

# **DEPARTMENT OF TRANSPORTATION**

## **PART ASSESSMENTS<sup>1</sup>**

<sup>1</sup> For each program that has been assessed using the PART, this document contains details of the most recent assessment. These details are presented in their original form; some programs have revised performance targets and developed or replaced performance measures since the original assessment. The PART summaries published with the 2006 Budget (in February 2005) provide current information on follow-up to recommendations and other updates.

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## PART Performance Measurements

**Program:** FAA Air Traffic Services  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	83%	40%	

**1.1 Is the program purpose clear?**

Answer: YES                      Question Weight20%

Explanation: The FAA's Air Traffic Service provides guidance and control to aviation, ensuring the safe operation of the nation's aviation system.

Evidence: Title 49 USC, Subtitle 7, Part A, Section 40103 "Sovereignty and use of airspace".

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES                      Question Weight20%

Explanation: FAA's regulation and control of national airspace provides safe access and efficient use of that airspace to the flying public.

Evidence: 44,117 flights handled by ATC in 2002. 19,572 airports in 2002. As of 2002, controller work force of 17,501 employees, and 2,864 employees at Flight Service Stations. Administrator's Fact Book - March 2003. 12,000 employees maintain 41,000 pieces of equipment at over 6,000 facilities. Airway Facilities FY 2002 Performance Plan.

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES                      Question Weight20%

Explanation: The FAA manages most of the commercial aircraft flown in the national airspace. Air traffic services are not provided by any other Federal, state or private entity.

Evidence: 44,117 flights handled by ATC in 2002. 19,572 airports in 2002. As of 2002 controller work force of 17,501 employees, and 2,864 employees at Flight Service Stations. Administrator's Fact Book - March 2003

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**

Answer: YES                      Question Weight20%

Explanation: The FAA provides air traffic services using the most appropriate design at this time - direct communications between pilots and air traffic controllers. Some of the communication is by voice and some is automated.

Evidence: There is no evidence that another approach would be more efficient/effective.

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**

Answer: YES                      Question Weight20%

Explanation: ATS is designed to provide air traffic control services directly to airline pilots and airports through constant communication with pilots and daily conference calls with beneficiaries.

Evidence:

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**

Answer: YES                      Question Weight12%

Explanation: The FAA and Air Traffic Services (ATS) new strategic plan has goals through 2008.

Evidence: FAA Flight Plan 2004 - 2008, <http://www2.faa.gov/apo/strategicplan/>

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100%	88%	83%	40%	

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?**

Answer: YES

Question Weight: 12%

Explanation: The FAA and Air Traffic Services (ATS) new strategic plan has goals through 2008.

Evidence: FAA Flight Plan 2004 - 2008, <http://www2.faa.gov/apo/strategicplan/>

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?**

Answer: YES

Question Weight: 12%

Explanation: Air Traffic Services (ATS) have a limited number of annual goals that directly link to DOT's long-term goals. These goals are quantifiable. New strategic plan includes long term goal through 2008. ATS does not have efficiency measures.

Evidence: DOT FY 2004 Performance Plan. Airway Facilities FY 2003 Performance Plan and Airway Facilities Performance Report FY 2002, FAA Flight Plan 2004 - 2008 ( <http://www2.faa.gov/apo/strategicplan/>)

**2.4 Does the program have baselines and ambitious targets for its annual measures?**

Answer: YES

Question Weight: 12%

Explanation: The annual goals contain baseline data.

Evidence: DOT FY 2004 Performance Plan. Airway Facilities FY 2003 Performance Plan and Airway Facilities Performance Report FY 2002, FAA Flight Plan 2004 - 2008 (<http://www2.faa.gov/apo/strategicplan/>)

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**

Answer: YES

Question Weight: 12%

Explanation: Management at headquarters work with airlines, airports and the staff in the centers and regions to achieve the goals of the FAA. FAA works closely with airports and airlines to ensure that the system is working efficiently - daily conference calls are one approach. Air traffic managers are able to remove a controller from a workstation for performance reasons and send them to retraining.

