland Security and the President's National Cyber security Awareness initiative into DOT training and awareness materials, and programs.
- Enhance development and retention of the DOT cyber security and privacy workforce through specialized training, certification, and recruiting and retention programs, in order to improve effectiveness and reduce corresponding risks.

This implementation and technology will enhance the security of the DOT network, reduce the risk of security breaches, and advance the fulfillment of the President's priorities.

Equipment procured with this appropriation, along with positions and FTEs, will be transferred into the Working Capital Fund in FY 2012.

**Explanation of Funding Changes  
for Cyber Security Initiative**  
(\$000)

**FY 2010 Base (Enacted)** **\$0**

**Overview:**

This is a new request for cyber security initiatives occurring in FY 2011, which include improvements to the network perimeter controls and identity management, enhancement of information technology validation, implementation of national cyber security initiatives and infrastructure enhancements, implementation of enhanced security controls on network devices, and enhancement of cyber security workforce training tools.

**Adjustments to Base:**

Annualization of 2010 Pay Raise:	\$0
2011 Pay Raise:	\$0
Inflation:	\$0
WCF:	\$0
<b>FY 2011 Adjusted Base:</b>	<b>\$0</b>

**Program Changes (+/-):**

<b>Thirteen FTE</b>	<b>\$1,812</b>
25 positions funded half-year (13 FTEs)	
<b>Other Services</b>	<b>\$6,952</b>
<b>Equipment</b>	<b>\$21,236</b>
<b>Total FY 2011 Request:</b>	<b>\$30,000</b>

## Section 3 - FY 2011 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

## CYBER SECURITY INITIATIVE

PROGRAM AND FINANCING  
(In thousands of dollars)

Identification Code		FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-0159-0-1-407				
<b>Obligations by program activity:</b>				
00.01	Direct program activity	0	0	30,000
10.00	Total new obligations	0	0	30,000
<b>Budgetary resources available for obligations:</b>				
21.40	Unobligated Balance carried forward BOY	0	0	0
22.00	New budget authority (gross)	0	0	30,000
22.10	Resources available from recoveries of prior year obligations	0	0	0
23.90	Total budgetary resources available for obligation	0	0	30,000
23.95	Total new obligations	0	0	-30,000
23.98	Unobligated balance expiring or withdrawn	0	0	0
24.40	Unobligated Balance carried forward EOY	0	0	0
<b>New budget authority (gross), detail:</b>				
Discretionary:				
40.00	Appropriation	0	0	30,000
43.00	Appropriation (total)	0	0	30,000
Discretionary: Spending authority from offsetting collections:				
58.00	Offsetting collections (cash)	0	0	0
70.00	Total new budget authority (gross)	0	0	30,000
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	0	0	0
73.10	Total new obligations	0	0	30,000
73.20	Total outlays (gross)	0	0	-27,000
74.10	Change in uncollected customer payments from Federal sources (expired)	0	0	0
74.40	Obligated balance, end of year	0	0	3,000
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	0	0	27,000
86.93	Outlays from discretionary balances	0	0	0
87.00	Total outlays (gross)	0	0	27,000
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.90	Total offsetting collections (cash)	0	0	0
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	0	0	0
88.96	Portion of offsetting collections (cash) credited to expired accounts	0	0	0
<b>Net budget authority and outlays:</b>				
89.00	Budget authority (net)	0	0	30,000
90.00	Outlays (net)	0	0	27,000
95.02	Unpaid obligations, end of year	-	-	0

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

CYBER SECURITY INITIATIVE

OBJECT CLASSIFICATION  
(In thousands of dollars)

Identification Code		FY 2009	FY 2010	FY 2011
69-0102-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	0	0	1,383
11.3	Other than full-time permanent	0	0	0
11.5	Other personnel compensation	<u>0</u>	<u>0</u>	<u>14</u>
11.9	Total personnel compensation	0	0	1,397
12.1	Civilian personnel benefits	0	0	415
25.3	Other services	0	0	6,952
26.0	Supplies and materials	0	0	0
31.0	Equipment	0	0	21,236
42.00	Insurance claims & Indemnity	<u>0</u>	<u>0</u>	<u>0</u>
99.0	Subtotal, direct obligations	0	0	30,000
99.0	Reimbursable obligations	<u>0</u>	<u>0</u>	<u>0</u>
99.9	Total obligations	0	0	30,000

PERSONNEL SUMMARY

Identification Code		FY 2009	FY 2010	FY 2011
69-0102-0-1-407		ACTUAL	ESTIMATE	ESTIMATE
1001	Total compensable workyears:			
	Full-time equivalent employment	0	0	13
2001	Reimbursable workyears:			
	Full-time equivalent employment	0	0	0

**TOTAL WORKING CAPITAL FUND**  
**FY 2011 BUDGET ESTIMATE**  
(In thousands of dollars)

<u>Program</u>	FY 2009 <u>Actual</u>	FY 2010 <u>Enacted</u>	FY 2011 <u>Request</u>	Difference From FY 2010 <u>Enacted</u>
WCF DOT Activities	128,094	147,596	148,096	500
WCF Non-DOT Activities	349,424	438,953	446,687	7,734
<b>Total</b>	<b>\$477,518</b>	<b>\$586,549</b>	<b>\$594,783</b>	<b>\$8,234</b>
<u>Staffing</u>				
Reimbursable Positions	219	213	260	47
Reimbursable FTE	219	213	260	47

<sup>1/</sup>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 agreements for Human Resource Systems and the Administrative Law Judge program.

**Overview:**

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. 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.

The WCF continues to enhance utilization of performance based metrics and expand management control plans. Documentation and testing is performed for the new internal controls over financial reporting as required by the Sarbanes-Oxley Act and the Federal

Managers Financial Integrity Act. The WCF has documented and performed testing on all key areas of the financial statements.

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. Billings, however, are based on actual usage of common services.

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 WCF is requesting a general provision to expand the operating reserve's purpose with explicit authority to use it as both an operating and **capital replacement** reserve, still capped at 4% of the previous year's revenue. The general provision will provide the WCF authority to use the reserve towards the replacement value of capitalized assets in cases where the replacement equipment has increased in costs due to inflation. Currently, only the historical cost of capitalized assets is available for the future replacement of the asset.

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, security, acquisition and grants, information services, transportation and facilities, and space management. In addition, the OASA manages the transit benefit program for 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.

The following table displays the FY 2011 WCF business line information:

<b>FY 2011 ESTIMATE WCF DOT AND NON-DOT OBLIGATIONS BY BUSINESS LINE</b> (\$000)			
<b>Description</b>	<b>DOT Obligations</b>	<b>Non-DOT Obligations</b>	<b>2011 Total</b>
<b>Assistant Secretary for Administration</b>			
Acquisition & Procurement Operations	5,053	0	5,053
Building Security	11,781	0	11,781
Commercial Services Management	205	0	205
Consolidated Federal Funds	132	0	132
Copier, Printing & Multimedia	8,163	10	8,173
Disability Resource Center	2,064	290	2,354
Dockets Management and Operations	3,027	199	3,226
Facilities Services & Utilities	10,924	365	11,289
Federal Laboratory Consortium	25	0	25
FEMA COOP Facility	856	0	856
Financial Mgmt, Accting & Admin	6,999	0	6,999
Flexible Spending Account	363	0	363
Grants Information System	515	0	515
Human Resource Services	5,346	42	5,389
Library & Information Services	1,437	0	1,437
Mail Services & Postage	3,284	16	3,300
Publications Distribution	450	42	492
Rent & Space Management	7,502	0	7,502
Security Operations	5,043	0	5,043
Substance Abuse Awareness & Testing	1,528	4,348	5,876
Transit Benefits & Parking	4,949	440,686	445,636
Unemployment Compensation	1,050	25	1,075
Warehouse	781	63	844
<b>Assistant Secretary for Admin Subtotal:</b>	<b>81,478</b>	<b>446,087</b>	<b>527,566</b>
<b>Chief Information Officer</b>			
Campus Area Network	7,369	0	7,369
Desktop Services	20,470	0	20,470
Information Assurance & Privacy	15,178	0	15,178
Server & Messaging Services	12,298	0	12,298
Voice, Cable & Wireless	11,302	600	11,902
<b>Chief Information Office Subtotal:</b>	<b>66,617</b>	<b>600</b>	<b>67,217</b>
<b>Grand Total:</b>	<b>148,096</b>	<b>446,687</b>	<b>594,783</b>

Note: Numbers may not add due to rounding

**Anticipated FY 2010 Accomplishments:**

Focusing on accountability, integration, and efficiency, the WCF continues to enhance the Department's common services in human resources, security, procurement, consolidating redundant Information Technology operating administrative infrastructures, shared common IT operating environments and other essential administrative services.

The WCF will continue to build on a consolidated infrastructure for common services provided to all the Operating Administrations.

The Office of the Assistant Secretary for Administration will build upon the Department's culture to reflect its commitment of being citizen-centered, results-oriented, and market-based by managing the Strategic Management of Human Capital and Commercial Services Management.

FY 2010 will be the first full year of the One DOT PRISM program being supported via the WCF. The operating administrations are currently paying for their own instances of PRISM directly (i.e. outside of the Working Capital Fund).

One DOT PRISM - supports the Department-wide strategy of migrating to a standard consolidated procurement system that is integrated with DOT's Delphi Financial System. Consolidation of the multiple DOT procurement systems that now exist will significantly enhance Department-wide spend analysis and reporting capabilities while reducing the cost of software maintenance, application support and system hosting obligations. Integration of the procurement system with Delphi will enhance the financial reconciliation and management reports provided to Congress, the Office of the Secretary, the Inspector General, the general public, other departmental Offices and other Federal Agencies, streamline business processes, eliminate duplicate data entry into multiple systems and support commitment accounting.

The Office of the Chief Information Officer's (CIO) will continue to accommodate the migration of desktop support from the field to the Common Operating Environment. The affected modes are currently paying for this support directly (i.e. outside of the Working Capital Fund). In FY 2010 the support will be provided by IT Shared Services and funded by the operating administrations through the Fund.

If field offices are not consolidated into the Common Operating environment:

- The Department will not meet the Office of Management and Budget's mandate to reduce the number of Trusted Internet Connections
- The Department will not be able to achieve efficiencies of scale since procurement and support will be fragmented.
- Security vulnerabilities due to a fragmented network will continue and compliance with Federal Information Security Management Act requirements will be at risk.

Beginning in FY 2010, the Department is proposing that the funding source for the Executive Protection Program be shifted from the Working Capital Fund to the Salaries and Expenses appropriation for the Office of Intelligence, Security and Emergency Response.

To meet the requirements of the Physical Security Operations, minimize Departmental security risks, ensure operations are not jeopardized, and protect employees from incidents, four full-

time Physical Security Specialists will be hired in FY 2010 to support the Assistant Secretary for Administration's Office of Security. The Working Capital Fund will be the funding mechanism for the four Physical Security Specialists.

**FY 2011 Budget Request:**

The WCF Reimbursable programs estimate a total obligation level of \$594.8 million for FY 2011. This represents an increase of 1.4% or \$8.2 million more than the FY 2010 estimate levels.

An increase of 47 FTE is requested to convert the Transit Benefits & Parking program to a Federal workforce. The TRANServe Program is currently supported by over 85 full and part-time contractors with many required to travel for distribution purposes. A transition to a Federal workforce will save over \$1 million annually in contract costs, eliminate over 15 positions by combining previously segregated functions and ensure continuity of operations as the program transitions from paper distribution to an electronic solution.

An increase of \$7.9 million is requested for Transit Benefits & Parking. As a result of P.L. 111-5 American Recovery and Reinvestment Act of 2009 that increased Transit Benefit subsidies up to \$230 per person, increased participation is expected in this program.

An increase of \$.7 million is requested to allow the Department to operate a full health clinic at the DOT Headquarters Building, with the goal to improve the health of its employees. Currently, the Department provides monthly blood pressure screenings, quarterly health awareness activities and annual influenza immunizations, but will expand in FY 2011 to offer additional health care services. Service will include individualized health counseling, periodic bed rest, blood pressure monitoring, glucose monitoring, administering allergens and other medications administered by injection (employee provides allergy medication), and immunizations (Flu, tetanus and Pneumococcal), as well as traveler's health and immunization information. The Health Service Clinic will also provide an expanded health awareness program and disease-specific health risk assessments.

An increase of \$.5 million is requested in the Dockets Management and Operations program. This is primarily due to the increased Federal Docket Management System (FDMS) charges as provided in the guidance issued by the service provider, the Environmental Protection Agency.

An increase of \$.7 million is requested in the Substance Abuse Awareness & Testing program as a result of the negotiated cost increases associated with the testing contract awarded in FY 2009.

These increases total \$9.8 million; however, some of the increases have been offset by savings in other WCF programs. The most notable savings is in the Building Security program (\$2.8 million) due to a lower than expected contract award for guard services. Other increases are the result of standard inflation and shifts in customer demand for services, and have been incorporated in various programs and are reflected in our revenue estimates to the WCF customers. As a result, the net increase is \$8.2 million.

**FY 2011 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 the current P.L. 49 U.S.C 327. (This General Provision was included in the FY 2010 DOT Appropriations Act.)

(2) Expand the operating reserve's purpose with explicit authority to use it as both an operating and **capital replacement** reserve, capped at 4% of the previous year's revenue, to be used towards the replacement value of capitalized assets whose cost has increased due to inflation.. Currently, only the historical cost of capitalized assets is available for the future replacement of the asset.

These changes will allow the WCF 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.

**ASSISTANT SECRETARY FOR ADMINISTRATION  
WORKING CAPITAL FUND  
FY 2011 BUDGET ESTIMATE**  
(In thousands of dollars)

<u>Program</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Enacted</u>	<u>FY 2011 Request</u>
DOT Activities	73,791	80,978	81,479
Non-DOT Activities	348,788	438,418	446,087
<b>Total</b>	<b>\$422,579</b>	<b>\$519,396</b>	<b>\$527,566</b>

Staffing

Reimbursable Positions	198	192	239
Reimbursable FTE	198	192	239

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. Impacts on services include the move into the new headquarters building. This action changed the business environment and has helped the WCF achieve greater efficiencies through acquisition of new capital assets that serve the DOT Operating Administrations.

**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 policies, administrative and internal security management, leadership for the headquarters building and space management programs, procurement and grants management 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 2011 BUSINESS LINES BY PROGRAM**

### **Acquisitions & Procurement Operations**

**\$5,053 thousand**

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 Agency, Office of the Inspector General, and Surface Transportation Board and does limited procurement work for other customers as requested. Acquisition Services awards between \$150 million and \$400 million in new obligations annually processing over 500 transactions per year. At any one time, Acquisition Services is managing 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.

### **ONE DOT PRISM**

One DOT PRISM - supports the Department-wide strategy of migrating to a standard consolidated procurement system that is integrated with DOT's Delphi Financial System. Consolidation of the multiple DOT procurement systems that now exist will significantly enhance Department-wide spend analysis and reporting capabilities while reducing the cost of software maintenance, application support and system hosting obligations. Integration of the procurement system with Delphi will enhance the financial reconciliation and management reports provided to Congress, the Office of the Secretary, the Inspector General, the general public, other departmental Offices and other federal agencies, streamline business processes, eliminate duplicate data entry into multiple systems and support commitment accounting.

The program will include the assignment of four FTE's and will include contract costs for licenses, maintenance, training and support.

### **Building Security**

**\$11,781 thousand**

The Building Security program provides security for the DOT Headquarters buildings and FAA's FOBs 10A and 10B. The program provides security services for these buildings on a 24-hour per day basis. Building security functions include providing both security guard services for these buildings and updated security equipment within the buildings and on their perimeters, ensuring a safe and secure work environment for employees, contractors, and visitors.

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 provide escort services for special visitors (VIPs) when enhanced security is required. They also serve as escorts for 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/she leaves the building.

The security guards monitor alarms (fire, intrusion, and duress) and the closed-circuit television system (security cameras) at all of the buildings.

**Commercial Services Management**

**\$205 thousand**

This continuing activity provides a commercial services management infrastructure responsible for business process reengineering and high performing organization implementation activities throughout the Department. DOT's ultimate goal for commercial services management is to further integrate and align human capital and commercial services management initiatives to create a strategic tool for managing DOT's workforce.

Efforts managed by this office include: coordinate and provide oversight of all OA's in managing and reporting organizational change activities; assist OAs in identifying and managing contractor support for organizational change activities (funded by OAs); and consolidate and analyze workforce and FAIR Act Inventory data.

**Consolidated Federal Funds**

**\$132 thousand**

Consolidated Federal Funds business line provides centralized billing services. This program processes payments to the Census Bureau to cover the cost of preparing the Consolidated Federal Funds Report and the Federal Assistance Award Data System (FAADS) maintenance. The Census Bureau is the executive agent for the Office of Management and Budget for this effort and requires a single point of contact for billing purposes. Department of Commerce bills the Department of Transportation yearly for their participation in this program. The costs are distributed to the appropriate operating administrations.

**Copier, Printing & Multimedia**

**\$8,173 thousand**

Contract Printing and Graphics:

The Contract Printing and Graphics 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, cost savings when used properly. Graphics provides expert consultation including design specifications, multi-media presentations, and CD-ROM layout services, web pages, publications, posters, plaques, and certificates. Contract Printing, through GPO's access to over 15,000 printing contractors nationwide, offers a complete range of printing, binding and finishing services with volume pricing. Contract Printing will evaluate job requests to be produced in the Digital Document Center as a first option before sending jobs out through the GPO procurement methods. With the acquisition of variable data software future plans are to implement personalization and processing of small self mailer jobs internally.

Digital Document Center:

The Digital Document Center (DDC) 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. Future plans for the DDC include implementing consistent front end fiery systems to improve color uniformity and allow editing of PDF to reduce color copy cost to customers.

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 Media Center is upgrading all equipment to accommodate current and future High Definition (HD) standards in broadcasting. The Media Center seeks to continue its equipment build-up with a control room systems upgrade to accommodate HD signal requirements and employing HD studio cameras, mounting dollies, and related equipment.

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:

This program provides 259 black/white and color multi-functional printers (MFPs) to OAs, resulting in excess of 35 million clicks annually. [The term “clicks” is used for any MFP action. It would include making a copy, receiving a fax, or printing a document from an electronic file.] The program allows the Department to procure units in large quantities to obtain volume discounts that enables DOT to be cost-effective. The program also provides on-site maintenance technicians through a centralized location to provide prompt service to customers when any troubleshooting is needed. Training is available to customers so they may utilize all the benefits and features the equipment has to offer. All supplies including paper are included in the program and delivered directly to each office on a regular basis.

**Disability Resource Center**

**\$2,354 thousand**

The DOT Disability Resource Center (DRC) was established as a centralized resource to provide reasonable accommodation, technical assistance, training and outreach to all modal employees and job applicants under DOT. Program costs are allocated based on national

population and 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**

**\$3,226 thousand**

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. In FY 2011, customer billing will be aligned with the FDMS usage data provided by the EPA.

#### **Facilities Services & Utilities**

**\$11,289 thousand**

Transportation & Facility Services entails managing a diversified and complex, mission-essential building management program for the DOT Headquarters facilities 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 lessor to take corrective action on items which are included in the lease. The Facilities Office monitors building custodial services ensuring that the lessor 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 is responsible for managing the DOT Headquarters annual energy budget and the electrical and steam 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. The office maintains 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.

Special Facility Services:

The office is responsible for managing all 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 office 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.

Conference Center:

The Conference Center in the DOT Headquarters is available to meet the needs of DOT occupants in the Headquarters Building. The best use of the facilities is for use 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 for the Department, 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 employee's 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 primarily membership driven; with almost two-thirds of the Fitness Center budget supported by DOT employee membership fees and the other one-third supported by the DOT Operating Administrations.

**Federal Laboratory Consortium**

**\$25 thousand**

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 statute 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. Funds are provided to the National Institute of Standards and Technology according to Title 15 U.S.C. Section 3710 (7)(A). 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.

**FEMA COOP Facility**

**\$856 thousand**

This program provides centralized billing services for the Federal Emergency Management Agency (FEMA) Continuity of Operations (COOP) facility utilized by DOT leadership. This program reimburses FEMA for costs associated with leasing the COOP relocation site at FEMA's Mt. Weather Emergency Assistance Center. FEMA bills the Department of Transportation yearly for participation in this program. Estimates to reflect the completion of the facility upgrades in FY 2009 and represent actual lease and operational costs based on DHS/FEMA forecasts.

**Financial Management, Accounting & Administration****\$6,999 thousand**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 WCF programs within the Office of the Chief Information Officer. 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 agreement for each. The OFM meets periodically with all the DOT Operating Administrations (OAs) 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 and approval 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 thousand**

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.

**Grants Information System****\$515 thousand**

The Acquisition and Grants Management Program consists of the Grants Information System (GIS) which is a database that records awards of grants and other Federal financial assistance actions and transmits information to the FAADS system managed by the Census Bureau. The Performance Management Assessment Tool (PMAT) is a survey tool used to provide customer feedback on the quality of procurement services to the DOT Chiefs of Contracting Offices. This program also includes contracting for program management support for e-Grants. This program enables DOT to comply with the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107) which requires all Federal grant-making agencies to work collaboratively in streamlining and simplifying Federal grant processes and policies.

The Office of the Senior Procurement Executive manages the department-wide system, known as the Grants Information System (GIS) that collects and reports contract and grant awards. Based upon interface requirements to the government-wide system that are currently being developed, there is a need to make substantial modifications to GIS. GIS reports upwards of 100,000 actions and over \$50 billion in grants annually.

**Human Resource Services****\$5,389 thousand**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) Headquarters (HQ). 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.

Human Capital Planning & Solutions Program:

In compliance with 5 CFR Part 250 and in support of the DOT Strategic Plan, the Human Capital Planning & Solutions Program focuses on human capital goals, continuous learning, and leadership development; and ensures objectives are achieved. In addition, this program supports the department's succession planning effort. Specifically, OST provides the DOT-wide *Leaders for Tomorrow* mentoring program, SES Forums, leadership training, and the DOT-wide pre-supervisory program, "So You Want to be a Leader". Furthermore, the department develops solutions in response to competency gaps identified in government-wide assessments for HR, IT, leadership, and acquisition, as well as DOT's Mission Critical Occupations; the results are published in the annual update to the Workforce Plan.

Departmental Programs:

The Departmental Special Programs Office provides centralized coordination of programs that cross all DOT operating administrations, Departmental 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 Program, Public Service Recognition Week, Blood Donor Program, Volunteer Program, and Voting Assistance Program.

Employment and Executive Resources Program:

The Employment and Executive Resources Program coordinates DOT participation in the Presidential Management Fellows Program and the Transportation Career Residency Program. The program works with OAs to identify positions and develop Department-wide recruitment strategies to hire a diverse workforce.

This program 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.

The Executive and Political Resources Program coordinates Departmental approvals for SES actions including providing support to the DOT Executive Resources Review Committee; 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 recruitment and hires, SES performance Management system certification, maintaining a high level of Qualifications Review Board approvals and improvement in the time it takes to hire an SES member.

DOT Work-life Program:

The Work-Life Program provides vast 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 will establish a full health clinic in FY 2011 with the goal of improving the health of its employees. The Health Service Clinic will be staffed by Federal Occupational Health (FOH) staff 8 hours per day, and will service a Federal population of approximately 3,607.

The Health Service Clinic will 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.

**Library & Information Services**

**\$1,437 thousand**

The DOT Library Program is one of the largest transportation libraries in the United States and serves approximately 3,800 DOT customers each year. The Library collects materials in all areas of transportation, in both print and electronic format. The Library provides circulation, interlibrary loan, serials routing, acquisitions and cataloging services. The Library is transitioning its collection and selection practices from hard-copy to electronic formats. By seeking to increase electronic access to DOT customer at the rate of 5% per year, the Library continues to avoid costs of approximately \$1 million (per year) for DOT by centralizing the acquisition and management of these and other online research subscription contracts.

**Mail Services & Postage**

**\$3,300 thousand**

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 is 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, ServiceSource, 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. Letter mail is processed at a discounted price through our presort vendor (Jetsort now PSI), saving the department about five cents per piece on each letter mailed out or approximately \$65 thousand annually.

**Publications Distribution**

**\$492 thousand**

Subsequent Distribution Program:

The Subsequent Distribution Program (SDS) receives requests from government organizations, businesses, and the general public for copies of stored publications and distributes these publications worldwide. In addition, customers can now 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.

Distribution Requirements:

The Distribution Requirements Program assists customers in determining the correct audience for their mailings. The mailing lists and addresses are maintained in a database which is updated regularly to keep data current and accurate. There are 7,445 mailing lists with approximately 144,005 addresses. The program prepares all types of publications for distribution worldwide.

**Rent & Space Management**

**\$7,502 thousand**

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 improved space utilization and to 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 \$6.7 million, which includes the Federal Protection Services cost, is tracked under this business line and distributed to the other WCF programs.

**Security Operations**

**\$5,043 thousand**

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 to deter thefts and ensure adequate protection of government and personal property.

The S&I program includes the installation, operation, and maintenance of security systems, closed circuit TV cameras, monitors, X-Ray fluoroscope machines, magnetometers, and card access systems located within the three DOT headquarters buildings. 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 display to assist in video surveillance and deployment of assets in response to an incident.

This program also includes lock and key services for all DOT OAs in the headquarters buildings. The locksmith conducts periodic combination safe changes throughout the headquarters buildings.

Personnel Security Program:

The personnel security program includes the initiation and processing of required background investigations on all DOT federal 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 operating administrations 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 operating administrations.

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 stringent requirements to integrate personnel security operations even more with the process of issuing identification cards to federal and contractor employees, to adjudicate the results of criminal history checks prior to issuing any ID cards, and to conduct background investigations on certain personnel (e.g., contractor employees requiring HSPD-12 cards for logical access) to whom DOT did not previously issue ID cards.

Industrial Security Program:

The industrial security program includes the initiation of required background investigations on DOT contractor employees, and the adjudication for suitability of completed reports of investigation. The security staff initiates and adjudicates investigations on contractor employees for all DOT organizations other than FAA. The HSPD-12 requirements have

increased the workload with regard to contractor employees, as has the general increase in contractor employment as a percentage of the overall DOT workforce. With an increasing number of contractor employees actually working on-site at DOT facilities, it is especially important to ensure that background investigations have been conducted on them and that they are suitable for employment in the DOT work environment.

Identification Media Program:

With the exception of FAA, the Volpe Center, and a few field operating administration offices, the security staff issues federal and contractor employee photo identification cards for DOT nationwide and also issues official credentials. 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 Implementation:

HSPD-12 requires the Office of Security to establish and follow stringent procedures to ensure a separation of functions in the issuing of these new identification cards. Specifically, those who serve as registrars cannot be the same ones who issue cards to DOT personnel. The Federal Aviation Administration (FAA) has agreed to be the Office of Security's HSPD-12 service provider; thus, the Office of Security and FAA have entered into an Intra-Agency Agreement for these services. The Office of Security is responsible for registering and enrolling employees and certifying that the background investigation requirements have been met.

Passport Program:

The Secretary of State has designated the Office of Security as the Passport Agent for DOT and this office has the authority to execute and verify official passports on behalf of the Department of State. The office maintains a passport unit to support all DOT personnel, in all operating administrations 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 includes managing the primary security control point for classified documents at DOT headquarters and providing advice and assistance to all operating administrations on matters pertaining to classified information. The control point coordinates destruction of all classified and sensitive information at the headquarters building, and the office is the point of contact to request sensitive security containers used by many offices to properly dispose of sensitive, but not classified, material. The security staff also conducts both initial and refresher briefings for DOT personnel granted access to classified information. Because of the increasing numbers of DOT employees requiring security clearances for access to classified information, the need for briefing sessions has increased significantly. There is also an increasing number of employees with higher level clearances (e.g., Sensitive Compartmented Information access), which results in a need for more specialized briefings for additional personnel.

The Office of Security is the DOT focal point to ensure that all classified information held by DOT that is 25 years or older receives a declassification review before it is automatically declassified. In addition, the security staff polls all of the operating administrations to provide two consolidated reports annually to the Information Security Oversight Office (ISOO) as required by Executive Order. The office must work closely with all DOT organizations to ensure proper review of classified information and referral of documents to other agencies for review as necessary.

**Technical Security Program:**

This program includes managing 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. The Office of Security provides this expertise for all operating administrations. The technical security programs are concerned with the protection of classified national security information and other sensitive information when it is discussed or processed during meetings or on information technology systems; or when it is electronically transmitted.

The Office of Security directly manages the COMSEC program for DOT Headquarters and those 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 Secure Terminal Equipment (STE) units and secure wireless phones.

**Substance Abuse Awareness & Testing**

**\$5,876 thousand**

The DOT Federal Employee Drug and Alcohol Testing Program 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, follow-up, reasonable suspicion, and post accident; breath alcohol testing services for random, 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**

**\$445,636 thousand**

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 U.S.C. 49.327.
- 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.

The Transit Benefit Program:

The program was established in 1991 when the Department's Federal Transit Administration (FTA) began pilot testing a transit benefit program. The Energy Policy Act of 1992 raised the monthly tax-free limit to \$60 and linked the limit to changes in the Consumer Price Index. The Federal Employees Clean Air Incentive Act, signed into law in 1993, permanently authorized Federal participation in this program, resulting in its expansion throughout the Department of Transportation and other Federal agencies. In April 2000, Executive Order 13150 was signed which sought to reduce Federal employees' contribution to traffic congestion and air pollution and expand their commuting alternatives. In 2005, the Safe, Accountable, Flexible, Efficient, Transportation Equity Act (SAFETEA-LU) required Federal agencies to implement transit benefit programs for all eligible employees in the National Capital Region.

This organization has evolved over the years, to offer transit benefit distribution services nationwide, to organizations throughout the Federal government. P.L. 111-5 American Recovery and Reinvestment Act of 2009 increased the transit benefit to \$230 per person, and it is anticipated that the program will distribute over \$400 million in cash equivalent fare media in 2010 to over 233,000 participants employed by 108 Federal organizations nationwide.

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. It also offers some unique advantages due to its size and experience. For example, transit operators in some localities offer discounts for volume purchases of fare media, and these savings are then passed on to the participating agencies. 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.

As the federal agency enters into an annual Customer Agreement with TRANServe for administrative and distribution services, the federal agency retains key management responsibilities for its transit benefit program. These responsibilities include: overall program oversight including identification of participants making false claims, selling, illegally transferring, or otherwise violating benefit requirements; designating a program coordinator; verify employee's eligibility; and, ensuring employees are aware of their responsibilities.

DOT's Implementation of the Transit Benefit Program

Inasmuch as DOT is both a participant in the transit benefit program and home to the TRANServe organization, the WCF is seeking to maintain a program with extensive

participation and use of mass transit, in line with DOT's strategic goal for congestion reduction, while having effective and useful controls in place to ensure the program accomplishes its intended results.

TRANServe's management controls include continued financial management and infrastructure oversight for the transit benefit program. Responsibilities for each transit benefit recipient, supervisor, and program manager are outlined in the application process, in Broadcast messages, and in agency Partnership Agreements.

An initiative is being explored in the pursuit of a debit card flexible payment mechanism to deliver the transit benefit to federal participants. The objectives are to eliminate physical inventory, lower cost and reduce distribution infrastructure, strengthen internal controls, and minimize security vulnerabilities. Full implementation is expected to occur during fiscal year 2011.

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**

**\$1,075 thousand**

The Department of Labor requires a central billing point in each cabinet agency for the unemployment costs of employees. The Working Capital Fund accepts unemployment compensation charges from the Department of Labor and bills each operating administration for their costs through a centralized billing service. Department of Labor (DOL) bills the Department of Transportation on a quarterly basis for their unemployment charges.

**Warehouse**

**\$844 thousand**

The Warehouse Program provides for storage, which includes furniture, equipment, bulk materials such as computer 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.

**OFFICE OF THE CHIEF INFORMATION OFFICER**  
**WORKING CAPITAL FUND**  
**FY 2011 BUDGET ESTIMATE**  
(In thousands of dollars)

<u>Program</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Enacted</u>	<u>FY 2011 Request</u>
DOT Activities	54,303	66,618	66,617
Non-DOT Activities	636	535	600
<b>Total</b>	<b>\$54,939</b>	<b>\$67,153</b>	<b>\$67,217</b>
<u>Staffing</u>			
Reimbursable Positions	21	21	21
Reimbursable FTE	21	21	21

**Background**

The DOT's 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.

Currently, 21 government employees provide technical direction and oversight of approximately 200 contractors. IT Shared Services provides \$67M in IT services annually to the Department's OAs on a cost recovery basis.

The FY 2011 request includes the expansion of IT consolidation to include field operations, which began in late FY 2009, approximately doubling the user base by increasing the customer base by and estimated 5,000 users.

**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 2011 OCIO BUSINESS LINES BY PROGRAM**

### **Campus Area Network (CAN)**

**\$7,369 thousand**

The Campus Area Network, provides support services for the network infrastructure, wide-area network 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 2011 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 current estimate for the increase includes support for the Network and Security Operations Center (NOSC) and maintenance and support for new security software and appliances.

Additional resources and funding is required for support for the additional bandwidth for Internet connectivity and the increased level of monitoring as required by DHS and the Trusted Internet Connection required. Connectivity costs have also increased that provide the additional level of geographical redundancy and enable improved services to the public.

### **Desktop Services**

**\$20,470 thousand**

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 2009 IT Shared Services supported more than 6,300 desktop users, which includes the addition of 1500 field users in the fourth quarter. There are plans to expand consolidation to include additional regional and field users during FY 2010 and FY 2011. The FY 2011 request includes \$6.3M in Desktop Services to support approximately 3,000 additional users from the field offices. The affected operating administrations currently pay for this support directly (i.e. outside of the Working Capital Fund). In FY 2011 the support will be provided by IT Shared Services and funded by the modes through the WCF.

### **Information Assurance & Privacy**

**\$15,178 thousand**

The Information Assurance and Privacy program is composed of the following five program areas:

#### IT Admin & Special Projects:

IT Admin & Special Projects program 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:

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:

Program activities 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 Network Operations Center (ENOC):

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:

The Network Engineering program 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 2011, 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 8,000 users in the DOT have the ability to utilize Secure Remote Access.

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.

**Server and Messaging Services**

**\$12,298 thousand**

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 2011 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.

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 2011. IT Shared Services has planned for capital asset purchases in FY 2011 to support the Microsoft Exchange Upgrade and Mail Failover capabilities. The costs for annual equipment replacement reserves, increased maintenance and support are included in the FY 2011 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**

**\$11,902 thousand**

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 15,000 telephone lines and 11,000 voice mailboxes, supported by the Southeast Federal Center's telecommunications switch.

A large majority of costs in this program area, more than \$5M 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.

## Section 3 - FY 2011 Budget Request by Appropriation

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

## WORKING CAPITAL FUND

PROGRAM AND FINANCING  
(In thousands of dollars)

Identification Code		FY 2009 ACTUAL	FY 2010 ESTIMATE	FY 2011 ESTIMATE
69-4520-0-1-407				
<b>Obligations by program activity:</b>				
09.01	DOT service center activity	120,119	147,596	148,096
09.02	Non-DOT service center activity	288,781	438,953	446,687
10.00	Total new obligations	408,900	586,549	594,783
<b>Budgetary resources available for obligations:</b>				
21.40	Unobligated balance available, start of year	0	25,374	25,374
22.00	New budget authority (gross)	376,498	586,549	594,783
22.10	Resources available from recoveries of prior year obligations	57,775	0	0
23.90	Total budgetary resources available for obligations	434,273	611,923	620,157
23.95	Total new obligations	408,900	586,549	594,783
24.40	Unobligated balance carried forward, end of year	25,374	25,374	25,374
<b>New budget authority (gross), detail:</b>				
Spending from offsetting collections:				
Discretionary				
58.00	Offsetting collections (cash)	412,396	586,549	594,783
58.10	Change in uncollected customer payments from Federal sources (unexpired)	-35,898	0	0
58.90	Spending authority from offsetting collections (total mandatory)	376,498	586,549	594,783
<b>Change in obligated balances:</b>				
72.40	Obligated balance, start of year	55,273	52,318	0
73.10	Total new obligations	408,900	586,549	594,783
73.20	Total outlays (gross)	-389,980	-638,867	-594,783
73.45	Recoveries of prior year obligations	-57,775		
74.00	Change in uncollected customer payments from Federal sources (unexpired)	35,898	0	0
74.40	Obligated balance, end of year	52,318	0	0
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new discretionary authority	347,922	586,549	594,783
86.93	Outlays from discretionary balances	42,058	52,318	0
87.00	Total outlays (gross)	389,980	638,867	594,783
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	412,396	586,549	594,783
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-35,898	0	0
<b>New budget authority and outlays:</b>				
89.00	Budget authority (net)	0	0	0
90.00	Outlays (net)	-22,416	52,318	0
95.02	Unpaid obligation, end of year	95,445	0	0

DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

OBJECT CLASSIFICATION

(In thousands of dollars)

Identification Code	FY 2009	FY 2010	FY 2011
69-4520-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	\$16,413	\$18,427	\$20,573
11.2 Accrued leave	\$0	\$80	\$21
11.3 Other than full-time permanent	344	244	122
11.5 Other personnel compensation	505	534	366
11.8 Special personal services payments	0	0	0
11.9 Total personnel compensation	17,262	19,285	21,082
12.1 Civilian personnel benefits	4,357	4,971	5,425
13.0 Benefits for former personnel	1,373	1,150	1,104
21.0 Travel and transportation of persons	1,401	1,244	986
22.0 Transportation of things	347	453	493
23.1 Rental payments to GSA	6,412	7,891	8,140
23.3 Communications, utilities, and miscellaneous charges	13,556	10,792	13,182
24.0 Printing and reproduction	0	0	0
25.1 Advisory and assistance services	150	0	0
25.2 Other services	51,842	162	267
25.3 Other purchases of goods and services from Government accts.	25,920	102,589	91,726
25.4 Operation and maintenance of facilities	3,323	0	0
25.7 Operation and maintenance of equipment	3,493	7,961	9,304
26.0 Supplies and materials	275,041	427,087	434,057
31.0 Equipment	4,239	2,953	8,696
42.0 Insurance claims and indemnities	187	11	321
99.9 Total obligations	\$408,900	\$586,549	\$594,783

PERSONNEL SUMMARY

Identification Code	FY 2009	FY 2010	FY 2011
69-4520-0-1-407	ACTUAL	ESTIMATE	ESTIMATE
Reimbursable			
2001 Total compensable workyears: Full-time equivalent employment	179	213	260

#### A Note About DOT's Strategic Goals

The performance sections of the FY 2011 budget submissions align with current FY 2006-2011 DOT strategic plan. DOT will release a new strategic plan in FY 2010 that will detail the Department's new priorities and areas of emphasis. DOT expects the performance sections of the FY 2012 budget submission will be aligned to this new strategic plan.

## **OFFICE OF THE SECRETARY OF TRANSPORTATION PERFORMANCE OVERVIEW**

The Office of the Secretary of Transportation (OST) oversees the formulation of national transportation policies and conducts research activities and studies to support the formulation of those policies. Other responsibilities include: (1) providing funding to States and localities in support of high-priority national transportation goals, such as multi-modal surface transportation projects and livability communities; (2) providing subsidies to ensure that eligible rural communities are connected to the national air transportation network; (3) enforcing airline consumer protection regulations; (4) providing opportunities, technical assistance, and financial services to the small business community; (5) implementing intelligence, security, preparedness and emergency response programs that balance transportation security requirements with the safety, mobility, and economic needs to the Nation; and (6) ensuring that the necessary administrative and financial systems are in place to support the Department in carrying out its mission.

For FY 2011, OST requests \$402 million dollars to fund programs and activities advancing DOT outcomes for Safety; Reduced Congestion; Global Connectivity; Environmental Stewardship; Security, Preparedness, and Response; and Organizational Excellence.

### Safety

The FY 2011 OST budget request includes \$6 million for the Safety strategic goal. This represents 1.5 percent of the OST budget request. The \$6 million is proposed for the Livable Communities program to provide funding for urban and rural communities to develop livable community strategies with a safety-related focus.

### Reduced Congestion

The FY 2011 OST budget request includes \$193.7 million for the Reduced Congestion strategic goal. This represents 48.2 percent of the OST budget request. Of the \$194 million, \$182 million is proposed to fund the Essential Air Service program to provide increased access to the national air transportation system. \$6 million is proposed for the Livable Communities Program to provide funding for urban and rural communities to factor transportation congestion reduction into the planning for livable communities. \$5.7 million is proposed for the Aviation Consumer Protection and Enforcement program to protect consumers from unfair and deceptive practices by airlines, provide consumers with up-to-date information on airline consumers to facilitate their air service purchasing decisions, and protect the civil rights of air travelers.

### Global Connectivity

The FY 2011 OST budget request includes \$6.3 million for the Global Connectivity Goal. This represents 1.6 percent of the OST budget request. \$6 million is proposed for the Office of Small and Disadvantaged Business Utilization's programs to expand opportunities for small businesses, and \$.3 million is proposed for the Office of Aviation

and International Affairs for continuing, through international negotiations, the development of a competitive air transportation system that is responsive to consumer needs and will bring lasting economic and social benefit to the Nation.

#### Environmental Stewardship

The FY 2011 OST budget request includes \$8 million for the Environmental Stewardship Goal. This represents 2 percent of the OST budget request. The \$8 million is proposed for the Livable Communities Program to provide funding for urban and rural communities to develop long-range regional livability plans and strategies with a primary focus on environmental stewardship.

#### Security, Preparedness and Emergency Response

The FY 2011 OST budget request includes \$9 million for Security, Preparedness and Emergency Response. This represents less than 2.2 percent of the OST budget request. The entire \$9 million is proposed for the Office of Intelligence, Security and Emergency Response to ensure the development, coordination and execution of plans and procedures for the Department of Transportation to balance transportation security requirements with the safety, mobility and economic needs of the Nation.

#### Organizational Excellence

The FY 2011 OST budget request includes \$178.5 million for the Organization Excellence Goal. This represents almost 44.5 percent of the OST budget request. Of the \$178.5 million, \$21 million is proposed for the Financial Management Business Transformation to transform DOT's financial management processes, systems, and policies to support the Department in carrying out its mission. \$9.8 million is proposed for Transportation Planning, Research and Development for research activities and studies concerned with planning, analysis, and information development needed to support the Secretary's responsibilities in the formulation of national transportation policies. \$30 million is proposed for cyber security initiatives to execute time sensitive and essential activities to meet Federal security requirements and close critical cyber security performance gaps. \$117.7 million is proposed for the OST Offices either directly supporting the Secretary in the formulation of national transportation policies or ensuring that the necessary administrative and financial systems are in place to support the Department in carrying out its mission.