Evidence: Air Traffic Management has daily conference calls with airlines, centers and regions to review activities of the previous day and plan the current day with recognition of performance goals. Air Traffic Management staff assert that managers can send controllers to retraining although DOT IG report, "Operational Errors and Runway Incursions: Progress Made but the number of incidents is still high and presents serious safety risks - April 2003, states that FAA does not require air traffic controllers to receive training after incidents.

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100%	88%	83%	40%	

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**      Answer: YES      Question Weight: 12%

**Explanation:** GAO and the DOT IG have conducted many evaluations of Air Traffic Services (ATS) - operational errors and runway incursions, labor distribution reporting, and workers compensation. As a result of these evaluations, ATS has undertaken an aggressive program in the Southern Region to understand the workers compensation problem and how they can bring some of these individuals back into the work force. FAA is in the process of reviewing the many MOU's with labor unions. Final outcomes of the IG and GAO recommendations cannot be determined at this time.

**Evidence:** DOT IG Operational Errors and Runway Incursions - April 2003. DOT IG - Workers' Compensation Traumatic Injury Claims - January 17, 2003. GAO Air Traffic Control - Impact of Revised Personnel Relocation Policies Is Uncertain - October 2002. DOT IG Top Management Challenges - January 17, 2003. DOT IG Air Traffic Services - Planned Labor Distribution Reporting - October 2001. GAO reports: Air Traffic Control - FAA Needs To Better Prepare for Wave of Controller Attrition. <http://www.gao.gov>. FAA Order - Air Traffic Quality Assurance 7210.56C lists the FAA's authority in the area of retraining, DOT IG - FAA's Management of and Control over Memorandums of Understanding ([http://www.oig.dot.gov/show\\_pdf.php?id=1165](http://www.oig.dot.gov/show_pdf.php?id=1165))

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**      Answer: NO      Question Weight: 12%

**Explanation:** In 2004 and 2005, FAA attempted to submit a budget that linked performance to budget request. Unfortunately the document needs more work.

**Evidence:** FY 2004 President Budget and FY 2004 FAA congressional justification.

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?**      Answer: YES      Question Weight: 12%

**Explanation:** FAA has had a strategic planning process since 1997. Over time they have revised their goals to better measure their performance. For example, the on-time, capacity and efficiency measures have been fine tuned so that they provide linkages to the overall DOT goals. They have also used the data and results to initiate new programs e.g. Spring/Summer plan to address delays. While FAA is cognizant of its strategic planning limitations, the ATS organization is working to improve their performance in this area. FAA is currently developing a new strategic plan to guide the organization under the new Administrator. The Operational Evolution Plan - FAA's long term strategy on capacity.

**Evidence:** Operational Evolution Plan <http://www1.faa.gov/programs/oepl/INDEX.htm>. Cite new strategic plan. Airway Facilities FY 2002 Performance Report

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**3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:16%

Explanation: ATS collects daily information on runway incursions and operational errors at centers and towers. Headquarter staff make sure that regional officials are aware of problems. Daily telcons with representatives evaluate recent activities. Monthly meetings with senior ATS management discuss problem areas and discuss solutions. The ASP database contains many of their metrics. Airway Facilities (AF) has a Operational Results Team which reviews planning and resources while monitoring progress on performance goals. This team meets monthly to discuss AF activities.

Evidence: The ASP database contains useful information but ATS is not using the information from the metrics to manage. Airway Facilities Operational Results Team Charter. Aviation Safety Statistical Handbook - February 2003. Monthly FLASH reports.

**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight:16%

Explanation: ATS executives at headquarters, regions and centers receive compensation based on Short Term Incentive (STI) contracts. They are held accountable for performance results and schedules but not cost. These annual agreements include performance measures on runway incursions, operational errors and airport efficiency. Program partners such as contractors, grantees, and airports are not held accountable for cost and performance. The employees of these managers - air traffic controllers are not held accountable for performance and cost.