## Section 4 - Budget Request by Strategic Goal and Performance Goal

### EXHIBIT IV-1 FY 2011 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL OFFICE OF THE SECRETARY Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

	FY 2009	FY 2010	FY 2011
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>ENACTED</u>	<u>ENACTED</u>	<u>REQUEST</u>
1. SAFETY STRATEGIC GOAL			
A. <u>Highway Safety</u>			
a. Other	<u>215,000</u>	<u>86,000</u>	<u>6,000</u>
Subtotal Performance Goal	215,000	86,000	6,000
B. <u>Aviation Safety</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
C. <u>Rail Safety</u>			
a. Other	<u>215,000</u>	<u>86,000</u>	<u>0</u>
Subtotal Performance Goal	215,000	86,000	0
D. <u>Transit Safety</u>			
a. Other	<u>215,000</u>	<u>86,000</u>	<u>0</u>
Subtotal Performance Goal	215,000	86,000	0
E. <u>Pipeline Safety</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
F. <u>Hazmat Safety</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
<b>Total – Safety Strategic Goal</b>	<b>645,000</b>	<b>258,000</b>	<b>6,000</b>

## Section 4 - Budget Request by Strategic Goal and Performance Goal

### EXHIBIT IV-1 FY 2011 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL OFFICE OF THE SECRETARY Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

	FY 2009	FY 2010	FY 2011
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>ENACTED</u>	<u>ENACTED</u>	<u>REQUEST</u>
2. REDUCED CONGESTION STRATEGIC GOAL			
A. <u>Increased Access</u>			
a. Other	<u>98,499</u>	<u>200,000</u>	<u>187,716</u>
Subtotal Performance Goal	98,499	200,000	187,716
B. <u>Meet Air Transportation Demand</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
C. <u>Urban Congestion</u>			
a. Other	<u>215,000</u>	<u>86,000</u>	<u>6,000</u>
Subtotal Performance Goal	215,000	86,000	6,000
D. <u>Freight Performance</u>			
a. Other	<u>215,000</u>	<u>86,000</u>	<u>0</u>
Subtotal Performance Goal	215,000	86,000	0
E. <u>High Performance Trans. Infrastructure</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
F. <u>Increased Transportation Capacity</u>			
a. Other	<u>215,000</u>	<u>86,000</u>	<u>0</u>
Subtotal Performance Goal	215,000	86,000	0
<b>Total – Reduced Congestion Strategic Goal</b>	<b>743,499</b>	<b>458,000</b>	<b>193,716</b>

## Section 4 - Budget Request by Strategic Goal and Performance Goal

### EXHIBIT IV-1 FY 2011 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL OFFICE OF THE SECRETARY Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

	FY 2009	FY 2010	FY 2011
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>ENACTED</u>	<u>ENACTED</u>	<u>REQUEST</u>
<b>3. GLOBAL CONNECTIVITY STRATEGIC GOAL</b>			
A. <u>Reduced Barriers to Trade</u>			
e. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	475
B. <u>Increase the Efficiency of Passenger and Cargo Movement</u>			
a. Other	<u>210,000</u>	<u>84,000</u>	<u>0</u>
Subtotal Performance Goal	210,000	84,000	0
C. <u>Enhance Competitiveness</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
D. <u>Regulatory and Facilitation Requirements</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
E. <u>Expand Business Opportunities</u>			
a. Percent of total dollar value of DOT direct contracts awarded to women owned businesses.	2,669	2,748	2,911
b. Percent of total dollar value of DOT direct contracts awarded to small disadvantaged businesses.	2,669	2,748	2,911
c. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	5,337	5,496	5,822
<b>Total – Global Connectivity Strategic Goal</b>	<b>215,337</b>	<b>89,496</b>	<b>6,297</b>

## Section 4 - Budget Request by Strategic Goal and Performance Goal

### EXHIBIT IV-1 FY 2011 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL OFFICE OF THE SECRETARY Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

	FY 2009	FY 2010	FY 2011
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>ENACTED</u>	<u>ENACTED</u>	<u>REQUEST</u>
 4. ENVIRONMENTAL STEWARDSHIP			
A. <u>Reduction in Pollution</u>			
b. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	5,000
	Sec. 4 - 4		
B. <u>Streamline Environmental Review</u>			
a. Other	<u>0</u>	<u>0</u>	<u>3,000</u>
Subtotal Performance Goal	0	0	3,000
<b>Total – Environmental Stewardship Strategic Goal</b>	<b>0</b>	<b>0</b>	<b>8,000</b>
 5. SECURITY, PREPAREDNESS AND RESPONSE			
A. <u>Intelligence</u>			
a. Percent of intelligence briefings delivered at each DOT tier.	2,169	2,570	2,584
b. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	2,169	2,570	2,584

## Section 4 - Budget Request by Strategic Goal and Performance Goal

### EXHIBIT IV-1 FY 2011 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL OFFICE OF THE SECRETARY Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

	FY 2009	FY 2010	FY 2011
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>ENACTED</u>	<u>ENACTED</u>	<u>REQUEST</u>
<u>B. Preparedness</u>			
a. Percent of DOT personnel with emergency management responsibilities with identified training requirements.	3,730	2,723	3,077
b. Percent of DOT personnel with emergency management responsibilities participating in exercises.	0	0	0
c. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	<u>3,730</u>	<u>2,723</u>	<u>3,077</u>
<u>C. Response</u>			
a. Percent of Operating Administrations meeting annual response requirements.	2,776	3,298	3,317
b. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	2,776	3,298	3,317
<u>D. Hazmat Emergency Response</u>			
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0
<b>Total – Security, Preparedness and Response Strategic Goal</b>	<b>8,675</b>	<b>8,591</b>	<b>8,978</b>

## Section 4 - Budget Request by Strategic Goal and Performance Goal

### EXHIBIT IV-1 FY 2011 BUDGET REQUEST BY STRATEGIC GOAL AND PERFORMANCE GOAL OFFICE OF THE SECRETARY Appropriations, Obligation Limitations, & Exempt Obligations (\$000)

	FY 2009	FY 2010	FY 2011
STRATEGIC & PERFORMANCE GOALS by Performance Measure	<u>ENACTED</u>	<u>ENACTED</u>	<u>REQUEST</u>
6. ORGANIZATIONAL EXCELLENCE			
A. Advance the Department's ability to manage for results	120,888	125,431	178,527
a. Other	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	120,888	125,431	178,527
<b>Total – Org. Excellence Strategic Goal</b>	<b>120,888</b>	<b>125,431</b>	<b>178,527</b>
<b>GRAND TOTAL</b>	<b>1,733,399</b>	<b>939,518</b>	<b>401,518</b>

**EXHIBIT IV-2**  
**PERFORMANCE OVERVIEW**  
**OFFICE OF THE SECRETARY OF TRANSPORTATION**

**Annual Performance Results and Targets**

The appropriations of the Office of the Secretary of Transportation integrate performance results into its budget request to demonstrate alignment with the Department of Transportation's Strategic Plan. The secretarial offices track the following DOT level performance measures to demonstrate program results:

Strategic Goal/Performance Goal: ***Global Connectivity*** – *Facilitate an international transportation system that promotes economic growth and development.*

The number of potential air transportation consumers (in billions) in international markets traveling between the U.S. and countries with open skies agreements.	2006	2007	2008	2009	2010	2011
Target	2.99B	3.05B	3.85B	3.90B (r)	3.92B (r)	4.85B (r)
Actual	3.01B	3.83B	3.94B	4.83B		

(r) Revised

The number of international negotiations conducted annually to remove market distorting barriers to trade in transportation.	2006	2007	2008	2009	2010	2011
Target	10 rounds	12 rounds	11 rounds	12 rounds	12 rounds	11 rounds
Actual	10 rounds	23 rounds	12 rounds	16 rounds		

Number of new or expanded bilateral and multilateral aviation agreements completed.	2006	2007	2008	2009	2010	2011
Target	3	3	2	3	3	3
Actual	4	3	4	3		

Number of proceedings to award U.S. carriers newly available international route rights.	2006	2007	2008	2009	2010	2011
Target	N/A	N/A	8	8	8	6
Actual	N/A	4	13	9		

Percent share of total dollar value of DOT-directed contracts awarded to women-owned businesses.	2006	2007	2008	2009	2010	2011
Target	5.1	5.1	5.0	5.0	5.0	5.0
Actual	8.4	10.4	7.0	9.0#		

#Projection from trends

Percent share of total dollar value of DOT-directed contracts awarded to small, disadvantaged businesses.	2006	2007	2008	2009	2010	2011
Target	14.5	14.5	14.5	14.0	14.0	14.0
Actual	16.2	18.0	16.0	15.5#		

#Projection from trends

Strategic Goal/Performance Goal: ***Environmental Stewardship*** – *Promote transportation solutions that enhance communities and protect the natural and built environment.*

Percentage of DOT facilities categorized as No Further Remedial Action Planned	2006	2007	2008	2009	2010	2011
Target	93	93	93	93	93	93
Actual	92	93	94	94		

Strategic Goal/Performance Goal: ***Security, Preparedness and Response*** – *Balance transportation security requirements with the safety, mobility and economic needs of the Nation and be prepared to respond to emergencies that affect the viability of the transportation sector.*

Note: New multi-modal measures baseline performance targets to be established after three years of baseline actual data.

Security Outcome 1: Expert transportation sector intelligence.

Number of intelligence briefings delivered at each DOT tier	2006	2007	2008	2009	2010	2011
Target	N/A	N/A	N/A	N/A	Baseline	Baseline
Actual	N/A	N/A	N/A	44 at Tier 1 26 at Tier 2 40 at Tier 3		

Security Outcome 2: Preparedness for response to emergencies affecting the transportation sector.

Percent of DOT personnel with emergency management responsibilities with identified training requirements	2006	2007	2008	2009	2010	2011
Target	N/A	N/A	N/A	N/A	Baseline	Baseline
Actual	N/A	N/A	N/A	100%		

Percent of DOT personnel with emergency management responsibilities participating in exercises	2006	2007	2008	2009	2010	2011
Target	N/A	N/A	N/A	N/A	Baseline	Baseline
Actual	N/A	N/A	N/A	100%		

Security Outcome 3: Effective response to emergencies affecting the transportation sector.

Percent of Operating Administrations meeting annual response requirements	2006	2007	2008	2009	2010	2011
Target	N/A	N/A	N/A	N/A	Baseline	Baseline
Actual	N/A	N/A	N/A	96%		

## **STRATEGIC AND ORGANIZATIONAL GOALS OFFICE OF THE SECRETARY**

### **SAFETY GOAL**

#### **Performance Overview**

The Livable Communities program contributes to the achievement of the DOT Safety goal.

#### **Recent Performance**

##### Livable Communities

This is a new program in FY 2011.

#### **FY 2011 Request**

The Livable Communities Program will promote strategies that support livable communities through the DOT Operating Administrations, HUD, and EPA. The program will also develop performance measures and metrics to determine how various federal infrastructure investments impact livability; identify current federal programs barriers for developing livable communities and options for lifting those barriers; and coordinate capacity building grants and technical assistance to state and local transportation agencies. It is estimated that a total of \$12,000,000 of the requested \$20,000,000 total for this program will be used for grants and technical assistance to State, metropolitan and tribal agencies to increase their capacity to understand and coordinate transportation, housing, water infrastructure and economic development planning and investments to support livability.

#### **Milestones**

- October 2010, initiation Office of Livable Communities creation and staffing.
- November 2010, publish draft solicitation for applications and criteria for selection
- December 2010, complete list of key performance measures and publish final solicitation for applications and criteria for selection
- March 2011, staffing of office complete.
- March 2011, grant and technical assistance applications due to DOT
- June 2011, begin selection announcements
- August 1, 2011, complete grant and technical assistance agreements
- September 30, 2011, complete remaining FY 2011 grant and technical assistance awards.

EXHIBIT IV-3

PERFORMANCE PLANNING LOGIC MODEL  
OFFICE OF THE SECRETARY

SAFETY GOAL

Program Name	Purpose and Customers/Beneficiaries	2011 Inputs		2011 Activity	2011 Achievements	2011 Outputs	2011 Outcomes	Contribution to DOT Goal
<div>\$ in thousands</div> <div>FTE</div>								
Livable Communities	Promote livable communities	\$6,000	2	Stand-up new Livable Communities program, including establishing new office to administer the program.	Successfully implementing the new program.	Solicit, evaluate and select proposals. Projects would be judged on their ability to enhance transportation safety in Livable Communities.	Award of \$4 million of coordinated safety-related grants and technical assistance.	Safety - Highway, transit

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **SAFETY GOAL**

**PROGRAM NAME:** Livable Communities

**Responsible Official:** Polly Trottenberg, Assistant Secretary of Transportation for Policy

#### **Program Purpose and Customers/Beneficiaries**

To provide funding for urban and rural communities to increase livability through adoption of transportation plans and policies that decrease transportation costs, improve access to jobs and services, promote healthy communities, facilitate efficient freight movement, improve air quality, protect the natural environment, and enhance the unique characteristics of communities. Customers include States, planning organizations, tribes, cities and counties; residents and businesses of the communities would benefit from the integrated planning that will result in better access to transportation, job opportunities and affordable housing. A coordinated approach to planning and investment in transportation, housing, economic development and sewer and water infrastructure will lower costs of providing services and costs for households, and achieve a cleaner environment while improving mobility. This program will support the Department of Transportation-Department of Housing and Urban Development-Environmental Protection Agency Sustainable Communities Partnership.

#### **2010 Program Results**

New program in FY 2011.

#### **2011 Program Inputs**

The Department requests \$20 million for a new Livable Communities program administered by an Office of Livable Communities within the Office of the Under Secretary of Transportation for Policy. The program will make grants and coordinate livability efforts throughout the Department. A total of 10 positions and 5 FTEs are requested to accomplish this work in FY 2011. The request calls for \$12,000,000 to be made available for grants and technical assistance to transportation agencies and other non-federal planning agencies increase their capacity to better coordinate planning and investment for land use, economic development, housing, transportation and other infrastructure. The request includes \$8,000,000 for the administrative costs of the Office of Livable Communities and technical assistance. Staff will have skills in transportation and community planning, scenario planning, environmental studies, sociology,

economics, and grants administration. More than half of the administrative funding will be used to evaluate how current transportation spending in conjunction with other infrastructure investment impacts the goals of this program, the factors that have led to success in other similar planning efforts at the State and local level, and the long term benefits provided by this type of work to the transportation system.

### **2011 Program Activity**

The major program activity in FY 2011 will be standing up the new Livable Communities program, including establishing a new Office of Livable Communities within the Office of the Assistant Secretary of Transportation for Policy. The Office will coordinate livability efforts throughout the Department and administer grant and technical assistance to increase capacity at transportation agencies to develop plans and investment strategies that will improve livability in their communities. These activities will be done with the support of, and in coordination with, the Environmental Protection Agency and the Department of Housing and Urban Development.

### **2011 Program Achievements**

The major program achievement in FY 2011 will be the successful implementation of the new Livable Communities program. The new Office of Livable Communities will administer grants and provide technical assistance that will increase capacity in transportation agencies to develop plans and investment strategies that will improve livability in their communities. It will also develop metrics that transportation agencies can use to determine what investments will best improve livability.

### **2011 Program Outputs**

The Office of Livable Communities will administer a competitive selection process for the grant funds and technical assistance available under the program. The Office will issue a solicitation for applications and develop criteria for selecting projects. The Office will also coordinate livability activities throughout the Department.

### **2011 Program Outcomes**

The Office of Livable Communities will better coordinate DOT programs with each other and with programs at HUD and EPA, within current authorities, to achieve greater livability in urban and rural communities across the country. It will also develop metrics that transportation agencies can use to determine what investments will best improve livability.

### **Program Contribution to DOT Goal**

The program will support the DOT goal of promoting safety by ensuring that safety for all users of the transportation system – bicyclists, pedestrians, transit users and motorists – is incorporated into the transportation planning, design and investment.

## **STRATEGIC AND ORGANIZATIONAL GOALS OFFICE OF THE SECRETARY**

### **REDUCED CONGESTION GOAL**

#### **Performance Overview**

The Essential Air Service, Livable Communities, and Aviation Consumer Protection programs all contribute to the achievement of the DOT Reduced Congestion goal.

#### **Recent Performance**

##### Essential Air Service

In FY 2009, efforts focused on restoring service to 36 communities that lost service in 2008 due to several air carriers going out of business. Service has been restored to all but six of those communities.

In FY 2010, the Essential Air Service program will maintain continuous scheduled air service at all eligible communities by paying commuter and regional airlines to provide service that otherwise would not be provided.

##### Livable Communities

This is a new program in FY 2011.

##### Aviation Consumer Protection

In FY 2009, rulemaking efforts focused on completing (1) a Notice of Proposed Rulemaking to enhance airline passenger protection, (2) a Final Rule revising the minimum limit on domestic baggage liability, and (3) a Final Rule raising the current maximum general penalty for violations of aviation economic regulations and statutes. Enforcement efforts focused on (1) conducting on-site enforcement investigations of five large carriers and (2) taking enforcement actions against carriers for violations of consumer protection requirements. Outreach efforts focused on (1) completing the work of the “Tarmac Delay Task Force” and (2) hosting disability forums.

In FY 2010, rulemaking efforts are focus on completing (1) a Final Rule addressing issues caused by airline delays and cancellations and increasing passenger rights and protections, (2) issuing a Supplemental Notice of Proposed Rulemaking to prohibit a number of air carrier practices as unfair and deceptive and (3) issuing a Supplemental Notice of Proposed Rulemaking to improve accessibility in air travel for disabled air travelers. Enforcement will continue (1) pursuing investigations and enforcement actions against airlines, (2) conducting on-site investigations and compliance reviews of airlines, and (3) investigating chronically delayed flights and unrealistic scheduling. Outreach efforts will focus on hosting additional disability forums and completing determinations on requests from air carriers for exemptions from or equivalent alternative to the new disability rule.

The greatest performance challenge is the lack of adequate staffing.

## **FY 2011 Request**

### **Essential Air Service**

For FY 2011, the Department requests \$132 million for the Payments to Air Carrier account to supplement the \$50 million of overflight fees collected by the Federal Aviation Administration. Funds will be used to connect eligible communities to the national air transportation network in the most cost-effective way available. In addition, the Department is proposing to cap the program for the 48 contiguous States by limiting the program size to communities that are receiving subsidized service as of October 1, 2010. This would remove the contingent liability of tens of millions of dollars that currently exists due to the requirement that all communities that received service on the date the Airline Deregulation Act was signed are guaranteed air service, with subsidy if necessary. Enactment of our proposal would represent a step toward efficient and effective reform.

### **Livable Communities**

The Livable Communities Program will promote strategies that support livable communities through the DOT Operating Administrations, HUD, and EPA. The program will also develop performance measures and metrics to determine how various federal infrastructure investments impact livability; identify current federal programs barriers for developing livable communities and options for lifting those barriers; and coordinate capacity building grants and technical assistance to state and local transportation agencies. It is estimated that a total of \$12,000,000 of the requested \$20,000,000 total for this program will be used for grants and technical assistance to State, metropolitan and tribal agencies to increase their capacity to understand and coordinate transportation, housing, water infrastructure and economic development planning and investments to support livability.

### **Milestones**

- October 2010, initiation Office of Livable Communities creation and staffing.
- November 2010, publish draft solicitation for applications and criteria for selection
- December 2010, complete list of key performance measures and publish final solicitation for applications and criteria for selection
- March 2011, staffing of office complete.
- March 2011, grant and technical assistance applications due to DOT
- June 2011, begin selection announcements
- August 1, 2011, complete grant and technical assistance agreements
- September 30, 2011, complete remaining FY 2011 grant and technical assistance awards.

#### Aviation Consumer Protection

For FY 2011, the Office of the General Counsel is requesting \$5.716 million and 47 FTEs, including \$2.5 million to fund the enhanced aviation enforcement and consumer protection activities begun in FY 2008. The FY 2011 request also includes an increase of 7 positions and FTEs. The increased staffing is needed for (1) investigations and enforcement actions in a number of areas of public concern, such as unrealistic scheduling and (2) compliance work in the areas of consumer education and assistance, carrier education, complaint monitoring and evaluation.

In FY 2011, key anticipated rulemaking accomplishments include completing (1) a significant consumer rulemaking prohibiting a number of practices as unfair and deceptive and (2) two disability-related rulemakings containing standards for improving access to transportation facilities and services. Enforcement will continue to (1) pursue investigations and enforcement actions against airlines, (2) conduct on-site investigations and compliance reviews of airlines, and (3) investigate chronically delayed flights and unrealistic scheduling. Outreach will consider establishing a Task Force to study airline customer service commitments and develop standards for measuring those commitments.