Evidence: STI contracts. FAA Strategic Plan Supplement for FY 2002 with information on STI's ([http://www.api.faa.gov/sp02\\_sup/02sp-sup-web/Implemt.htm](http://www.api.faa.gov/sp02_sup/02sp-sup-web/Implemt.htm)) Contract Tower operations are conducted at a fixed price, should costs increase, the contract operator is not reimbursed.

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:16%

Explanation: ATS monitors obligations on a bi-weekly basis. Funds are obligated in a timely basis and for the intended purpose. 80% of ATS funds are for salaries and expenses.

Evidence: The Associate Administrator for ATS meets with service directors and budget staff each month too review spending against financial plans. These reviews ensure that shortfalls are managed. Airway Facilities Operational Results Team also monitors spending closely.

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight:16%

Explanation: Program does not have efficiency measures or targets. Lacks cost effectiveness in program execution. FAA is currently undertaking an A-76 of the Flight Service Station program which is part of ATS. Review is scheduled to be completed in FY 2004. Airway Facilities is in process of reviewing cost data on long-term radar sites and is sharing cost data with regions.

Evidence: FAA memo's on long-range radar cost issues - May 1, 2003. Link to FAA's competitive sourcing web site ([http://www1.faa.gov/aba/html\\_budget/html\\_cs/index.html](http://www1.faa.gov/aba/html_budget/html_cs/index.html)) Link to FAA's cost accounting ([http://www1.faa.gov/aba/html\\_infotech/cas/index.html](http://www1.faa.gov/aba/html_infotech/cas/index.html))

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**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: NA Question Weight: 0%

Explanation: FAA's Air Traffic Services organization is the only provider of air traffic control to commercial aviation in the US.  
 Evidence:

**3.6 Does the program use strong financial management practices?** Answer: YES Question Weight: 16%

Explanation: FAA has one material internal control weakness reported by KPMG and one material weakness reported under the FFMIA process but they do not relate to ATS. Financial management systems do not meet statutory requirement - expect to convert to Delphi in Q1 2004. ATS is also not fully utilizing cost accounting system but it hopes within the next few years to make better use of the data.  
 Evidence: Link to FAA's financial web site with links to audit reports ([http://www2.faa.gov/aba/html\\_finst.html](http://www2.faa.gov/aba/html_finst.html).)

**3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 16%

Explanation: The ATS organization is aware of its management challenges and has taken steps to improve its management challenges. The Configuration Management Group (ACM) evaluates FAA Research and Acquisitions (ARA) and ATS to determine what can be done to improve the programs. ACM uses IG and GAO input in planning its program evaluations. FAA is also working to implement two of the IG's top management challenges (1) runway incursions and Ops errors, and (2) reversing spiraling operating costs. FAA is working to improve their performance and hold down costs. FAA's work on the Operational Evolution Plan (OEP) is another example of its efforts to improve management issues. The OEP is FAA's ten-year plan to improve in 4 areas: airport arrival and departure rates, en route congestion, airport weather conditions, and en route severe weather.  
 Evidence: Link to ACM reports. <http://www2.faa.gov/acm/acm10/reports.htm> Link to Operational Evolution Plan Executive Summary [http://www1.faa.gov/programs/oepe/Executive%20Summary/nas\\_oepe\\_Jan\\_28.pdf](http://www1.faa.gov/programs/oepe/Executive%20Summary/nas_oepe_Jan_28.pdf)

**4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: SMALL EXTENT Question Weight: 20%

Explanation: In the last three years, FAA has met its top-level commercial aviation fatal accident rate goal - contributed strongly to by this program - but has had mixed success in meeting runway incursion, and operational error safety goals; and on-time flight arrival, airport throughput, and airport capacity mobility goals. In 2002, FAA met its runway incursion, flights arriving on-time, airport throughput efficiency, and airport capacity goals, but it did not meet its operational errors goal. Prior to 2002, FAA met only one of these goals. FAA is currently working to develop long-term goals (5 - 10 years).  
 Evidence: US DOT performance plan FY 2004

**4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight: 20%

Explanation: Over the last few years, FAA has had problems meeting its goals. 2002 is the first year that FAA met two of four goals listed in this PART. FAA met its runway incursion and flights arriving on-time goal but missed its operational errors goal in 2002. As a result of 9/11, traffic was down so it is hard to say how this decline affected FAA's ability to meet its goals.  
 Evidence: US DOT performance plan FY 2004

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**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**      Answer: NO      Question Weight 20%

Explanation: Program received a no in question 3.4. ATS continues to experience challenges in the area of efficiencies/cost effectiveness. In addition, ATS does not have an efficiency measure.

Evidence: April 9, 2003 Testimony DOT IG "Cost Control Issues for the Federal Aviation Administration's Operations and Modernization Accounts"  
[http://www.oig.dot.gov/item\\_details.php?item=1069](http://www.oig.dot.gov/item_details.php?item=1069)

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**      Answer: YES      Question Weight 20%

Explanation: FAA compares favorably to Eurocontrol - air traffic manager and architect of air traffic management systems throughout Europe (41 states). Report concluded that FAA en-route centers are more cost effective than Eurocontrol.

Evidence: Performance Review Commission - Performance Review Report PRC 6. May 2003.( [www.eurocontrol.int](http://www.eurocontrol.int)). FAA report: The World's Safest Aviation System: Comparing Fatal Hull Loss Accident Rates Among Countries and Regions.

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**      Answer: SMALL EXTENT      Question Weight 20%

Explanation: Both the DOT Inspector General and the General Accounting Office have reviewed many ATS activities - workers compensation, air traffic controller pay issues, payroll, and safety concerns. Reports are generally critical of ATS' inability to contain costs and suggest that performance can be improved.

Evidence: DOT IG "Top Management Challenges - DOT" January 17, 2003; DOT IG Operational Errors and Runway Incursions" April 3, 2003  
[http://www.oig.dot.gov/show\\_pdf.php?id=1064](http://www.oig.dot.gov/show_pdf.php?id=1064) "Workers Compensation Traumatic Injury Claims" January 17, 2003.  
[http://www.oig.dot.gov/show\\_pdf.php?id=970](http://www.oig.dot.gov/show_pdf.php?id=970)

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**Program:** FAA Air Traffic Services  
**Agency:** Department of Transportation  
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**Measure:** Number of Operational Errors. (When air traffic controllers allow planes to come too close together in the air.)

**Additional Information:** Measures the most severe operational errors

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001		674	
2002	568	662	
2003	642		
2004	629		
2005	610		
2006	595		
2007	579		
2008	563		

**Measure:** Number of highest risk runway incursions (potential collisions on the ground).

**Additional Information:** Measures high risk runway incursions

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001		53	
2002	53	37	
2003	44		
2004	33		
2005	32		

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2006	30
2007	28
2008	27

**Measure:** Percent of flights arriving on-time  
**Additional Information:** Increase On-Time Performance at the 35 OEP airports (32 large hubs in 2002, 2003)

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001		76.2	
2002	77.2	82.3	
2003	78.2%		
2004	82.1%		
2005	82.2%		
2006	82.68%		
2007	83.16%		
2008	83.64%		

**Measure:** Airport Arrival Efficiency Rate  
**Additional Information:** Increase the ratio of flight arrivals to the lesser of flight demand or airport capacity at 35 OEP airports

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001		94.9	
2002	95.25	96.2	

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2003	95.49
2004	95.67
2005	95.76
2006	95.85
2007	95.93
2008	96

**Measure:** Airport Daily Arrival Capacity (in thousands of landings)

**Additional Information:** Increase the daily arrival capacity at the 35 OEP airports (32 large hub airports in 2002, Honolulu excluded in 2003)

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b>
2001	46.6	46.6	
2002	46.6	47	
2003	49.12		
2004	51.33		
2005	52		
2006	52.21		
2007	53.6		
2008	53.6		