## EXHIBIT IV-3

PERFORMANCE PLANNING LOGIC MODEL  
OFFICE OF THE SECRETARY

## REDUCED CONGESTION GOAL

Program Name	Purpose and Customers/Beneficiaries	2011 Inputs \$ in thousands	FTE	2011 Activity	2011 Achievements	2011 Outputs	2011 Outcomes	Contribution to DOT Goal
Essential Air Service	To guarantee that eligible communities receive at least a minimum level of air service. Congress defined eligible communities as those that appeared on a certificated carrier's Civil Aeronautics Board-issued certificate on October 24, 1978, the date the Airline Deregulation Act of 1978 was signed into law.	\$182,000	14	Issue Request for Proposals. Solicit community views/comments on proposals received . Issue order selecting carrier to provide service	To maintain continuous air service at 98% of eligible, subsidized communities.	To renew subsidy contracts before the existing contract expires.	To keep Rural America connected to the national air transportation system.	Reduced Congestion: To increase accessibility at rural communities.
Livable Communities	Promote livable communities	\$6,000	2	Stand-up new Livable Communities program, including establishing new office to administer the program.	Successfully implementing the new program.	Solicit, evaluate and select proposals. Projects would be judged on their ability to provide reduced transportation congestion in Livable Communities.	Award of \$4 million of grants and technical assistance to develop livable community strategies with a congestion reduction focus.	Reduced Congestion
Aviation Consumer Protection and Enforcement Office	(a) Protect consumers from unfair & deceptive practices by airlines. (b) Provide consumers with up to the date information on airline consumer matters to facilitate their air service purchasing decisions. (c) Protect the civil rights of air travelers.	\$5,716	47	(a) Publish the Air Travel Consumer Report (ATCR) every month. (b) Review the 8,000-15,000 consumer complaints to be received during FY 2011. (c) Ensure that the investigations of 400-700 disability complaints & 80-150 other civil rights complaints are completed.	(a) Complete two rulemakings to improve the requirements related to disabled traveler's rights. (b) Complete a significant consumer protection rulemaking prohibiting a number of specific practices as unfair and deceptive and bringing improved req'ts for airline tarmac delay contingency plans and customer service commitments. (c) Conduct seven on site investigations of airline compliance with DOT consumer protection requirements.	(a) Review between 8,000 and 15,000 airline consumer complaints, code them, forward them to carriers for response, as appropriate, and summarize results for comparative purposes. (b) Investigate between 400 to 700 disability-related airline consumer complaints alleging violations of the Air Carrier Access Act and 80-150 other civil rights complaints for violation of 49 USC 40127. (c) Publish the Air Travel Consumer Report comparing airline on time performance, mishandled baggage, oversales, and consumer complaint data for consumers to use in making travel purchase decisions.	(a) Review between 8,000 and 15,000 airline consumer complaints within 35 days of end of the month in which the complaint was received. (b) Investigate between 400 to 700 disability complaints and 80-150 other civil rights complaints in a timely fashion -- average age of complaints no more than 150 days for disability and 300 days for other discrimination. (c) Publish the Air Travel Consumer Report within 40 days of end of month covered.	(a) Reduced Congestion (1) Increased reliability (2) Increased accessibility

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **REDUCED CONGESTION GOAL**

**PROGRAM NAME:** Essential Air Service Program (EAS)

**Program Manager:** Dennis J. DeVany, Chief, EAS and Domestic Analysis Division

#### **Program Purpose and Customers/Beneficiaries**

The EAS program guarantees that eligible communities receive at least a minimum level of air service. Congress defined eligible communities as those that appeared on a certificated carrier's Civil Aeronautics Board-issued certificate on October 24, 1978, the date the Airline Deregulation Act of 1978 was signed into law. The program ensures that eligible communities remain connected to the national air transportation system through the provision of subsidized essential air service.

#### **2010 Program Results**

In FY 2010, the Essential Air Service program will maintain continuous scheduled air service at all eligible communities by paying commuter and regional airlines (under 49 U.S.C. 41731 *et. seq.*) to provide service that otherwise would not be provided. During FY 2008, four major EAS providers went out of business leaving 36 previously subsidized communities with no air service. An emergency Request for Proposals was issued and new contracts were quickly issued for all 36 communities. Because one airline assumed most of the defunct carriers' routes, it was not able to backfill at all of them. In the latter part of FY 2009, the selected carrier announced that it could not provide an estimated start date. After consulting with the six communities, the Department started over and issued another RFP with an expedited procedural schedule. Full service was restored in October 2009.

#### **2011 Program Inputs**

The FY 2011 budget requests \$132 million in addition to the \$50 million available from overflight fees for a total of \$182 million for the program.

#### **2011 Program Activity**

During FY 2011, DOT will publicly request proposals from carriers that may be interested in providing subsidized essential air service to eligible communities. Carriers are instructed on the carrier-selection process and procedures for submitting proposals.

Community civic officials are given the opportunity to submit for the record, any comments on the carrier-selection case and/or to show support for the carrier of their choice. DOT will issue orders selecting carriers to provide service. This is the official contract between the Department and selected air carrier for the provision of essential air service at an eligible community. The carrier selection order establishes subsidy rates and details the service the carrier is expected to perform over a set time period, which is usually two years.

### **2011 Program Achievements**

In FY 2011, DOT will seek to maintain continuous air service at 98% of eligible, subsidized communities. Although the Department has no control over extreme incidents, such as a carrier unexpectedly going out of business, that can cause a hiatus in service at any EAS community, DOT will work diligently and quickly to have replacement air service at the community as expeditiously as possible. This will ensure that the primary goal of the program is met, which is to guarantee that eligible communities remain connected to the national air transportation system.

### **2011 Program Outputs**

In FY 2011, DOT's goal is to renew existing subsidy contracts before the existing contracts expire. EAS contracts are generally established for a set time period. Having new contracts in place before the existing contracts expire will ensure that there is no lapse in service.

### **2011 Program Outcomes**

The EAS program seeks to keep Rural America connected to the national air transportation system. By actively taking steps to maintain continuous air service at eligible communities, the program is fulfilling its responsibility to achieve this outcome.

### **Program Contribution to DOT Goal**

The program contributes to the DOT goal of global connectivity by increasing the reliability and accessibility of air travel. It does this by connecting rural communities to the national air transportation system through the provision of subsidized essential air service.

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **REDUCED CONGESTION GOAL**

**PROGRAM NAME:** Livable Communities

**Responsible Official:** Polly Trottenberg, Assistant Secretary of Transportation for Policy

#### **Program Purpose and Customers/Beneficiaries**

To provide funding for urban and rural communities to increase livability through adoption of transportation plans and policies that decrease transportation costs, improve access to jobs and services, promote healthy communities, facilitate efficient freight movement, improve air quality, protect the natural environment, and enhance the unique characteristics of communities. Customers include States, planning organizations, tribes, cities and counties; residents and businesses of the communities would benefit from the integrated planning that will result in better access to transportation, job opportunities and affordable housing. A coordinated approach to planning and investment in transportation, housing, economic development and sewer and water infrastructure will lower costs of providing services and costs for households, and achieve a cleaner environment while improving mobility. This program will support the Department of Transportation-Department of Housing and Urban Development-Environmental Protection Agency Sustainable Communities Partnership.

#### **2010 Program Results**

New program in FY 2011.

#### **2011 Program Inputs**

The Department requests \$20 million for a new Livable Communities program administered by an Office of Livable Communities within the Office of the Under Secretary of Transportation for Policy. The program will make grants and coordinate livability efforts throughout the Department. A total of 10 positions and 5 FTEs are requested to accomplish this work in FY 2011. The request calls for \$12,000,000 to be made available for grants and technical assistance to transportation agencies and other non-federal planning agencies increase their capacity to better coordinate planning and investment for land use, economic development, housing, transportation and other infrastructure. The request includes \$8,000,000 for the administrative costs of the Office of Livable Communities and technical assistance. Staff will have skills in transportation and community planning, scenario planning, environmental studies, sociology,

economics, and grants administration. More than half of the administrative funding will be used to evaluate how current transportation spending in conjunction with other infrastructure investment impacts the goals of this program, the factors that have led to success in other similar planning efforts at the State and local level, and the long term benefits provided by this type of work to the transportation system.

### **2011 Program Activity**

The major program activity in FY 2011 will be standing up the new Livable Communities program, including establishing a new Office of Livable Communities within the Office of the Assistant Secretary of Transportation for Policy. The Office will coordinate livability efforts throughout the Department and administer grant and technical assistance to increase capacity at transportation agencies to develop plans and investment strategies that will improve livability in their communities. These activities will be done with the support of, and in coordination with, the Environmental Protection Agency and the Department of Housing and Urban Development.

### **2011 Program Achievements**

The major program achievement in FY 2011 will be the successful implementation of the new Livable Communities program. The new Office of Livable Communities will administer grants and provide technical assistance that will increase capacity in transportation agencies to develop plans and investment strategies that will improve livability in their communities. It will also develop metrics that transportation agencies can use to determine what investments will best improve livability.

### **2011 Program Outputs**

The Office of Livable Communities will administer a competitive selection process for the grant funds and technical assistance available under the program. The Office will issue a solicitation for applications and develop criteria for selecting projects. The Office will also coordinate livability activities throughout the Department.

### **2011 Program Outcomes**

The Office of Livable Communities will better coordinate DOT programs with each other and with programs at HUD and EPA, within current authorities, to achieve greater livability in urban and rural communities across the country. It will also develop metrics that transportation agencies can use to determine what investments will best improve livability.

### **Program Contribution to DOT Goal**

The program will support the DOT goal of promoting reduced congestion by providing more transportation choices for transportation users, improving efficiency of the

transportation system, and reducing the combined cost of transportation and housing to American households.

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **REDUCED CONGESTION GOAL**

**PROGRAM NAME:** Aviation Consumer Protection and Enforcement

**Program Manager:** Samuel Podberesky, Assistant General Counsel for Aviation Enforcement and Proceedings

#### **Program Purpose and Customers/Beneficiaries**

To protect consumers from unfair and deceptive practices by airlines, provide consumers with up-to-date information on airline consumers to facilitate their air service purchasing decisions, and protect the civil rights of air travelers.

#### **2010 Program Results**

- Complete a significant consumer rulemaking that will address customer service problems caused by airline delays and cancellations and increase passenger rights and protections.
- Continue pursuing investigations and enforcement action against airlines with respect to many areas that are the subject of public concern such as unrealistic scheduling, denied boarding compensation, and failing to provide flight delay information.
- Continue to conduct on-site investigations and compliance reviews of airlines.
- Host additional disability forums to assist airlines and passengers with disabilities better understand their respective rights and responsibilities under the new disability rule.
- Finish making determinations on requests from carriers for exemptions or equivalent alternative requests from the new disability rule on the basis that foreign requirements directly conflict with the new DOT rule or that airline practices provide an equivalent level of facilitation with that rule.

#### **2011 Program Inputs**

For FY 2011, the Office of the General Counsel is requesting \$5.7 million and 47 FTEs, including \$2.5 million to fund the enhanced aviation enforcement and consumer protection activities begun in FY 2008. The FY 2011 request also includes an increase of 7 FTEs for these activities. The increased staffing is needed for (1) investigations and

enforcement actions in a number of areas of public concern, such as unrealistic scheduling and (2) compliance work in the areas of consumer education and assistance, carrier education, complaint monitoring and evaluation.

There has been an increased emphasis on consumer protection issues by Congress in recent years. As evidence, there is pending legislation in Congress to address airline passenger rights and Congress has appropriated additional funds (\$2.5 million per year) for the Office of General Counsel's aviation enforcement and consumer protection program in FY 2008, FY 2009 and FY 2010. The FY 2008, FY 2009 and FY 2010 funds have been and will be used for start-up costs for enhancing the aviation enforcement and consumer protection program, such as contractor support for a regulatory evaluation to accompany a consumer rulemaking, a task force on tarmac delays, and the preparation of a disability rights-related technical assistance manual and model training program.

To further improve the consumer protection efforts, the Aviation Enforcement Office will need additional staff in FY 2011 to pursue investigations and enforcement action with respect to many areas that are the subject of public concern such as unrealistic scheduling, failing to provide timely refunds, and failing to provide flight delay information. Just as important as the enforcement efforts is the compliance work to be accomplished by its Aviation Consumer Protection Division in the areas of consumer education and assistance, carrier education, complaint monitoring and evaluation, and proactive on-site investigations of carrier compliance with consumer protection requirements. Without substantial increases in staffing, the Department will be unable to provide the public the level of protection expected by Congress when it appropriated the additional funds noted above.

### **2011 Program Activity**

The office will publish the Air Travel Consumer Report every month to provide consumers information on the quality of services provided by the airlines to facilitate their air service purchasing decisions. In addition, the office will review consumer complaints and take action as appropriate to protect consumers from unfair and deceptive practices by airlines. Finally, the office will investigate disability and other civil rights complaints and take action as appropriate to protect the civil rights of air travelers.

### **2011 Program Achievements**

Completing two disability-related rulemakings containing standards for improving access to transportation facilities and services will improve the air travel environment for persons with disabilities.

Completing a significant consumer protection rulemaking prohibiting a number of practices as unfair and deceptive practice and bringing improved requirements for airline tarmac delay contingency plans and customer service commitments will afford a high level of protection which we feel air travelers should be afforded.

Conducting on site investigations of airline compliance with DOT consumer protection requirements will enable the office to evaluate their compliance with consumer protection requirements and take action if appropriate.

### **2011 Program Outputs**

In FY 2011, the office will do the following: (1) review between 8,000 and 15,000 airline consumer complaints, code them and forward them to carriers for response, as appropriate, and summarize results for comparative purposes; (2) investigate between 400 to 700 disability-related complaints alleging violations of the Air Carrier Access Act and 80-150 other civil rights complaints for violation of 49 U.S.C. 40127; and (3) publish the monthly Air Travel Consumer Report comparing airline on time performance, mishandled baggage, oversales and consumer complaint data for consumers to use in making travel purchase decisions.

### **2011 Program Outcomes**

The measurable outcomes are as follows: (1) review between 8,000 and 15,000 airline consumer complaints within 35 days of end of the month in which the complaint was received; (2) investigate between 400 to 700 disability complaints and 80-150 other civil rights complaints in a timely fashion – average age of complaints no more than 150 days for disability-related complaints and 300 days for other discrimination complaints; and (3) publish the Air Travel Consumer Report within 40 days of end of month covered.

These outcomes are a good indicator of program success because they demonstrate that the office is responding to general consumer complaints and investigating civil rights complaints in a timely fashion, and providing helpful current information that consumers can use in making travel purchase decisions. This program has sole responsibility for the achievement of these outcomes; however, large portions of the Air Travel Consumer Report are based on data provided by the Bureau of Transportation Statistics (BTS) and any BTS delays will affect timeliness of the reports.

### **Program Contribution to DOT Goal**

The program contributes to the DOT goal of reducing congestion by increasing the reliability and accessibility of air travel. It does so through various means, including outreach efforts to educate the public as well as airlines about their respective consumer protection rights and responsibilities, rulemaking activities, on-site compliance reviews of airline compliance with consumer protection rules, and enforcement actions.

## **STRATEGIC AND ORGANIZATIONAL GOALS OFFICE OF THE SECRETARY**

### **GLOBAL CONNECTIVITY GOAL**

#### **Performance Overview**

The Office of Aviation and International Affairs as well as the programs administered by the Office of Small and Disadvantaged Business Utilization (OSDBU) all contribute to the achievement of the DOT Global Connectivity goal.

#### **Recent Performance:**

##### The Office of Aviation and International Affairs

The Office of Aviation and International Affairs has been successful in achieving new aviation agreements worldwide. In FY 2009, we reached key agreements with partners in Vietnam, Kenya, Armenia and Laos. We will continue to pursue new and expanded agreements in FY 2010 with Japan, China and the European Union. Open and expanded air service agreements have made it possible for the airline industry to provide the opportunity for better quality, lower priced, more competitive air service in thousands of international city-pairs to an increasing portion of the world's population.

##### Expanded Opportunities for Small Businesses

In FY 2009, based on preliminary estimates, DOT will meet both of the small business related targets – (1) 5.1 percent of the total dollar value of DOT direct contracts is awarded to women-owned businesses and (2) 14.5 percent of the total dollar value of DOT direct contracts is awarded to small disadvantaged businesses. In FY 2010, small business performance targets also are expected to be successfully met.

All DOT Operating Administrations (OAs) as well as OSDBU's programs contribute to the Department's success in meeting these targets. Each OA develops acquisition strategies and outreach consistent with established Federal acquisition guidelines. OSDBU provides assistance to the OAs with their acquisition strategies, professional development and access to qualified small businesses. Each OA continues to seek new opportunities to engage the small disadvantaged business community and have done superbly in light of the fact that the Federal government has not finalized regulations to allow for set-asides to women owned businesses. DOT is one of the few Federal agencies surpassing the government-wide five percent WOB statutory goal.

In addition, OSDBU's Small Business Transportation Resource Centers (SBTRCs) and the Minority Business Resource Center (MBRC) Short Term Lending Program assist in meeting the targets by providing small businesses with the tools they need to compete effectively for DOT contracts. The SBTRC's and OSDBU strategically conduct outreach

events for the small business community in their designated region and provide financial and technical assistance and business training programs. The MBRC Short Term Lending Program assists small businesses in obtaining short-term working capital at a reasonable rate for DOT and DOT-funded transportation-related contracts

There have been no key performance challenges that have prevented DOT from reaching the performance targets.

### **FY 2011 Request**

#### The Office of Aviation and International Affairs

The FY 2011 request is \$475 thousand and 3 FTEs.

#### Expanded Opportunities for Small Business

For FY 2011, OSDBU is requesting \$5.8 million and 12 FTEs for all its programs.

Key accomplishments anticipated in FY 2011 include: (1) meeting the small business targets for FY 2011, (2) ensuring that the Secretary's small business policies and goals of are implemented in a fair, efficient and effective manner, (3) implementing DOT activities on behalf of small businesses, in accordance with sections 8, 15 and 31 of the Small Business Act, as amended, and (4) providing opportunities, technical assistance and financial services to the small business community.

EXHIBIT IV-3  
PERFORMANCE PLANNING LOGIC MODEL  
OFFICE OF THE SECRETARY

GLOBAL CONNECTIVITY GOAL

Program Name	Purpose and Customers/Beneficiaries	2011 Inputs \$ in thousands	2011 Activity FTE	2011 Achievements	2011 Outputs	2011 Outcomes	Contribution to DOT Goal	
Office of Aviation and International Affairs	<p>Purpose: 1. To implement the Secretary of Transportation's policy of developing a competitive air transportation system that is responsive to consumers' traveling and shipping needs through reaching aviation expanded and liberalized agreements with foreign governments and swiftly allocating those economic rights to airlines.</p> <p>Customers: 1. Air Consumers, both travelers and shippers 2. Airlines 3. Airports 4. Affiliated Professional Associations</p>	\$475	3	<p>1. Conduct, in cooperation with the Department of State, formal international meetings with foreign governments counter parts to achieve liberalized aviation agreements.</p> <p>2. Conclude new or expanded bilateral and multilateral aviation agreements completed.</p>	<p>1. The 2011 target is to conduct 11 rounds of international negotiations to remove market distorting barriers to trade in transportation. 2. The 2011 target for the number of potential air transportation consumers in international markets traveling between the U.S. and countries with open skies agreements is 4.85 billion. 3. The 2011 target for new or expanded bilateral and multilateral aviation agreements is 4.</p>	<p>1. The Office of Aviation and International Affairs will hold 11 rounds of international negotiations in 2011 in hopes of concluding new or expanded air services agreements that will increase the number of potential air consumers between the U.S. and other markets.</p>	<p>Open and expanded air service agreements have made it possible for the airline industry to provide the opportunity for better quality, lower priced, more competitive air service in thousands of international city-pairs to an increasing portion of the world's population.</p>	<p>A competitive air transportation system that is responsive to consumer needs that will bring lasting economic and social benefit to the Nation</p>

Promoting Small Business

Office of Small and Disadvantaged Business Utilization (S&E)	<p>Purpose: 1. To ensure that small business policies and goals of the Secretary of Transportation are implemented in a fair, efficient and effective manner. Customers are the small businesses. 2. To implement DOT activities on behalf of small businesses, in accordance with 8, 15 and 31 of the SBA, as amended. 3. To provide opportunities, technical assistance and financial services to the small business community.</p> <p>Customers: 1. Small Businesses (SB), 2. Small Disadvantaged Businesses (SDB), 3. 8(a) firms, 4. Woman Owned Businesses (WOB), 5. Historically Underutilized Business Zone (HUBZone), 6. Veteran-Owned Small Businesses (VOSB), 7. Service-Disabled Veteran-Owned Small Businesses (SDVOSB), and 8. Disadvantaged Business Enterprises (DBE).</p>	\$1,513	9	<p>1. Work with DOT prime contractors, program, and procurement officials to ensure DOT contract opportunities for small businesses. 2. Work with SBA to manage programs. 3. Participate or conduct conferences to communicate OSDBU Services to customers and State DOTs. 4. Manage the National Information Clearinghouse where small businesses can obtain program, procurement and marketing information.</p>	<p>1. Percent of total dollar value of DOT direct contracts awarded to women owned businesses. 2011 Target is 5.1 percent of total DOT Contracting Dollars or exceed government-wide achievement by at least 25 percent.</p> <p>2. Percent of total dollar value of DOT direct contracts awarded to small disadvantaged businesses. 2011 Target is 14 percent of total DOT Contracting Dollars or exceed government-wide achievements by at least 25 percent.</p>	<p>1. OSDBU will conduct or participate in 24 major advocacy, outreach, and unification services and events to encourage and assist the participation of disadvantaged, small, and preference-based businesses. 2. Developed publications to encourage, stimulate, promote, and better prepare you to compete for, obtain, and manage transportation-related contracts and subcontracts.</p>	<p>Expanded opportunities for all businesses in the transportation sector, especially small, women-owned and disadvantaged businesses</p>	<p>Expand opportunities for small business, especially women-owned and disadvantaged businesses to serve the economic interests of the United States, both nationally and globally.</p>
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EXHIBIT IV-3  
PERFORMANCE PLANNING LOGIC MODEL  
OFFICE OF THE SECRETARY

GLOBAL CONNECTIVITY GOAL

Program Name	Purpose and Customers/Beneficiaries	2011 Inputs \$ in thousands	2011 Activity FTE	2011 Achievements	2011 Outputs	2011 Outcomes	Contribution to DOT Goal
Minority Business Outreach (MBO)	<p>Purpose: To operate the regional Small Business Transportation Resource Centers (SBTRCs) under Title 49, subtitle 1, chapter 3, subchapter II, Sec. 332. Through partnerships with chambers of commerce, trade associations, community organizations, and financial institutions To outreach to the small business community in their designated region and provide financial and technical assistance, business training programs, such as, business assessment, management training, counseling, technical assistance, marketing and outreach, and the dissemination of information, to encourage and assist small businesses to become better prepared to compete for, obtain, and manage DOT funded transportation-related2 contracts and subcontracts at the federal, state and local levels</p> <p>Customers: 1. Small Businesses (SB), 2. Small Disadvantaged Businesses (SDB), 3. 8(a) firms, 4. Woman Owned Businesses (WOB), 5. Historically Underutilized Business Zone (HUBZone), 6. Veteran-Owned Small Businesses (VOSB), 7. Service-Disabled Veteran-Owned Small Businesses (SDVOSB), and 8. Disadvantaged Business Enterprises (DBE).</p>	\$3,395	<p>2</p> <p>1. Assess and determine training and technical assistance needs and structure programs and services.</p> <p>2. Liaison with other federal, state, and local governmental agencies to support the needs assessment of the regions' small business transportation community.</p> <p>3. Provide general management, technical assistance, and training.</p> <p>4. Collaborate and coordinate with agencies to offer a broad range of counseling services to transportation-related small business enterprises.</p> <p>5. Conduct outreach events to disseminate information.</p> <p>6. Work with the STLP participating banks and other lending institutions, to deliver seminars and workshops on DOT's financial assistance program.</p>	<p>The Small Business Transportation Resource Centers (SBTRCs) goal is to increase the number of small businesses that are prepared to compete for, and enter into, transportation-related prime and subcontract opportunities. The SBTRCs is a vital support system used by OSDBU to achieve the following:</p> <p>1. Percent of total dollar value of DOT direct contracts awarded to women owned businesses. 2011 Target is 5.1 percent of total DOT Contracting Dollars or exceed government-wide achievement by at least 25 percent.</p> <p>2. Percent of total dollar value of DOT direct contracts awarded to small disadvantaged businesses. 2011 Target is 14 percent of total DOT Contracting Dollars or exceed government-wide achievements by at least 25 percent.</p>	<p>1. Number of businesses to be counseled : 2,900</p> <p>2. Conference and Workshops to be attended: 195</p> <p>3. Hosting of conferences workshop: 44</p> <p>4. Number of business to be reached at conferences: 4, 700</p> <p>5. Promotional materials to be distributed: 9,700</p>	Expanded opportunities for all businesses in the transportation sector, especially small, women-owned and disadvantaged businesses	Expand opportunities for small business, especially women-owned and disadvantaged businesses to serve the economic interests of the United States, both nationally and globally.

## EXHIBIT IV-3

PERFORMANCE PLANNING LOGIC MODEL  
OFFICE OF THE SECRETARY

## GLOBAL CONNECTIVITY GOAL

Program Name	Purpose and Customers/Beneficiaries	2011 Inputs \$ in thousands	2011 Activity FTE	2011 Achievements	2011 Outputs	2011 Outcomes	Contribution to DOT Goal
Minority Business Resource Center Program (MBRC)	Purpose: To help small businesses gain access to the financing they need to participate in transportation-related contracts, The Minority Business Resource Center (MBRC) manages the Short-Term Lending Program (STLP). Customers: 1. Small Businesses (SB), 2. Small Disadvantaged Businesses (SDB), 3. 8(a) firms, 4. Woman Owned Businesses (WOB), 5. Historically Underutilized Business Zone (HUBZone), 6. Veteran-Owned Small Businesses (VOSB), 7. Service-Disabled Veteran-Owned Small Businesses (SDVOSB), and 8. Disadvantaged Business Enterprises (DBE).	\$913	1. Work with the STLP participating banks and other lending institutions, to deliver seminars and workshops on DOT's financial assistance program. 2. Assess and determine training and technical assistance needs and structure programs and services. 3. Work with SBA and other governmental agencies to support small business financing assistance. 4. Conduct outreach events to disseminate information. 6. Work with the STLP participating banks and other lending institutions, to deliver seminars and workshops on DOT's financial assistance program.	Work with program participating banks and other lending institutions to achieve the following: A. To expand the number financial institutions to 15. This will enable small business financing opportunities in their respective areas. B. To increase the number of loans granted 30.	1. MBRC will conduct or participate in 24 national level outreach events and many local activities to assist disadvantaged and preference-based businesses obtain financial assistance. 2. The MBRC will revise and update 2 major publication geared to encourage, stimulate, promote available financing opportunities.	Expanded opportunities for all businesses in the transportation sector, especially small, women-owned and disadvantaged businesses	Expand opportunities for small business, especially women-owned and disadvantaged businesses to serve the economic interests of the United States, both nationally and globally.

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **GLOBAL CONNECTIVITY GOAL**

**PROGRAM NAME:** The Office of Aviation and International Affairs

**Responsible Official:** Susan McDermott, Deputy Assistant Secretary

#### **Program Purpose and Customers/Beneficiaries**

A key mission of the Office of the Secretary is to negotiate liberalized bilateral aviation agreements which result in increased air service opportunities and lower fares for consumers. The agreements contribute to the achievement of the DOT Global Connectivity goal.

#### **2010 Program Results**

The Office of Aviation and International Affairs has been successful in achieving new aviation agreements worldwide. In FY 2009, we reached key aviation agreements with partners in Vietnam, Kenya, Armenia and Laos. The office successfully conducted 23 rounds of negotiations worldwide in FY 2009.

In FY 2010, we will continue to pursue new and expanded aviation agreements with Japan, China and the European Union. We also anticipate conducting 11 rounds of aviation negotiations worldwide to achieve these agreements.

These negotiations require DOT to conduct, in cooperation with the Department of State, formal international meetings with foreign government counter parts with the goal of achieving less restrictive agreements and ultimately “open skies” agreements.

#### **2011 Program Inputs**

For FY 2011, the Office of Aviation and International Affairs is requesting \$475 thousand and 3 FTE.

#### **2011 Program Activity**

To conduct, in cooperation with, the Department of State formal international meetings with foreign governments counterparts to achieve liberalized aviation agreements. Also, to conclude new or expanded bilateral and multilateral aviation agreements completed.

## **2011 Program Achievements**

In 2011, the Office of Aviation and International Affairs will hold 11 rounds of international negotiations in 2011 in hopes of concluding 4 new or expanded air services agreements that will increase the number of potential air consumers between the U.S. and other markets. These agreements will potentially benefit air consumers, both travelers and shippers, airlines, airports and affiliated professional associations

## **2011 Program Outputs**

The Office of Aviation and International Affairs will hold 11 rounds of international negotiations in 2011 in hopes of concluding new or expanded air services agreements that will increase the number of potential air consumers between the U.S. and other markets.

## **2011 Program Outcomes**

Open and expanded air service agreements have made it possible for the airline industry to provide the opportunity for better quality, lower priced, more competitive air service in thousands of international city-pairs to an increasing portion of the world's population.

## **Program Contribution to DOT Goal**

These agreements are important contributions to the achievement of the DOT Global Connectivity goal.

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **GLOBAL CONNECTIVITY GOAL**

**PROGRAM NAME:** Office of Small and Disadvantaged Business Utilization (S&E)

**Program Manager:** Brandon Neal, Director, Office of Small and Disadvantaged Business Utilization, Office of the Secretary, U.S. Department of Transportation

#### **Program Purpose and Customers/Beneficiaries**

##### Purpose:

1. Ensure that small business policies and goals of the Secretary of Transportation are implemented in a fair, efficient and effective manner to serve small businesses.
2. Implement DOT activities on behalf of small businesses, in accordance with 8, 15 and 31 of the SBA, as amended.
3. Provide opportunities, technical assistance and financial services to the small business community.

##### Customers/Beneficiaries:

1. Small Businesses
2. Small Disadvantaged Businesses (SDBs)
3. Small Business Administration (SBA)-certified 8(a) firms
4. Woman-Owned Small Businesses (WOSBs)
5. Veteran-Owned Small Businesses (VOSBs)
6. Service Disabled Veteran-Owned Small Businesses (SDVOSBs)
7. Historically Underutilized Business Zone (HUBZone) Businesses
8. Disadvantaged Business Enterprises (DBEs)

#### **2010 Program Results**

In support of implementing the Department's responsibilities under sections 8 and 15 of the Small Business Act, as amended, a priority in FY 2010 will continue to be 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.

#### **2011 Program Inputs**

The Office of Small and Disadvantaged Business Utilization is requesting \$1.5 million and 9 FTEs for FY 2011. This represents an increase of \$14,000 of funds over FY 2010. The request includes funding to annualize the 2010 pay raise, fund the 1.4 percent pay

raise for 2011, fund a .5 percent inflation adjustment, and fully fund the 9 FTEs authorized for the program.

### **2011 Program Activity**

- Work with DOT prime contractors, program, and procurement officials to ensure DOT contract opportunities for small businesses.
- Work with SBA to manage programs.
- Participate or conduct conferences to communicate OSDBU Services to customers and State DOTs.
- Manage the National Information Clearinghouse where small businesses can obtain program, procurement and marketing information.

### **2011 Program Achievements**

For DOT direct contracts awarded to women owned businesses, the FY 2011 target is 5.1 percent of total DOT contracting dollars, or exceed government-wide achievement by at least 25 percent.

For DOT direct contracts awarded to small disadvantaged businesses, the FY 2011 target is 14 percent of total DOT contracting dollars or exceed government-wide achievements by at least 25 percent.

DOT expects to meet both of the small business related targets in FY 2011. All of the OAs continue to seek new opportunities to engage the small disadvantaged business community. DOT is one of the few Federal agencies surpassing the government-wide five percent Women-Owned Business statutory goal. The Office of Small and Disadvantaged Business Utilization (OSDBU) continues to work closely with all OAs to ensure that small businesses are afforded maximum practicable opportunities to participate in DOT direct procurement actions. OSDBU provided assistance to the OAs with their acquisition strategies, professional development and access to qualified small businesses. OSDBU also increased technical assistance and participation in outreach events.

### **2011 Program Outputs**

OSDBU will conduct or participate in 24 major advocacy, outreach, and unification services and events to encourage and assist the participation of disadvantaged, small, and preference-based businesses. It also will develop publications to encourage, stimulate, promote, and better prepare you to compete for, obtain, and manage transportation-related contracts and subcontracts.

### **2011 Program Outcomes**

1. Expanded opportunities for all businesses in the transportation sector, especially small, women-owned and disadvantaged businesses.

2. Ensure that small business policies and goals of the Secretary of Transportation are implemented in a fair, efficient and effective manner to serve small businesses.
3. Implement DOT activities on behalf of small businesses, in accordance with 8, 15 and 31 of the SBA, as amended.
4. Provide opportunities, technical assistance and financial services to the small business community.

#### **Program Contribution to DOT Goal**

The above efforts will contribute to the DOT global connectivity goal by expanding opportunities for small businesses, especially women-owned and disadvantaged businesses, to serve the economic interests of the United States, both nationally and globally.

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **GLOBAL CONNECTIVITY GOAL**

**PROGRAM NAME:** Minority Business Outreach (MBO)

**Program Manager:** Art Jackson, Office of Small and Disadvantaged Business Utilization, Office of the Secretary, U.S. Department of Transportation

#### **Program Purpose and Customers/Beneficiaries**

##### Purpose:

1. To operate the regional Small Business Transportation Resource Centers (SBTRCs) under Title 49, subtitle 1, chapter 3, subchapter II, Sec. 332. OSDBU enters into Cooperative Agreements with 1) business-centered community-based organizations, 2) transportation-related trade associations, 3) colleges and universities, 4) community colleges, and 5), chambers of commerce.
2. To offer a comprehensive delivery system of business training, technical assistance, and dissemination of information targeted towards transportation-related small business enterprises within their regional areas.
3. To provide outreach to the small business community in their designated region and provide financial and technical assistance, and business training programs, that will encourage and assist small businesses to become better prepared to compete for, obtain, and manage DOT funded transportation-related contracts and subcontracts at the Federal, State and local levels.

##### Customers/Beneficiaries:

1. Small Businesses
2. Small Disadvantaged Businesses (SDBs)
3. Small Business Administration (SBA)-certified 8(a) firms
4. Woman-Owned Small Businesses (WOSBs)
5. Veteran-Owned Small Businesses (VOSBs)
6. Service Disabled Veteran-Owned Small Businesses (SDVOSBs)
7. Historically Underutilized Business Zone (HUBZone) Businesses
8. Disadvantaged Business Enterprises (DBEs)

#### **2010 Program Results**

The SBTRC program will provide assistance to the small business community through an array of services during FY 2010. The SBTRC services will include: business counseling, business analysis, and collaboration with their Regional Planning Committees in each of the nine SBTRC locations.

Technical Assistance will also be provided 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, and have local banks participating in the sessions.

Starting in FY 2010, the Regional Partnerships Division will perform a thorough review of the SBTRC program to add different functions that are not currently performed in providing direct assistance to the small business community, including minority and women owned businesses.

### **2011 Program Inputs**

The FY 2011 budget requests \$3.395 million and 3 positions (2 FTEs) for the MBO program. This represents an increase of \$321,000 of funds over FY 2010 and an additional 2 positions funded for half the year (1 FTE). These resources will allow the program to continue outreach to the small and disadvantaged business community to encourage participation in DOT-funded contracting opportunities empower them to compete for and obtain those opportunities and expand the community of successful small and small and disadvantaged transportation contractors.

### **2011 Program Activity**

- Assess and determine training and technical assistance needs and structure programs and services.
- Liaison with other federal, state, and local governmental agencies to support the needs assessment of the regions' small business transportation community.
- Provide general management, technical assistance, and training.
- Collaborate and coordinate with agencies to offer a broad range of counseling services to transportation-related small business enterprises.
- Conduct outreach events to disseminate information.
- Work with the STLP participating banks and other lending institutions, to deliver seminars and workshops on DOT's financial assistance program.

### **2011 Program Achievements**

The Small Business Transportation Resource Centers (SBTRCs) goal is to increase the number of small businesses that are prepared to compete for, and enter into, transportation-related prime and subcontract opportunities. The SBTRCs is a vital support system used by OSDBU to achieve the following:

- For DOT direct contracts awarded to women owned businesses, the FY 2011 target is 5.1 percent of total DOT contracting dollars, or exceed government-wide achievement by at least 25 percent.

- For DOT direct contracts awarded to small disadvantaged businesses, the FY 2011 target is 14 percent of total DOT contracting dollars, or exceed government-wide achievements by at least 25 percent.

### **2011 Program Outputs**

1. Number of businesses to be counseled: 2,900
2. Conference and Workshops to be attended: 195
3. Hosting of conferences workshop: 44
4. Number of business to be reached at conferences: 4, 700
5. Promotional materials to be distributed: 9,700

### **2011 Program Outcomes**

Expanded opportunities for all businesses in the transportation sector, especially small, women-owned and disadvantaged businesses

### **Program Contribution to DOT Goal**

The above efforts will contribute to the DOT global connectivity goal by expanding opportunities for small businesses, especially women-owned and disadvantaged businesses, to serve the economic interests of the United States, both nationally and globally.

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **GLOBAL CONNECTIVITY GOAL**

**PROGRAM NAME:** Minority Business Resource Center (MBRC) Short Term Lending Program

**Program Manager:** Nancy Strine, Office of Small and Disadvantaged Business Utilization, Office of the Secretary, U.S. Department of Transportation

#### **Program Purpose and Customers/Beneficiaries**

Purpose:

To help small businesses gain access to the financing they need to participate in transportation-related contracts.

Customers/Beneficiaries:

1. Small Businesses
2. Small Disadvantaged Businesses (SDBs)
3. Small Business Administration (SBA)-certified 8(a) firms
4. Woman-Owned Small Businesses (WOSBs)
5. Veteran-Owned Small Businesses (VOSBs)
6. Service Disabled Veteran-Owned Small Businesses (SDVOSBs)
7. Historically Underutilized Business Zone (HUBZone) Businesses
8. Disadvantaged Business Enterprises (DBEs)

#### **2010 Program Results**

In FY 2010, 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.

#### **2011 Program Inputs**

The FY 2011 budget request for the MBRC Short Term Lending Program (STLP) is \$.913 million and 1 FTE for FY 2011. Of that amount, \$342,000 is requested for the guaranteed loan subsidy, and \$571,000 is requested for the program's administrative expenses. With this funding, the MBRC will be able to guarantee revolving lines of credit totaling \$18.367 million.

## **2011 Program Activity**

- Work with the STLP participating banks and other lending institutions to deliver seminars and workshops on DOT's financial assistance program.
- Assess and determine training and technical assistance needs and structure programs and services.
- Work with SBA and other governmental agencies to support small business financing assistance.
- Conduct outreach events to disseminate information.

## **2011 Program Achievements**

Work with program participating banks and other lending institutions to:

- To expand the number financial institutions to 15. This will increase small business financing opportunities in their respective areas.
- To increase the number of loans granted to 30.

## **2011 Program Outputs**

- MBRC will conduct or participate in 24 national level outreach events and many local activities to assist disadvantaged and preference-based businesses obtain financial assistance.
- MBRC will revise and update 2 major publications geared to encourage, stimulate, and promote available financing opportunities.

## **2011 Program Outcomes**

Expanded opportunities for all businesses in the transportation sector, especially small, women-owned and disadvantaged businesses

## **Program Contribution to DOT Goal**

The above efforts will contribute to the DOT global connectivity goal by expanding opportunities for small businesses, especially women-owned and disadvantaged businesses, to serve the economic interests of the United States, both nationally and globally.

# **STRATEGIC AND ORGANIZATIONAL GOALS OFFICE OF THE SECRETARY**

## **ENVIRONMENTAL STEWARDSHIP GOAL**

### **Performance Overview**

The Livable Communities program contributes to the achievement of the DOT Environmental Stewardship goal.

### **Recent Performance**

#### Livable Communities

This is a new program in 2011.

### **FY 2011 Request**

#### Livable Communities

The Livable Communities Program will promote strategies that support livable communities through the DOT Operating Administrations, HUD, and EPA. The program will also develop performance measures and metrics to determine how various federal infrastructure investments impact livability; identify current federal programs barriers for developing livable communities and options for lifting those barriers; and coordinate capacity building grants and technical assistance to state and local transportation agencies. It is estimated that a total of \$12,000,000 of the requested \$20,000,000 total for this program will be used for grants and technical assistance to State, metropolitan and tribal agencies to increase their capacity to understand and coordinate transportation, housing, water infrastructure and economic development planning and investments to support livability.

#### Milestones

- October 2010, initiation Office of Livable Communities creation and staffing.
- November 2010, publish draft solicitation for applications and criteria for selection
- December 2010, complete list of key performance measures and publish final solicitation for applications and criteria for selection
- March 2011, staffing of office complete.
- March 2011, grant and technical assistance applications due to DOT
- June 2011, begin selection announcements
- August 1, 2011, complete grant and technical assistance agreements
- September 30, 2011, complete remaining FY 2011 grant and technical assistance awards.

## EXHIBIT IV-3

PERFORMANCE PLANNING LOGIC MODEL  
OFFICE OF THE SECRETARY

## ENVIRONMENTAL STEWARDSHIP GOAL

Program Name	Purpose and Customers/Beneficiaries	2011 Inputs \$ in thousands		2011 Activity FTE	2011 Achievements	2011 Outputs	2011 Outcomes	Contribution to DOT Goal
Livable Communities	Promote livable communities	\$8,000	1	Stand-up new Livable Communities program, including establishing new office to administer the program.	Successfully implementing the new program.	Solicit, evaluate and select proposals. Projects would be judged on their ability to reduce pollution and streamline environmental review in Livable Communities.	Award of \$4 million of coordinated environmental stewardship-related grants and technical assistance.	Environmental Stewardship: Reduction in Pollution, Streamlined Review

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **ENVIRONMENTAL STEWARDSHIP GOAL**

**PROGRAM NAME:** Livable Communities

**Responsible Official:** Polly Trottenberg, Assistant Secretary for Transportation Policy

#### **Program Purpose and Customers/Beneficiaries**

To provide funding for urban and rural communities to increase livability through adoption of transportation plans and policies that decrease transportation costs, improve access to jobs and services, promote healthy communities, facilitate efficient freight movement, improve air quality, protect the natural environment, and enhance the unique characteristics of communities. Customers include States, planning organizations, tribes, cities and counties; residents and businesses of the communities would benefit from the integrated planning that will result in better access to transportation, job opportunities and affordable housing. A coordinated approach to planning and investment in transportation, housing, economic development and sewer and water infrastructure will lower costs of providing services and costs for households, and achieve a cleaner environment while improving mobility. This program will support the Department of Transportation-Department of Housing and Urban Development-Environmental Protection Agency Sustainable Communities Partnership.

#### **2010 Program Results**

New program in FY 2011.