## OMB Program Assessment Rating Tool (PART)

### *Competitive Grant Programs*

**Name of Program: FAA Grants-in-Aid for Airports (Airport Improvement Program)**

**Section I: Program Purpose & Design (Yes, No, N/A)**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Is the program purpose clear?</i>	Yes	The purpose is to maintain a safe and efficient nationwide system of public use airports that meets the present and future needs of civil aeronautics.	Title 49, Chapter 471 U.S.C.	20%	0.2
2	<i>Does the program address a specific interest, problem or need?</i>	Yes	The AIP program addresses capacity needs at airports as well as safety and security needs. Through federal funding, FAA is able to encourage airports to address issues that are of a national priority. Through annual funding in appropriations bills, Congress reiterates the program's importance. The AIP program is part of the FAA's mission to address the growing capacity needs.	DOT Performance Report FY 2000 and Performance Plan FY 2002	20%	0.2
3	<i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	No	While AIP is critical to spur aviation safety, efficiency, and economic growth, large airports would continue to operate without AIP funds. Large airports rely on AIP funds for 20% of their construction costs. The smaller airports in the national airport system, 96% of all airports, rely on AIP for over 80% of their funding. If AIP were removed, many airports would be unable to comply with safety and system efficiency requirements, and would be at risk of closure. Approximately 60% of all AIP funding goes to the smaller airports.	-----	20%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	Yes	Federal funding creates partnerships with airports to achieve mutually agreeable goals. Since the Federal government operates the airspace and maintains air traffic control operations and technology, it is important that the Federal government play a large role in the capacity needs on the ground. Large and medium hubs need the Federal investment to signal to the private sector that the program is viable. Bond issuers and private financing organizations view AIP funds as a form of guarantee that the projects will be complete. FAA asserts that airports would not make adequate investments in safety and noise without federal funding and oversight.	Bond issuers and private financing institutions view AP funds as a form of a guarantee that the projects will be complete and fully funded. FAA asserts that airports would not make adequate investments in safety and noise without federal funding and oversight.	20%	0.2
5	<i>Is the program optimally designed to address the interest, problem or need?</i>	Yes	Regulation may be more efficient, but grants are more effective in producing results that match FAA goals. Grants that fund safety and system efficiency promote partnerships, giving airports ownership in solving problems. FAA has improved the tools it uses to select projects for funding.	FAA believes that the funding creates partnerships that make change possible. Regulation would place FAA in an adversarial role.	20%	0.2
<b>Total Section Score</b>					<b>100%</b>	<b>80%</b>

<b>Section II: Strategic Planning (Yes, No, N/A)</b>						
	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	<i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	Yes	AIP does have long-term goals that focus on outputs. These goals link to FAA's performance goals that include both GPRA and supplemental goals that are outcome oriented.	FAA's long term goals are: 1) bring all 520 runway safety areas to standard, as practicable, by 2007, 2) support new runway construction to increase capacity at large hubs by 5% over 5 years, 3) reduce the number of persons exposed to high levels of noise by 50,000 over 5 years and 4) keep at least 93% of all active airfield pavement in fair or better condition at all times. Goals are included in Office of Airports Performance Goals for FY 2002 document ( <a href="http://intranet.faa.gov/arp/pdfs/02goals8.doc">http://intranet.faa.gov/arp/pdfs/02goals8.doc</a> )	14%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	Yes	AIP has annual goals that tie to the cumulative long - term goals. These goals are output oriented but they are linked to FAA's performance goals that are outcome oriented.	FAA's long term goals are: 1) upgrade 65 runway safety areas to standard, as practicable, 2) support new runway construction to increase capacity at large hubs by 1% a year, 3) reduce the number of persons exposed to high levels of noise by 10,000 a year and 4) keep at least 93% of all active airfield pavement in fair or better condition at all times. Goals are included in Office of Airports Performance Goals for FY 2002 document ( <a href="http://intranet.faa.gov/arp/pdfs/02goals8.doc">http://intranet.faa.gov/arp/pdfs/02goals8.doc</a> .)	14%	0.1
3	<i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	No	There is no requirement for grantees to directly link their activities to program goals. In developing each year's funding plan, airports update their 3-year capital improvement plan to bring it in line with the national plan. The airports' plans mark their progress in meeting commitments to the development necessary for the national airport system.	Airports Capital Improvement Plan (ACIP) Order, <a href="http://www.faa.gov/arp/publications/orders/acip/5100-39.pdf">http://www.faa.gov/arp/publications/orders/acip/5100-39.pdf</a>	14%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	<i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes	Two separately budgeted programs that are interrelated to the AIP are the F&E and Homeland Security Programs. The AIP is collaboratively coordinated with these programs in the appropriate offices of FAA and TSA, respectively, in order that the airport development and planning under AIP complements the navigational aids under F&E and the TSA approved airport security plans and installations. There are also many cases of collaboration with FHWA and FTA on key intermodal transportation projects. In addition, joint grant announcements occur through OST coordination with military agencies for the use of MAP funds at joint-use airports and with the Economic Development Agency on airport development projects.	---	14%	0.1
5	<i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	Yes	GAO and the IG conduct regular evaluations of the AIP program. While these reviews are not scheduled on a regular basis, GAO and the IG have completed 7 reviews over the last 5 years on the AIP program.	FY 2003 President's Budget and Congressional justifications. An example of a recent report includes: GAO report April 2002 "Aviation Finance: Distribution of Airport Grant Funds Complied with Statutory Requirements." Notice from the IG's office that they are conducting a review of FAA financing issues as well as airport financing ( <a href="http://www.oig.dot.gov/item_details.php?item=648">http://www.oig.dot.gov/item_details.php?item=648</a> )	14%	0.1
6	<i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	No	The AIP budget is aligned based on AIR-21 funding levels and identifies the split between grants and personnel. The FAA intends to work towards aligning the budget with performance.	AIR-21, FY 2003 President's Budget	14%	0.0