#### **2011 Program Inputs**

The Department requests \$20 million for a new Livable Communities program administered by an Office of Livable Communities within the Office of the Under Secretary of Transportation for Policy. The program will make grants and coordinate livability efforts throughout the Department. A total of 10 positions and 5 FTEs are requested to accomplish this work in FY 2011. The request calls for \$12,000,000 to be made available for grants and technical assistance to transportation agencies and other non-federal planning agencies increase their capacity to better coordinate planning and investment for land use, economic development, housing, transportation and other infrastructure. The request includes \$8,000,000 for the administrative costs of the Office of Livable Communities and technical assistance. Staff will have skills in transportation and community planning, scenario planning, environmental studies, sociology, economics, and grants administration. More than half of the administrative funding will

be used to evaluate how current transportation spending in conjunction with other infrastructure investment impacts the goals of this program, the factors that have led to success in other similar planning efforts at the State and local level, and the long term benefits provided by this type of work to the transportation system.

### **2011 Program Activity**

The major program activity in FY 2011 will be standing up the new Livable Communities program, including establishing a new Office of Livable Communities within the Office of the Assistant Secretary of Transportation for Policy. The Office will coordinate livability efforts throughout the Department and administer grant and technical assistance to increase capacity at transportation agencies to develop plans and investment strategies that will improve livability in their communities. These activities will be done with the support of, and in coordination with, the Environmental Protection Agency and the Department of Housing and Urban Development.

### **2011 Program Achievements**

The major program achievement in FY 2011 will be the successful implementation of the new Livable Communities program. The new Office of Livable Communities will administer grants and provide technical assistance that will increase capacity in transportation agencies to develop plans and investment strategies that will improve livability in their communities. It will also develop metrics that transportation agencies can use to determine what investments will best improve livability.

### **2011 Program Outputs**

The Office of Livable Communities will administer a competitive selection process for the grant funds and technical assistance available under the program. The Office will issue a solicitation for applications and develop criteria for selecting projects. The Office will also coordinate livability activities throughout the Department.

### **2011 Program Outcomes**

The Office of Livable Communities will better coordinate DOT programs with each other and with programs at HUD and EPA, within current authorities, to achieve greater livability in urban and rural communities across the country. It will also develop metrics that transportation agencies can use to determine what investments will best improve livability.

### **Program Contribution to DOT Goal**

The program will support the DOT goal of promoting environmental stewardship by through the promotion of livable communities that provide more transportation choices for transportation users, improve efficiency of transportation, and reduce air and water pollution from the transportation system.

## **STRATEGIC AND ORGANIZATIONAL GOALS OFFICE OF THE SECRETARY**

### **SECURITY, PREPAREDNESS AND RESPONSE GOAL**

#### **Performance Overview**

The Office of Intelligence, Security and Emergency Response contributes to the achievement of the DOT Security, Preparedness and Response goal.

The work within Office of Intelligence, Security and Emergency Response supports the Department's Security, Preparedness and Response strategic goal. This goal is to *"Balance transportation security requirements with the safety, mobility and economic needs of the Nation and be prepared to respond to emergencies that affect the viability of the transportation sector."*

#### **Recent Performance**

##### Office of Intelligence, Security and Emergency Response

During Fiscal Year 2009, the Office of Intelligence, Security and Emergency Response acquired a new classified communications system and completed significant upgrades to both the space and capabilities at the primary continuity of operations site for the Office of the Secretary. In addition, the Office of Intelligence, Security and Emergency Response led the Department's participation in National Level Exercise 2009. The scenario used in this exercise was that International terrorist teams were attempting to enter the United States via the Southern border and or Maritime means. It was believed that their target was the transportation infrastructure or other critical infrastructure targets. During the exercise DOT was able to test its Alert and Notification system, Deployment and Activation of the alternate site(s), verification of the ability to communicate between DOT sites and between DOT and other agencies, introduce new leadership to our Continuity capabilities, and validate our abilities to continue essential functions from an alternate location. The Office's biggest challenges faced in meeting its goals have been staff shortages. There were 15 vacant positions at the start of FY 2009 and eight were filled during the year. Contracts and interagency agreements were used to complete the work that would normally be done by staff.

During Fiscal Year 2010, the Office of Intelligence, Security and Emergency Response will acquire several new communications systems. It will also lead the Department's participation in a number of National Level Exercises to include National Level Exercises 2010 (NLE 2010). The NLE 2010 scenario will be based on an Improvised Nuclear Device attack against a US city, the identification and rendering safe of a second device in another city and a credible threat against the National Capital Region. This exercise will improve the Department's abilities to respond to terrorist events and operate from our Continuity of Operations sites. Additionally, DOT will participate in three widely different National Level Tier II exercises (Liberty RadEX: a radiological recovery

exercise. SONS 2010: an oil spill of significant size clean up exercise, and Vigilant Shield 2010: a Department of Defense counterterrorism exercise). All four exercises will greatly improve DOT's operational support procedures and interagency coordination. We will also be completing our upgrade of secure communications at the DOT headquarters and at the primary continuity of operations site for the Office of the Secretary.

### **FY 2011 Request**

#### **Office of Intelligence, Security and Emergency Response**

For Fiscal Year 2011, The Office of Intelligence, Security and Emergency Response is requesting \$10,999,000. This includes 52 positions (51 FTEs). It includes \$.074 million for one new position and one-half FTE (GS-15) to oversee, manage and participate in senior Interagency Policy Committees at the White House National Security Council.

This new position will oversee all security policy work and serve as the DOT representative in the key complex areas where special skills as well as leadership levels are required. The need for this position came about because of changes at the White House in how it is organizing to address National Security. In February 2009, the President issued a Presidential Study Directive to look at how the White House should be organized to deal with the critical issues of homeland security and counterterrorism. On May 26, 2009, the President announced a new approach which would strengthen the Nation's security and the safety of citizens. This includes the establishment of new directorates and positions within the National Security Staff to deal with new and emerging 21st Century challenges associated with cyber security, WMD terrorism, transborder security, information sharing, and resilience policy, including preparedness and response. The subject matter expertise required and number of subgroups associated with these directorates is beyond the capability of the existing staff to cover. The person who fills this position will not only be responsible for attending meetings on behalf of DOT, but also for coordinating attendance by other DOT staff who have the specific expertise related to the meetings.

#### **Key Accomplishments anticipated in FY 2011**

- The Office of Intelligence, Security and Emergency Response will lead the Department's participation in four Principals Level Tabletop Exercises hosted by the White House Staff and four National Level Exercises in 2011. These exercises will improve the Department's abilities to respond to natural disasters and terrorist events. National Level Exercise 2011 (NLE 2011) will involve the entire executive branch of the Federal government, four Federal Emergency Management Agency (FEMA) regions and seven State governments responding to a massive earthquake along the New Madrid Seismic fault located in the Mississippi River Valley.

- The Office of Intelligence, Security and Emergency Response will lead the Department's participation in three NLE Tier II exercises involving nuclear and Cyber terrorism, as well as Pandemic Influenza.
- The Office of Intelligence, Security and Emergency Response will prepare senior officials who will participate in at least three and maybe four White House hosted tabletop exercises to review security of our food supplies, earthquake response, and shoulder fired anti aircraft missiles or MANPADS use against United States commercial airliners.
- Exercise participation will ensure the Department's preparedness in responding to disasters. The Office of Security, Intelligence and Emergency Response tracks participation as its part of the performance measures on preparedness: the percent of DOT personnel with emergency management responsibilities with identified training requirements, and the percent of DOT personnel with emergency management responsibilities participating in exercises.
- Participation in exercises leads to improvements in efficiency and effectiveness because it allows staff to exercise policies and procedures. After an exercise, the Office of Security, Intelligence and Emergency Response implements recommendations from after-action reports and revise procedures as necessary to take advantage of lessons learned.

## EXHIBIT IV-3

PERFORMANCE PLANNING LOGIC MODEL  
OFFICE OF THE SECRETARY

## SECURITY, PREPAREDNESS AND RESPONSE GOAL

Program Name	Purpose and Customers/Beneficiaries	2011 Inputs \$ in thousands	2011 Activity FTE	2011 Achievements	2011 Outputs	2011 Outcomes	Contribution to DOT Goal	
Emergency Preparedness and Response	Ensures the development, coordination and execution of plans and procedures for the Department of Transportation to balance transportation security requirements with the safety, mobility and economic needs of the Nation through effective intelligence, security, preparedness and emergency response programs.	\$8,978	41	<p>In FY 2011, S60 will continuously monitor the transportation system to ensure key DOT staff have the necessary impact analysis of emergency incidents and initiate the appropriate response on transportation related incidents; conduct annual National Level Counterterrorism, Continuity of Operations, and Natural Hazard National Level Exercises as required by National Exercise Program and support Emergency Support Function-1 and DOT Regional Training and Exercise Programs; and carry out response and recovery operations as required by the National Response Framework.</p>	<p>Conduct annual National Level Counterterrorism, Continuity of Operations, and Natural Hazard National Level Exercises as required by National Exercise Program and support Emergency Support Function-1 and DOT Regional Training and Exercise Programs</p> <p>Represent the United States in NATO and international civil emergency preparedness, response and recovery meetings, training exercises, and support operations s to resolve issues and planning matters related to civil aviation resources, acquisition, and deployment to support NATO operations</p> <p>Maintain operational Continuity of Operations sites and continue improvements to facility configuration and communications/IT capabilities</p>	<p>In FY 2011, S60 will ensure that the Office of the Secretary Continuity of Operations Site is fully operational and that communications tests and plans meet Department of Homeland Security Requirements. We will also participate in 100 percent of the exercises conducted under the National Exercise Program and meet all training requirements under the National Security Professional Development Program.</p>	<p>To determine the effectiveness of intelligence briefings, we will measure customer satisfaction with the briefings. Our goal is 95 percent satisfaction with the briefings</p> <p>To determine whether the department is prepared for disasters, we determine the percent of DOT personnel with management responsibilities who meet training requirements and who participate in exercises. Our goal is 100 percent compliance with training requirements and exercise participation</p> <p>To determine readiness for response to disasters, we measure how many Operating Administrations meet annual response requirements. These measure include whether COOP plans meet Department of Homeland Security requirements, the percent of mandatory communications tests passed, whether Operating Administrations provided required resources for the 24 hour DOT Crisis Management Center and the Regional Emergency Response Program and how many statutory and programmatic recommendations have been implemented.</p>	The office of Intelligence, Security, and Emergency Response contributes to the Security, Preparedness, and Response Strategic Goal by developing expert transportation intelligence, ensuring preparedness for response to emergencies affecting the transportation sector, and meeting response requirements.

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **SECURITY, PREPAREDNESS AND RESPONSE**

**PROGRAM NAME:** Office of Security, Intelligence and Emergency Response

**Program Manager:** Michael W. Lowder, Director, Office of Intelligence, Security and Emergency Response

#### **Program Purpose and Customers/Beneficiaries**

The Office of Intelligence, Security and Emergency Response ensures the development, coordination and execution of plans and procedures for the Department of Transportation to balance transportation security requirements with the safety, mobility and economic needs of the Nation through effective intelligence, security, preparedness and emergency response programs.

#### **2010 Program Results**

During Fiscal Year 2010, the Office of Intelligence, Security and Emergency Response will acquire several new communications systems. These communications will improve our preparedness and improve our ability to respond during disasters.

The Office of Intelligence, Security and Emergency Response will lead the Department's participation in a number of National Level Exercises to include National Level Exercises 2010 (NLE 2010). The NLE 2010 scenario will be based on an Improvised Nuclear Device attack against a US city, the identification and rendering safe of a second device in another city and a credible threat against the National Capital Region. This exercise will improve the Department's abilities to respond to terrorist events and operate from our Continuity of Operations sites.

The Office of Intelligence, Security and Emergency Response will lead the Department's participation in three widely different National Level Tier II exercises (Liberty RadEX: a radiological recovery exercise. SONS 2010: an oil spill of significant size clean up exercise, and Vigilant Shield 2010: a Department of Defense counterterrorism exercise). All four exercises will greatly improve our DOT operational support procedures and interagency coordination.

## **2011 Program Inputs**

For Fiscal Year 2011, the Office of Intelligence, Security and Emergency Response is requesting \$10,999,000 which includes 52 positions (51 FTEs). It includes \$.074 million for one-half FTE (GS-15) to oversee, manage and participate in senior Interagency Policy Committees at the White House National Security Council.

This new position will oversee all security policy work and serve as the DOT representative in the key complex areas where special skills as well as leadership levels are required. The need for this position came about because of changes at the White House in how it is organizing to address National Security. In February 2009, the President issued a Presidential Study Directive to look at how the White House should be organized to deal with the critical issues of homeland security and counterterrorism. On May 26, 2009, the President announced a new approach which would strengthen the Nation's security and the safety of citizens. This includes the establishment of new directorates and positions within the National Security Staff to deal with new and emerging 21st Century challenges associated with cyber security, WMD terrorism, transborder security, information sharing, and resilience policy, including preparedness and response. The subject matter expertise required and number of subgroups associated with these directorates is beyond the capability of the existing staff to cover. The person who fills this FTE will not only be responsible for attending meetings on behalf of DOT, but also for coordinating attendance by other DOT staff who have the specific expertise related to the meetings.

## **2011 Program Activity**

In FY 2011, the Office of Intelligence, Security and Emergency Response will continuously monitor the transportation system to ensure key DOT staff have the necessary impact analysis of emergency incidents and initiate the appropriate response on transportation related incidents; conduct annual National Level Counterterrorism, Continuity of Operations, and Natural Hazard National Level Exercises as required by National Exercise Program to ensure all staff are fully prepared to respond in the event of an emergency; carry out response and recovery operations as required by the National Response Framework to facilitate rapid response and recovery to emergencies; maintain operational Continuity of Operations sites and continue improvements to facility configuration and communications/IT capabilities in the event that DOT cannot operate from its headquarters; and represent the United States in NATO and international civil emergency preparedness, response and recovery meetings, training exercises, and support operations to resolve issues and planning matters related to civil aviation resources, acquisition, and deployment to support NATO operations.

## **2011 Program Achievements**

The Office of Intelligence, Security and Emergency Response will lead the Department's participation in four Principals Level Tabletop Exercises hosted by the White House Staff and four National Level Exercises in 2011. These exercises will improve the

Department's abilities to respond to natural disasters and terrorist events. National Level Exercise 2011 (NLE 2011) will involve the entire executive branch of the Federal government, four Federal Emergency Management Agency (FEMA) regions and seven State governments responding to a massive earthquake along the New Madrid Seismic fault located in the Mississippi River Valley. Additionally DOT will participate in three NLE Tier II exercises involving nuclear and Cyber terrorism, as well as Pandemic Influenza. Lastly, DOT senior officials will participate in at least three and maybe four White House hosted tabletop exercises to review security of our food supplies, earthquake response, and shoulder fired anti aircraft missiles or MANPADS use against United States commercial airliners.

### **2011 Program Outputs**

In FY 2011, The Office of Intelligence, Security and Emergency Response will ensure that the Office of the Secretary Continuity of Operations Site is fully operational and that communications tests and plans meet Department of Homeland Security Requirements. We will also participate in 100 percent of the exercises conducted under the National Exercise Program and meet all training requirements under the National Security Professional Development Program.

### **2011 Program Outcomes**

To determine the effectiveness of intelligence briefings, we will measure customer satisfaction with the briefings. Our goal is 95 percent satisfaction with the briefings

To determine whether the department is prepared for disasters, we determine the percent of DOT personnel with management responsibilities who meet training requirements and who participate in exercises. Our goal is 100 percent compliance with training requirements and exercise participation

To determine readiness for response to disasters, we measure how many Operating Administrations meet annual response requirements. These measures include whether COOP plans meet Department of Homeland Security requirements, the percent of mandatory communications tests passed, whether Operating Administrations provided required resources for the 24 hour DOT Crisis Management Center and the Regional Emergency Response Program and how many statutory and programmatic recommendations have been implemented.

### **Program Contribution to DOT Goal**

The Office of Intelligence, Security, and Emergency Response contributes to the Security, Preparedness, and Response Strategic Goal by developing expert transportation intelligence, ensuring preparedness for response to emergencies affecting the transportation sector, and meeting response requirements.

## **STRATEGIC AND ORGANIZATIONAL GOALS OFFICE OF THE SECRETARY**

### **ORGANIZATIONAL EXCELLENCE GOAL**

#### **Performance Overview**

The Financial Management Business Transformation and the Transportation Planning, Research and Development projects all contribute to the achievement of the DOT Organizational Excellence goal.

#### **Recent Performance**

##### Financial Management Business Transformation

The Financial Management Business Transformation (FMBT) project is a multi-year effort to transform DOT's financial management processes, systems, and policies. The overarching milestone of this initiative is to upgrade DOT's core financial system, DELPHI, to the next FSIO-compliant version of Oracle Financials.

Fiscal Year (FY) 2009 was a critical period for the FMBT because the foundation was laid for this long-term project. Key performance success achieved in FY 2009 includes:

- Development and kick-off of FMBT team structure.
- Development and confirmation of detailed project plan with activities, tasks, milestones, and dependencies.
- Implementation of project monitoring and tracking process and tools.
- Kick-off of business process transformation, including the grants payment process
- Development of change management outreach, on-boarding, and communications strategies and materials.
- Review and assessment of Common Government-wide Accounting Code (CGAC) requirements and DOT "as is" classification structure.
- Initial planning for Oracle Release 12 (functionality review, crosswalk to current DOT system issues, test instance planning/setup).

Momentum gained in FY 2009 will carry the FMBT teams to critical achievements in FY 2010. The most significant achievements that are expected include:

- Business process reengineering results will culminate in detailed process requirements for select processes that will be used by the FMBT to support improvements to current and future processes, policies, procedures, and technology.
- Draft of the Department's CGAC model and crosswalk the current classification structures to CGAC will be developed. The current financial reporting inventory will also be finalized.

- Technology experts from across the department will develop a conceptual systems design and organizational rollout strategy.
- Change and learning activities will manage business process reengineering launch activities (communications, training, and leadership briefings).
- Project Management will integrate Earned Value Management into project status monitoring.

#### Transportation Planning, Research and Development (TPR&D)

In the transportation policy arena, the TPR&D program has had a number of key accomplishments, including research on innovative technology to improve transportation systems, such as toll technology to develop revenue for potential infrastructure improvement, and the identification and development of standards that relate to positive train control were developed in 2009.

In the international aviation arena, research required to support Open Skies agreements were developed for Israel, Saudi Arabia, Ecuador, Japan and Columbia. Continued development of data to support this initiative will be critical in FY 2010. In addition, the United States and European Union (US-EU) Alliance Study was completed in 2009 to develop both process and standards on aviation matters. This is the first research project involving this expansive alliance. Continued standards and research will be critical for this alliance in FY 2010. Research also was conducted for anti-trust immunity cases that studied the impact of international merges of airlines. Preliminary orders were developed in 2009 on the application process.

One of the strategies being used to improve the TPR&D program was the establishment of the Visiting Scholars Fellowship in FY 2009. This program allows TPR&D funded staff to interact with the academic community and industry by bringing in various experts to work specific projects or programs as benchmarks to improve research conducted.

A primary challenge has been ensuring that all staff directly support the contracting process has completed mandatory training. This training is needed to ensure compliance with Departmental standards and to improve the overall knowledge base of the organization. Addressing key skill competencies also will be a critical challenge in FY 2010 and beyond.

#### **FY 2011 Request**

##### Financial Management Business Transformation

In FY 2011, \$21 million is requested for the multi-year project to upgrade DOT's financial systems and processes, as part of the FMBT initiative. In addition to the \$21 million, the DOT Operating Administrations (OAs), as the project sponsors and beneficiaries, are planning to contribute \$4 million in FY 2011. This contribution will directly support critical systems activities, including applications support, information technology service continuity management, implementation support, and hardware modernization.

During FY 2011 FMBT teams will complete activities that support:

- Reengineering specific business processes.
- Facilitating implementation of the Common Government-wide Accounting Code roll-out within the Department.
- Executing critical design phase activities (systems lifecycle management) which include coordinating a plan that will enhance the success of maintaining parallel activities while building and stabilizing new processes, hardware and software, for the Oracle Release 12 including the development of the Conceptual Architecture Vision for the Department.
- Developing data warehousing and management strategies.
- Monitoring and improving FMBT communication strategies and channels, and conducting training programs.
- Tracking project progress against plan, conducting risk management activities and updating tools and templates, as needed.
- Conducting change management, training, and outreach across the Department.

These activities will be supported by tools, templates, reports, and guidance provided by the FMBT Project Management Office. FMBT program activities completed in FY 2011 will result in an increased number of process and policy improvements aimed at producing cost savings, decreased processing times, and improvements in the quality, availability, and transparency of financial information.

#### Transportation Planning, Research and Development

The Transportation Planning, Research and Development appropriation is requesting \$9,819 million and 32 FTE in FY 2011. The FY 2011 request consists of \$6.624 million for operating expenses and \$3.195 million for proposed research and development projects.

Major anticipated accomplishments in FY 2011 include:

:

- Analyzing national freight transportation needs to guide national investments in freight transportation infrastructure, and conducting research to enhance the Nation's economic competitiveness through efficient freight transportation system that can support national freight logistics supply chains.
- Completing a research study on High-Speed Passenger Rail as a way to enhance the energy efficiency of the transportation system and reduce its environmental and climate change impact.
- Examining how asset management is used by owners of transportation infrastructure (including State highway departments, transit authorities, and airport and seaport authorities) and identify any needed changes (i.e., policy changes, improvements in analytical techniques, or provision of better

transportation data) to make asset management a more effective tool for reducing the long-run cost of maintaining a state of good repair.

- Addressing the policy issues and environmental implications of new energy and emissions reduction technologies, including policy related to emerging clean vehicle technologies and fuels.
- Providing the appropriate data to administer statutorily mandated aviation programs. The research completed under this 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.
- Supporting all efforts of the Department's involvement in the Asia Pacific Economic Cooperation (APEC) process by researching specific issues to come up with viable economic plans to enhance international transportation and trade.

## EXHIBIT IV-3

PERFORMANCE PLANNING LOGIC MODEL  
OFFICE OF THE SECRETARY

## ORGANIZATIONAL EXCELLENCE

Program Name	Purpose and Customers/Beneficiaries	2011 Inputs	2011 Activity	2011 Achievements	2011 Outputs	2011 Outcomes	Contribution to DOT Goal
		\$ in thousands	FTE				
Financial Management Business Transformation (FMBT)	Modernize DOT's financial system, streamline and standardize key financial business processes across the Department, and provide transparency and improved functionality . Key beneficiaries include DOT, the Department's customers, and the public.	\$21,000	1.5	Reengineer and streamline specific processes	Complete the design of improvements to the select processes, policies, and procedures	Process designs, policy recommend. & Standard Operating Procedures (SOP) updates	Improvements result in cost savings, decreased processing time, and improvements to the quality and availability of financial information
				Execute full range of system lifecycle management design phase activities	Develop Conceptual Architecture Vision	Provide full instances in support of Oracle Release 12.	Ensure that all financial management activities in both current and future releases are mutually supportive
				Facilitate implementation of new CGAC Department-wide	Collaborate with systems experts to design solutions for the Data Management Center	Provide experts with knowledge for setup, business process requirements, and test proof of concept theories to accomplish OMB CGAC requirements.	Stay on project plan and meet milestones and expected outcomes
				Monitor and improve FMBT communication strategies and channels, conduct training programs	Conduct on-going outreach and communication activities with DOT and ESC communities	Develop pilot model of the Data Management Center for all Departmental lines of business	
				Continue to track project progress against plan, conduct risk management activities and update tools and templates, as needed	Complete long-term training strategy	Increase stakeholder understanding of project progress against plan	
					Update project plan monitoring, metrics, and dashboard products		

## EXHIBIT IV-3

PERFORMANCE PLANNING LOGIC MODEL  
OFFICE OF THE SECRETARY

## ORGANIZATIONAL EXCELLENCE

Program Name	Purpose and Customers/Beneficiaries	2011 Inputs		2011 Activity	2011 Achievements	2011 Outputs	2011 Outcomes	Contribution to DOT Goal
		\$ in thousands	FTE					
Transportation Planning, Research and Development	Public benefit to U.S. citizens, transportation system's ability to benefit the nation's economy and improving the effectiveness of industry. Expanding knowledge and forecasting capabilities of research and policy. Beneficiaries: Consumers, industry.	\$9,819	32	Conduct research on transportation standards, technical aspects of industry proposals, and transportation industry indicators. Research and review of cost benefit analysis of policy.	Complete regulatory reviews; increase knowledge base of industry indicators; provide research on linkage between various transportation industries on overall U.S. economy; render a decision on industry proposals that improve safety standards and decrease overall number of accidents and associated impacts.	Render decisions to industry on business proposals. Provide economic research reports to clarify Departmental positions. Provide research on the impact of transportation programs to support congressional testimony, inquiries from the public and members of industry.	Influence the improvement of Departmental policy and/or, based on research, recommend new policies to adapt changes in aviation industry.	Organizational Excellence
Departmental Leadership	Provide leadership for achievement of Administration priorities & policies for the national transportation system	\$147,708	478.5	OST Offices that provide leadership and support. Major offices will identify the purpose, activities, achievements, and the outputs and outcomes based on new Administration's management agenda.	OST Offices that provide leadership and support. Major offices will identify the purpose, activities, achievements, and the outputs and outcomes based on new Administration's management agenda.	OST Offices that provide leadership and support. Major offices will identify the purpose, activities, achievements, and the outputs and outcomes based on new Administration's management agenda.	OST Offices that provide leadership and support. Major offices will identify the purpose, activities, achievements, and the outputs and outcomes based on new Administration's management agenda.	Organizational Excellence

### **EXHIBIT IV-3**

#### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **ORGANIZATIONAL EXCELLENCE**

**PROGRAM NAME:** Financial Management Business Transformation

**Responsible Official:** Laurie Park, Director, Office of Financial Management.

#### **Program Purpose and Customers/Beneficiaries**

The Financial Management Capital Program, also referred to as the Financial Management Business Transformation (FMBT), is a multi-year Department-wide business process and systems reengineering program. The purpose of the program is to:

- Establish a strategic plan to standardize DOT's financial management business model in accordance with the OMB Lines of Businesses Initiative.
- Streamline and standardize key financial business processes across all modes of the Department to eliminate redundancies, improve efficiency, and reduce costs.
- Develop a Department-wide data model and align current financial information with the Common Government-wide Accounting Code (CGAC) to support transparency requirements and improve the quality and availability of strategic management and external report.
- Modernize the DOT's financial system capabilities to support requirements identified by process and information management improvements and adhere to FSIO.
- Facilitate and communicate the change and learning aspects of the project to all stakeholders.

The approach to the FMBT program is based upon standard Systems Development Lifecycle (SDLC) and business process reengineering methodologies and leading practices. The program will be completed in the following six phases,

- Vision – To develop and document an understanding of the value of the project direction and goals.
- Plan – To initiate the project and identify the team and expected results in a detailed project plan.
- Design – To create a design using the results of the requirements collection, design confirmation workshops and prototyping efforts.
- Build – To configure and test the business and technical requirements established in the previous design phase.

- Deliver – To prepare for go-live by performing final system testing, user training, cut-over activities and enhancing an internal help desk.
- Operate – To transition from a project environment to a day-to-day business operation.

Business processes reengineering activities will be completed each year for select processes. These activities will result in the development of requirements and the identification and implementation of improvements in the current and future financial systems environment.

## **2010 Program Results**

The FMBT program will achieve the following results in 2010:

- Business process reengineering efforts that originated in FY 2009 will be accelerated in FY 2010 and culminate in detailed process requirements for select processes that will be used by the FMBT to support improvements to current and future processes, policies, procedures, and technology.
- A draft of the Department's Common Government Accounting Code (CGAC) model and crosswalk of the current classification structures to CGAC will be developed. The current financial reporting inventory will also be finalized.
- Technology experts from across the Department will develop a conceptual systems design and organizational rollout strategy.
- Change and learning activities will transition from strategic planning in FY 2009 to execution FY 2010, particularly in the area of business process reengineering launch activities (communications, training, and leadership briefings).

## **2011 Program Inputs**

The FY 2011 budget requests \$21,000,000 and 3 new positions and 1.5 FTEs.

## **2011 Program Activities**

The Financial Management Business Transformation program will complete activities that support business process reengineering, financial system design, data center, change management, training, and outreach across the Department, including the development of detailed financial and reporting functional and application designs, change management plans, and training course designs for select modes. These activities will be supported by tools, templates, reports, and guidance provided by the FMBT Project Management Office.

## **2011 Program Achievements**

The Financial Management Business Transformation program activities completed in FY 2011 will result in an increased number of process and policy improvements implemented in the current environment and identified for future rollout. System design

documents produced during this timeframe will provide also provide a conceptual framework for the implementation.

### **2011 Program Outputs**

Policy updates, process updates, and technology capabilities that will enhance the effectiveness of reengineered business processes and help increase the cost effectiveness of financial management will be developed during FY 2011.

### **2011 Program Outcomes**

Outcomes supporting the multi-year program that will be realized in FY 2011 include:

- Realized savings resulting from process improvements.
- Design of technology capabilities that support both current and future systems environments.
- Improvements to the quality and availability of financial information for Department program offices and citizen groups.
- Increased awareness of the program across the Department.
- Just-in-time training for affected program areas and modes.
- Continued cost and performance reporting across the program.

### **Program Contribution to DOT Goals**

The FMBT program contributes to the DOT Organizational Excellence goal by developing a state-of-the-art financial system that meets the business process needs of the Department.

## **EXHIBIT IV-3**

### **PERFORMANCE PLANNING LOGIC MODEL OFFICE OF THE SECRETARY**

#### **ORGANIZATIONAL EXCELLENCE**

**Name of Program:** Transportation Planning, Research and Development (TPR&D)

**Program Official:** Roy Kienitz, Under Secretary for Policy

#### **Program Customer Beneficiaries**

The TPR&D program focuses on identifying improvements in transportation through new and innovative approaches to solving impacts to industry. The program fosters improvements in safety, technology and efficiency through research and conducting studies. The TPR&D program also focuses on standards to improve the transportation system. Once standards are developed and approved through the research conducted, the information is used to create policy and regulation for the transportation system.

The beneficiaries of the TPR&D program are national and international consumers of the transportation system, as well as the transportation industry.

#### **2010 Program Results**

In FY 2010, research will be conducted in a variety of areas including continued development of data to support the Open Skies agreements for Israel, Saudi Arabia, Ecuador, Japan and Columbia and continued work on standards and research related to the United States and European Union Alliance.

#### **2011 Program Inputs**

The FY 2011 budget requests \$9,819,000 and 33 positions and 32 FTEs, two new positions half-year funded. The two new positions funded half-year (1 FTE) will fulfill multiple duties as discussed below; urban transportation issues will be prominent in this Administration. Congestion, livability, greenhouse gases, and other environmental impacts all become acute in metropolitan areas, and metropolitan areas are also the areas where effective transportation systems are also critical in enhancing economic competitiveness. One new staff member is needed to specialize in the economics of transportation in urban areas, both passenger and freight. This person will lead efforts to evaluate the impacts of transportation projects on livability, congestion, the environment, and economic competitiveness in urban areas. This will include analysis of mode choice issues, land use impacts, and equity issues. These issues are highly complex and require continuous attention and awareness. If the Administration's goals for developing an effective high-speed rail network in the United States are to be met, the Department will

need to be able to demonstrate that high-speed rail is a cost-effective passenger transportation mode that can achieve the Administration's objectives of improving energy efficiency and reducing greenhouse gases. While outside contract research can contribute to meeting this objective, it cannot be achieved by occasional research projects, but requires continuous analysis of ongoing research and in depth holistic application of that research to policy issues as they arise. These needs can only be met by in-house staff. This position would also focus on factors affecting modal diversion in passenger transportation to identify what high-speed rail routes would be most effective in diverting passengers from highway vehicles to rail. Another new staff member is needed to support implementation of the Livable Community Program. This person will manage DOT initiatives to implement legislative mandates, prepare best management practices and guidelines, provide technical assistance, administer research projects, and conduct data calls.

### **2011 Program Activity**

The FY 2011, the TPR&D program will focus on conducting studies on transportation standards; research on technical aspects of industry proposals; and research and development of transportation industry indicators. In FY 2011, the completion of studies geared around crucial transportation issues, such as driver distractions at toll facilities and best practices policy guide for rural road safety improvements, will provide valuable input for setting the policy agenda for surface transportation. Continued research on the economic impact of national transportation initiatives, such as infrastructure improvement, will be a focus in FY 2011.

### **2011 Program Achievements**

The TPR&D program plans to achieve several goals in the research of critical transportation programs, including research needed for the completion of regulatory reviews of both surface and air transportation policies. The intent of this research is to increase the knowledge of new and innovative approaches to improve the transportation system. The research in FY 2011 will look to achieve a greater understanding of how specific programs will impact connectivity, safety standards and the economy of the Nation.

### **2011 Program Outputs**

The TPR&D program will provide economic research reports to clarify departmental policy positions. It also will provide research on the impact of transportation programs to support congressional testimony, inquiries from the public and members of industry.

### **2011 Program Outcomes**

The TPR&D program will produce research to improve the transportation policy decision-making process, thereby facilitating increases in safety, efficiency and innovation in the transportation system. The TPR&D program will also provide research

needed to render decisions on business proposals from industry, impacting policy in areas such as anti-trust immunity. Indicators that dictate aviation standards will receive additional research to support positions developed by the Department and industry on transportation policy and process.

#### **Program Contribution to DOT Goal**

The TPR&D program contributes to the Organizational Excellence goal by conducting research needed to (1) develop and administer transportation policy that directly impacts the United States and international economies and (2) support the investment of resources in specific areas of development.

EXHIBIT IV-4

KEY PROGRAM REVIEWS, ASSESSMENTS OR EVALUATIONS  
OFFICE OF THE SECRETARY

**Recent Reviews, Assessments and Evaluations**

Name/Title	Type	Result
GAO Report to Congressional Requesters: Assessment National Transportation System -- Options and Analytical Tools to Strengthen DOT's Approach to Supporting Communities' Access to the System		The report recommends that Congress consider reexamining the EAS program in light of changes in its operating environment, and DOT should assess some of its practices as well as whether other forms of air service or other modes of transportation might better serve some communities. DOT concurred with the recommendations.

The House Committee on Transportation and Infrastructure, Subcommittee on Aviation requested the study.

The GAO conducted the study from March 2008 thru May 2009.

**EXHIBIT V-1**  
**RESEARCH, DEVELOPMENT & TECHNOLOGY**  
**DEPARTMENT OF TRANSPORTATION**  
**BUDGET AUTHORITY**  
**(in thousands of dollars)**

	<b><u>FY 2009</u></b> <b><u>ENACTED</u></b>	<b><u>FY 2010</u></b> <b><u>ENACTED</u></b>	<b><u>FY 2011</u></b> <b><u>REQUEST</u></b>	<b><u>FY 2011</u></b> <b><u>APPLIED</u></b>	<b><u>FY 2011</u></b> <b><u>DEVELOPMENT</u></b>
OFFICE OF THE SECRETARY (TPR&D)					
A. Transportation Planning, Research & Development	<u>18,300</u>	<u>18,168</u> <sup>1/</sup>	<u>9,819</u>	<u>0</u>	<u>9,819</u>
Total, OST	18,300	18,168	9,819	0	9,819

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

**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 lift the appropriations cap. The Explanatory Statement accompanying the Transportation and Housing and Urban Development, and Related Agencies Appropriations Bill, 2010 directs the Department to “update the transparency paper included in the justification for fiscal year 2010 and include it in the budget justifications for fiscal year 2011.”

The information that follows is an update of the transparency paper in the FY 2010 Congressional Justification.

**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 intragovernmental 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, 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 was established in fiscal year (FY) 2003 to provide oversight and ensure WCF goods and services are provided in the most effective and efficient manner to all DOT Operating Administrations (OA). 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 Reimbursable Programs. The Office of the Chief Information Officer provides IT services, technical management, and business support through the WCF. The OCIO also receives appropriations for Salaries and Expenses for non-WCF functions and is requesting a WCF appropriation during this budget cycle to enhance the Department's information technology portfolio. The following table shows the breakout of funds for both offices.

**TOTAL OBLIGATIONAL AUTHORITY BY OFFICE**

(In thousands of dollars)

	FY 2009 <u>Actual</u>	FY 2010 <u>Enacted</u>	FY 2011 <u>Request</u>
<b>Assistant Secretary for Administration</b>			
Salaries and Expenses	26,000	25,520	25,695
Working Capital Fund			
DOT	73,791	80,978	81,479
NON-DOT	348,788	438,418	446,087
Reimbursable	21,778	21,905	22,057
<b>TOTAL</b>	<hr/> \$ 470,357	<hr/> \$566,821	<hr/> \$575,318
 <b>Chief Information Officer</b>			
Salaries and Expenses	12,885	13,215	22,995
Cyber Security Appropriation	0	0	30,000
WCF DOT Activities	54,303	66,618	66,617
WCF NON-DOT Activities	636	535	600
<b>TOTAL</b>	<hr/> \$ 67,824	<hr/> \$ 80,368	<hr/> \$120,212

**Major Responsibility**  
**Source of Funds**  
**FY 2011 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.

The Office of the Assistant Secretary for Administration administers 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 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 and management and oversight of human resource systems.
- 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.

	<b>FY 2011 (\$000)</b>
<u>Assistant Secretary for Administration - Salaries and Expenses</u>	\$25,695
<p>The Office of the Assistant Secretary for Administration (OASA) annual Salaries and Expenses appropriation provides pay, compensation and benefits for the Assistant Secretary for Administration, the Departmental Human Resources and Security Directors, the Departmental Senior Procurement Executive, the Departmental Liaison to the Office of the Inspector General/General Accountability Office, as well as technical and administrative government staff. Annual OASA funding provides resources necessary for the Assistant Secretary to plan, develop, coordinate, evaluate, implement and monitor departmental strategic management initiatives; develop and evaluate policies for organization-wide human resource management, administrative and internal security management; formulate departmental policy, controls, and standards to ensure that procurement programs are in accordance with applicable laws, regulations and good business practices; evaluates policies and programs for Section 504 of the Rehabilitation Act of 1973; energy, environmental; motor vehicle management; personal and real property; recycling; safety and health; and seismic safety in DOT facilities. The Salaries and Expenses appropriation also provides the necessary resources to pay for consolidated rent payments to GSA and OST payment to the Working Capital Fund.</p>	
<u>Assistant Secretary for Administration - Working Capital Fund</u>	\$527,566
DOT:	\$ 81,479
NON-DOT:	\$ 446,087

The Working Capital Fund (WCF) provides Departmental services in human resources, security, acquisition and grants, information services, transportation and facilities, 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 normally a full cost recovery, fee-for-service organization that 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 Programs \$ 22,057

Office of Hearings \$1,577

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.

**FY 2011**  
**(\$000)**

Departmental Office of Human Resource Management (HRM) \$20,479

The Office of HRM provides technical management, oversight and support for all consolidated HR systems, which include the Federal Personnel and Payroll System (FPPS), the Electronic Learning Management System (eLMS), the Enterprise Human Resources Integration (EHRI), Electronic Official Personnel Folder (eOPF) and Analytic Tools, the Secure On and Off Boarding Access Management System (SOAMS), and the Workers' Compensation Information System (WCIS).

Reimbursable funds for FPPS provide for 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;
- Providing support to workforce planning reporting to identify mission critical competencies and gaps in those competencies.

Reimbursable funds for eLMS 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 eLMS EHRI data to OPM.

The eOPF allows for 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.

The Department of Transportation has partnered with DOI/NBC to pilot two modules within the SOAMS. SOAMS is in relation to eGov HR integration and bolt-on projects and the Entrance on Duty system (EODS) is in line with OPMs HR LOB EOD Concept of Operations. These modules will interface with the Federal Personnel and Payroll System, automated staffing solutions and eOPF and include the following:

- The Workforce Transformation Tracking System module will allow managers and personnel specialists 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.
- Entrance on Duty System module provides on-line forms for new employees to complete information required on entrance to duty. Forms are pre-populated with information captured by upstream business process and can be fed to eOPF.

**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 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 CIO also serves as the CIO for Office of the Secretary. Similar to the role of an operating administration CIO, the DOT 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:**

The Office of the Chief Information Officer (OCIO) administers two 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 two 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 specific breakdown of the uses of this funding request follows.

**FY 2011**  
**(\$000)**

<u>Office of the Chief Information Officer - Salaries and Expenses</u>	\$22,995
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The OCIO annual Salaries and Expenses appropriation provides pay, compensation and benefits for the Department's CIO, and Deputy CIO and Enterprise IT Architect, as well as technical and administrative government staff. Annual OCIO S&E funding provides resources necessary for the CIO to meet responsibilities to the Department as well as other Executive and Legislative Branch requirements, and for improving practices in the design, modernization, use, sharing, and performance of information resources. The CIO develops recommendations for information technology management policies, procedures, and standards and leads e-government projects to improve service delivery, and foster the effective use of IT communication technologies to enhance business activities performance. The Salaries and Expenses appropriation provides resources necessary for the security and management of the department's \$3 billion IT Program and WCF operations.

<u>Cyber Security Appropriation</u>	\$ 30,000
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**Current State** - The Administration's use of technology is more robust and pervasive than ever before. Significant expectations for integrating information technology within the entire executive branch including the Department of Transportation have been made and are expected to help in propelling the government move towards transparency. At the same time, the threat and attacks against the cyber infrastructure of the United States Government have increased, as evidenced through an increase in the number of cyber events and incidents on DOT networks and systems, and the loss of sensitive information. Currently, the DOT CIO is oriented towards providing standard technical services and reporting in a timely and efficient manner, but the Department needs to enhance its ability to respond to growing cyber security threats. The Department is at risk of future cyber security and privacy incidents, and of not satisfying its obligations to make timely and effective progress in securing the Federal network.

**Future State** - The President has set an Administration and National priority for cyber security, derived from his 60-day Cyber security Policy Review, targeting, among others, continued implementation of NSPD-54/HSPD-54 and the Comprehensive National Cyber security Initiative (CNCI), enhancement of the Federal cyber security workforce, improved coordination and information sharing, and development of a national incident response plan. The DOT CIO will integrate the President's priorities into its tactical and strategic cyber security and privacy plans, while also seeking to ensure that DOT has situational awareness of the activity on its systems and networks, is able to identify and defend against unauthorized activity and information loss, and is targeting an enhanced cyber security program that changes the DOT cyber security posture from reactive to proactive.

To accomplish this, the DOT CIO will make investments in personnel, processes and technologies to implement the most critical requirements, and close the most serious performance gaps first, thus reducing the Department's overall cyber security and privacy risk, and positioning DOT for the next phase of cyber security and privacy enhancements.

**Expected Results** - To achieve these goals, DOT is requesting a one time appropriation of \$30.0 million, 25 positions, and 13 FTE in FY 2011, infrastructure improvements, and contractual support to implement time sensitive and essential requirements of the Office of the Secretary and enterprise level business needs: This appropriation will enable DOT to purchase the technology and resources required to meet the security requirements for the Department's network. The capital assets and personnel will be transferred to the Working Capital Fund in FY 2011.

This implementation and technology will enhance the security of the DOT network and reduce the risk of security breaches. Additionally, the DOT expects the following results:

- **Network Access, Authentication, and Authorization**
  - Mitigate and close existing weaknesses identified in an OIG report (FI-2008-001)
  - Proactively assess the security of computers and devices as they connect to DOT networks, prior to authorizing them access, and quarantine or remediate those that are threats
  - Ensure that only authorized personnel access DOT networks, systems, and information by incorporating the President's national Identity Management strategy, and enhancing processes and technology to use the new Federal identification (PIV) cards
- **National Initiatives and CNCI (NSPD-54/HSPD-23)**
  - Implement Trusted Internet Connection (TIC) services for DOT at five (5) locations as requested of the U.S. Department of Homeland Security (DHS), to reduce the exposure to external attacks
  - Consolidate 30 DOT internet access points (IAP) down to the approved and implemented DOT TICs
  - Implement Einstein 2 intrusion detection services to enhance detection of malicious activity and situational awareness of Federal networks
  - Implement supporting capacity, infrastructure, and capabilities for ongoing TIC and Einstein operations
- **Domain Name Security (DNSSec)**
  - Complete upgrades to the DOT domain name services infrastructure to meet Federal and DHS requirements for secure operations, including necessary testing and validation, and to ensure that the DOT identity on the Internet cannot be used without authorization, and only then in secure fashion
- **Desktop, Management, and Compliance Enhancements**
  - Complete implementation of encryption on DOT computers and networks to protect sensitive and privacy information
  - Complete implementation of the Federal Desktop Core Configuration (FDCC) to secure DOT computers

- Expand automated configuration management to platforms other than Microsoft Windows to ensure implementation of best practice secure configurations, and add the capability to undo unauthorized changes to systems
- Enhance existing monitoring, alerting, and reporting capabilities to reduce existing vulnerabilities and risks, and to improve DOT responsiveness to cyber security and privacy incidents
- **Information Technology Validation Capabilities**
  - Enhance DOT change management and deployment services and functions by implementing a comprehensive validation environment and capability (people, process, and technology) to validate new products and solutions for business impact and security prior to production deployment
- **Education, Training, and Awareness and Workforce Development**
  - Enhance and extend the current cyber security and privacy training program to improve program performance, reduce risks associated with untrained personnel, and reduce the occurrence of incidents resulting from personnel awareness and training gaps
  - Support the President’s National Cyber security Awareness initiative by incorporating messaging and content provided by DHS into DOT training and awareness materials, and programs
  - Enhance development of the DOT cyber security and privacy workforce through specialized training, certification, and recruiting and retention programs, in order to improve effectiveness and reduce corresponding risks

<u>Office of the Chief Information Officer - Working Capital Fund</u>	\$ 67,217
DOT	\$ 66,617
NON-DOT	\$ 600

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 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 2011 and FY 2010:

### **FY 2011 BUDGET ESTIMATES SUMMARY BY OFFICE**

#### **ASSISTANT SECRETARY FOR ADMINISTRATION**

	<u>Salaries &amp; Expenses</u>	<u>Working Capital Fund</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>			
-			
Personnel Compensation and Benefits	8,191	24,087	2,934
Travel	67	945	65
Other Costs	<u>17,436</u>	<u>502,534</u>	<u>19,058</u>
 TOTAL	 25,695	 527,566 1/	 22,057

1/ Of the \$527.6 million, \$445.3 million is for the Transit Benefits and Parking Program.

#### STAFFING

Direct Positions	66			
Reimbursable Positions		239	0	20

#### **OFFICE OF THE CHIEF INFORMATION OFFICER**

	<u>Salaries &amp; Expenses</u>	<u>Working Capital Fund</u>	<u>Cyber Security Appropriation</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>				
Personnel Compensation and Benefits	6,160	3,524	1,812	0
Travel	25	41	-	0
Other Costs	<u>16,810</u>	<u>63,652</u>	<u>28,188</u>	<u>0</u>
 TOTAL	 22,995	 67,217	 30,000	 0

#### STAFFING

Direct Positions	50		25	
Reimbursable Positions		21		0

**FY 2010 BUDGET ESTIMATES SUMMARY BY OFFICE****ASSISTANT SECRETARY FOR ADMINISTRATION**

	<u>Salaries &amp; Expenses</u>	<u>Working Capital Fund</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>			
-			
Personnel Compensation and Benefits	8,076	21,181	2,688
Travel	67	1,204	0
Other Costs	<u>17,377</u>	<u>497,011</u>	<u>17,667</u>
 TOTAL	 25,520	 519,396	 1/ 20,355

1/ Of the \$519.396 million, \$437.638 is for the Transit Benefits and Parking Program.

STAFFING

Direct Positions	66	0	0
Reimbursable Positions	0	192	20

**OFFICE OF THE CHIEF INFORMATION OFFICER**

	<u>Salaries &amp; Expenses</u>	<u>Working Capital Fund</u>	<u>Reimb Programs</u>
<u>FUNDING LEVELS</u>			
-			
Personnel Compensation and Benefits	3,772	3,075	0
Travel	25	40	0
Other Costs	<u>9,466</u>	<u>64,038</u>	<u>0</u>
 TOTAL	 13,263	 67,153	 0

STAFFING

Direct Positions	25	0	0
Reimbursable Positions	0	21	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 2011 BUDGET ESTIMATE**  
(In thousands of dollars)

<u>Program</u>	FY 2009 <u>Actual</u>	FY 2010 <u>Enacted</u>	FY 2011 <u>Request</u>
DOT Activities	73,791	80,978	81,479
Non-DOT Activities	348,788	438,418	446,087
<b>Total</b>	<b>\$422,579</b>	<b>\$519,396</b>	<b>\$527,566</b>

Staffing

Reimbursable Positions	198	192	239
Reimbursable FTE	198	192	239

**OFFICE OF THE CHIEF INFORMATION OFFICER  
WORKING CAPITAL FUND  
FY 2011 BUDGET ESTIMATE**  
(In thousands of dollars)

<u>Program</u>	FY 2009 <u>Actual</u>	FY 2010 <u>Enacted</u>	FY 2011 <u>Request</u>
DOT Activities	54,303	66,618	66,617
Non-DOT Activities	636	535	600
<b>Total</b>	<b>\$54,939</b>	<b>\$67,153</b>	<b>\$67,217</b>

Staffing

Reimbursable Positions	21	21	21
Reimbursable FTE	21	21	21

The following table displays the WCF/OCIO cost estimates by Operating Administration:

**Working Capital Fund  
Operating Administration Costs  
And Other Expenses Estimate  
(\$000)**

Operating Administration	FY 2010 Estimate			FY 2011 Estimate		
	WCF Administration	WCF OCIO	Total	WCF Administration	WCF OCIO	Total
OST	9,935	7,042	16,977	8,797	7,556	16,239
FAA	20,245	10,619	30,864	21,901	9,992	31,893
FHWA	8,096	8,431	16,527	8,806	13,021	21,827
FRA	2,890	3,319	6,209	3,156	3,710	6,866
NHTSA	5,065	5,861	10,926	5,264	6,548	11,812
FTA	3,056	3,826	6,882	3,423	4,431	7,854
SLSDC	184	217	401	215	371	586
VOLPE	10	226	236	250	187	437
MARAD	3,100	3,103	6,203	3,016	3,644	6,660
OIG	2,524	934	3,458	2,521	1,149	3,670
STB	152	0	152	192	0	192
FMCSA	3,448	2,608	6,056	4,725	3,484	8,209
RITA	2,657	2,501	5,158	2,367	3,055	5,422
PHMSA	3,143	3,841	6,984	3,466	4,275	7,741
DOT Unspecified	5,130	18,769	23,899	791	6,700	7,605
<b>SUBTOTAL</b>	<b>69,635</b>	<b>71,297</b>	<b>140,932</b>	<b>68,890</b>	<b>68,123</b>	<b>137,013</b>
<u>Other Expenses</u>						
Capital Assets	46	1,186	1,232	100	5,220	5,320
Depreciation	(210)	(4,051)	(4,261)	(156)	(5,439)	(5,595)
Net NON-DOT Intra fund Costs	7,704	0	7,704	8,303	0	8,303
Net WCF Intra Fund Costs	3,803	(1,814)	1,989	4,342	(1,287)	3,055
<b>TOTAL</b>	<b>80,978</b>	<b>66,618</b>	<b>147,596</b>	<b>81,479</b>	<b>66,617</b>	<b>148,096</b>

**Note: Totals may not add due to rounding**

### Crosswalk of DOT Operating Costs/Expenses

The WCF is a fee-for-service operation which normally receives no direct appropriations. Instead, the WCF is a self-sustaining reimbursable fund. During the budget formulation stage, the WCF provides to its customers operating cost estimates they will need to contribute to the WCF. These estimates are based on historical data and projected on-demand service levels. The preceding chart is a summary of the DOT operating cost estimates to our customers based on full cost recovery. These operating costs represent the costs provided to each Operating Administration during the fiscal year.

To crosswalk the DOT customer operating costs to DOT obligations, it is necessary to account for items that are (a) at the time of budget formulation were not directly attributable to a specific customer or (b) not directly collected as operating costs.

- DOT Unspecified represents costs where the scope of the work for individual customers is not yet determined and it is not possible to determine a specific billing methodology or customer base, such as for IT consolidation, field office support and ONE-DOT PRISM.
- Capital Asset obligations will be expensed over the expected life of the asset and collected in the future as asset replacement reserve.
- Depreciation are expenses 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.

<b>Customer Operating Costs:</b>	<b><i>FY 2011</i></b> <b>(\$000)</b>
DOT Customer Total	129,408
DOT Unspecified	7,605
DOT Operating Administrations' Costs	137,013
Capital Assets	5,320
Depreciation	(5,595)
Net Non-DOT Intra Fund Costs	8,303
Net WCF Intra Fund Costs	3,055
<b>Total WCF Obligations</b>	<b>148,096</b>

**The DOT unspecified amounts** in FY 2011 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:

<b>Service</b>	<b>Amount (\$000)</b>	<b>Reason</b>
Personnel Services	\$120	Uncertain Customer Usage – Unemployment Comp.
Voice, Cable, & Wireless	\$400	Changes in Customer Demand
Facility Services	\$475	Potential Increased Customer Base and Space Assignment Changes
HSPD-12 Implementation	\$310	Possible acceleration of program.
IT Consolidation and Field Office Support	\$6,300	New program requirements
<b>Total</b>	<b>\$7,605</b>	

The following tables display the obligation budget by WCF business lines:

**FY 2011 ESTIMATE  
WCF DOT AND NON-DOT OBLIGATIONS  
BY BUSINESS LINE  
(\$000)**

<b><u>Description</u></b>	<b><u>DOT Obligations</u></b>	<b><u>Non-DOT Obligations</u></b>	<b><u>2011 Total</u></b>
<b>Assistant Secretary for Administration</b>			
Acquisition & Procurement Operations	5,053	0	5,053
Building Security	11,781	0	11,781
Commercial Services Management	205	0	205
Consolidated Federal Funds	132	0	132
Copier, Printing & Multimedia	8,163	10	8,173
Disability Resource Center	2,064	290	2,354
Dockets Management and Operations	3,027	199	3,226
Facilities Services & Utilities	10,924	365	11,289
Federal Laboratory Consortium	25	0	25
FEMA COOP Facility	856	0	856
Financial Mgmt, Accting & Admin	6,999	0	6,999
Flexible Spending Account	363	0	363
Grants Information System	515	0	515
Human Resource Services	5,346	42	5,389
Library & Information Services	1,437	0	1,437
Mail Services & Postage	3,284	16	3,300
Publications Distribution	450	42	492
Rent & Space Management	7,502	0	7,502
Security Operations	5,043	0	5,043
Substance Abuse Awareness & Testing	1,528	4,348	5,876
Transit Benefits & Parking	4,949	440,686	445,636
Unemployment Compensation	1,050	25	1,075
Warehouse	781	63	844
<b>Assistant Secretary for Admin Subtotal:</b>	<b><u>81,478</u></b>	<b><u>446,087</u></b>	<b><u>527,566</u></b>
<b>Chief Information Officer</b>			
Campus Area Network	7,369	0	7,369
Desktop Services	20,470	0	20,470
Information Assurance & Privacy	15,178	0	15,178
Server & Messaging Services	12,298	0	12,298
Voice, Cable & Wireless	11,302	600	11,902
<b>Chief Information Office Subtotal:</b>	<b><u>66,617</u></b>	<b><u>600</u></b>	<b><u>67,217</u></b>
<b>Grand Total:</b>	<b><u>148,096</u></b>	<b><u>446,687</u></b>	<b><u>594,783</u></b>

**FY 2010 ESTIMATE  
WCF DOT AND NON-DOT OBLIGATIONS  
BY BUSINESS LINE  
(\$000)**

<b>Description</b>	<b>DOT Obligations</b>	<b>Non-DOT Obligations</b>	<b>2010 Total</b>
<b>Assistant Secretary for Administration</b>			
Acquisition & Procurement Operations	5,001	0	5,001
Building Security	14,547	0	14,547
Commercial Services Management	538	0	538
Consolidated Federal Funds	132	0	132
Copier, Printing & Multimedia	7,959	51	8,010
Disability Resource Center	1,630	453	2,082
Dockets Management and Operations	2,596	202	2,798
Facilities Services & Utilities	9,275	371	9,645
Federal Laboratory Consortium	21	0	21
FEMA COOP Facility	1,075	0	1,075
Financial Mgmt, Accting & Admin	6,867	0	6,867
Flexible Spending Account	415	0	415
Grants Information System	527	0	527
Human Resource Services	4,443	41	4,484
Library & Information Services	2,110	0	2,110
Mail Services & Postage	3,081	81	3,162
Publications Distribution	128	115	242
Rent & Space Management	7,413	0	7,413
Security Operations	4,547	0	4,547
Substance Abuse Awareness & Testing	1,458	3,742	5,200
Transit Benefits & Parking	4,411	433,227	437,638
Unemployment Compensation	2,107	75	2,182
Warehouse	698	60	758
<b>Assistant Secretary for Admin Subtotal:</b>	<b>80,978</b>	<b>438,418</b>	<b>519,396</b>
<b>Chief Information Officer</b>			
Campus Area Network	4,227	0	4,227
Desktop Services	27,567	0	27,567
Information Assurance & Privacy	15,121	0	15,121
Server & Messaging Services	9,582	0	9,582
Voice, Cable & Wireless	10,122	535	10,657
<b>Chief Information Office Subtotal:</b>	<b>66,618</b>	<b>535</b>	<b>67,153</b>
<b>Grand Total:</b>	<b>147,596</b>	<b>438,953</b>	<b>586,549</b>

**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 therefor, 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.

- ❖ Sec. 182 retains the provision that prohibits funds to be used for salaries and expenses of more than 110 appointees, but proposes to delete the requirement that none of the personnel covered by this provision can be assigned on temporary detail outside DOT.

Sec. 183. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

- ❖ Section 183 retains the provision that prohibits funds from being used to implement section 404 for title 23, United States Code.

- Sec. 184. (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 184 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. 185. 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, and used for such expenses, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

- ❖ Section 185 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. 186. Notwithstanding any other provisions of law, rule or regulation, the Secretary of Transportation is authorized to allow the issuer of any preferred stock heretofore sold to the Department to redeem or repurchase such stock upon the payment to the Department of an amount determined by the Secretary.

- ❖ Section 186 retains the provision that authorizes the Secretary of Transportation to allow issuers of any preferred stock sold to the Department to redeem or repurchase such stock upon the payment to the Department of an amount determined by the Secretary.

Sec 187. 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 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 grant from the Federal Railroad Administration; or (4) any program of the Federal Transit Administration other than the formula grants and fixed guideway modernization programs: *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 187 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. 188. 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 188 retains the provision that allows funds received from rebates, refunds, and similar sources to be credited to appropriations of the Department of Transportation.

Sec. 189. 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; or
    - (B) if no such appropriation remains available, shall be deposited in the Treasury as miscellaneous receipts: *Provided further*, That the Secretary shall report annually to the House and Senate Committees on Appropriations the amount and reasons for these transfers: *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 189 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. 190. 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 190 would continue to enable the Department to provide payments in advance to its vendor in order to carry out its contract for the implementation of a debit card program for distribution of transit benefits. The Department needs this authority because the debit card vendor is unable to front such funding, which would be approximately \$30 million per month. FAR provisions regarding advance payment are generally for payment for contract services only and may not cover this specific situation. The debit card program streamlines the transit benefit process from application to distribution, eliminates physical inventory, reduces distribution cost and infrastructure, strengthens internal controls and minimizes security vulnerabilities.

Sec. 191. Funds appropriated in this Act to the modal administrations may be obligated for the Office of the Secretary of Transportation 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 191 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. 192. In addition to the authority provided by section 327 of title 49, United States Code, the Secretary of Transportation is authorized to maintain and utilize without fiscal year limitation a reasonable operating and capital replacement reserve, notwithstanding paragraph (d) of such section, within the Working Capital Fund: *Provided*, That such capital replacement reserve shall not exceed four percent of the revenue from the previous fiscal year.

- ❖ Section 192 expands the purpose of the Working Capital Fund's existing operating reserve with explicit authority to use it as both an operating and capital replacement reserve. This provision is similar in intent to those provided other Working Capital Funds under 13 U.S.C 11 (Census); 40 U.S.C. 3173 (GSA); and 42 U.S.C. 4370 (Treasury). The total amount of the reserve would be capped at four percent of the revenue from the previous fiscal year, the same as for the existing operating reserve. The four percent is not cumulative – a new reserve limit would be calculated annually. The capital reserve would aid the Federal transit pass transportation fringe benefit program by allowing the Fund to retain sufficient reserves during each fiscal year-end to procure an adequate stock of transit fare media to immediately provide services at the beginning of each subsequent fiscal year. The Working Capital Fund could also use the capital reserve toward the replacement value of capitalized assets in cases where the replacement equipment has increased in cost due to inflation. Currently, only the historical cost of capitalized assets is available for the future replacement of the assets.

Sec. 193. For an additional amount for the Salaries and Expenses account, \$7,622,655, to increase the Department's acquisition workforce capacity and capabilities: *Provided*, That such funds may be transferred by the Secretary to any other account in the Department to carry out the purposes provided herein: *Provided further*, That such transfer authority is in addition to any other transfer authority provided in this Act: *Provided further*, That such funds shall be available only to supplement and not to supplant existing acquisition workforce activities: *Provided further*, That such funds shall be available for training, recruitment, retention, and hiring additional members of the acquisition workforce as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 401 et seq.): *Provided further*, That such funds shall be available for information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management. (Department of Transportation Appropriations Act, 2010.)

- ❖ Section 193 would provide \$7.6 million to increase the Department's acquisition workforce capacity and capabilities. While initially appropriated to the Secretary, the funds would be available for transfer to accounts throughout the Department for the purpose of acquisition workforce development. The funds would be available for training, recruitment, retention, and hiring additional members of the acquisition workforce as well as for information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management.

## **GENERAL PROVISIONS—THIS ACT**

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

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

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

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

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

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

Sec. 404. Except as otherwise provided in this Act, none of the funds provided in this Act, provided by previous appropriations Acts to the agencies or entities funded in this Act that remain available for obligation or expenditure in fiscal year 2010, 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 provided to the House and Senate Committees on Appropriations: *Provided*, That not later than 75 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: (1) 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; (2) 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 (3) an identification of items of special congressional interest.

- ❖ Section 404 prohibits the obligation of funds through a reprogramming of funds unless prior notice is provided to the House and Senate Appropriations Committees. It also requires that not later than 75 days after the date of enactment of the appropriations Act, each agency funded by the Act must submit a report to the House and Senate Appropriations Committees to establish the baseline for the application of reprogramming and transfer authorities for the current fiscal year.

Sec. 405. Except as otherwise specifically provided by law, not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 2011 from appropriations made available for salaries and expenses for fiscal year 2011 in this Act, shall remain available through September 30, 2012, for each such account for the purposes authorized: *Provided*, That notice thereof shall be submitted to the House and Senate Committees on Appropriations prior to the expenditure of such funds.

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

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

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

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

- ❖ Sec. 407 continues the provision prohibiting the transfer of funds to any department, agency, or instrumentality of the United States Government unless explicitly provided in an appropriations Act.

Sec. 408. No part of any appropriation contained in this Act shall be available to pay the salary for any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service, and has within 90 days after his release from such service or from hospitalization continuing after discharge for a period of not more than 1 year, made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

- ❖ Section 408 prohibits payment of the salary from any appropriation under this Act for any person filling a position (other than temporary) formerly held by an employee who has: (1) left to enter the U.S. Armed Forces; (2) satisfactorily completed his or her period of active military or naval service; (3) within 90 days after release from such service, or from hospitalization continuing after discharge for up to one year, applied for restoration to his former position; and (4) been certified by the Office of Personnel Management (OPM) as still qualified to perform the duties of his or her former position, but not been restored to it.

Sec. 409. No funds appropriated pursuant to this Act may be expended in contravention of 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 expenditure of funds by an entity unless it agrees that such expenditure will 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 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 412 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.