		<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
<b>Questions</b>						
7	<i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	Yes	FAA conducts periodic reviews reflected in the U.S. DOT Performance Plan to determine if the intended outcomes are achieved. In FY 2002, the FAA evaluated the AIP noise set-aside program. The evaluation revealed the need to ensure that noise exposure maps be as recent and accurate as possible to aid programming decisions under the AIP. Starting with the FY 2003 program, regional Airports division managers will be required to ensure that 100% of all AIP programming decisions are based on noise contours that are reasonable representations of the current and/or five-year forecast conditions at airports applying for grants from the noise set-aside. As a result of the accident in AR, an AIP long-term goal was established to bring all runway safety areas at certificated airports up to standard, as practicable, by 2007.	DOT Performance Plan and Report. See the following web site for more information on the noise program. ( <a href="http://www.faa.gov/arp/environmental/index.cfm?ARNav=enviro#noise">http://www.faa.gov/arp/environmental/index.cfm?ARNav=enviro#noise</a> ) The aircraft accident at Little Rock, AR in which a commercial airliner ran off of the end of the runway and collided with objects in the runway safety area brought about a re-evaluation of the policy on objects in the runway safety area.	14%	0.1

<b>Total Section Score</b>	<b>100%</b>	<b>71%</b>
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<b>Section III: Program Management (Yes,No, N/A)</b>						
		<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
<b>Questions</b>						
1	<i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	No	The AIP program follows statutory guidance as well as FAA internal guidance to manage the program. However, because of the lead time involved in airport construction the program cannot constantly adjust program priorities to manage the program. Outcomes from grants are often years away so it is hard to make decisions in a timely fashion.	AIR-21 (P.L. 106-181)	9%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	<i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	Yes	Program managers are responsible for achieving results and the performance measures are built into personnel evaluations.	Managers annual performance evaluations are based on how well their organization met the goals.	9%	0.1
3	<i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	Yes, the budget office ensures that funds are obligated in a timely manner. The AIP program traditionally obligates 100% of available funds. Any unobligated funds are carried forward. The AIP makes sure that recoveries are processed accordingly.	GAO report April 2002 "Aviation Finance: Distribution of Airport Grant Funds Complied with Statutory Requirements." FY 2003 President's Budget Submission	9%	0.1
4	<i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	No	The program's performance plan does not include efficiency measures and targets. The program is operated in an efficient manner but it is not due to internal program procedures.	-----	9%	0.0
5	<i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	No	The AIP program is one part of the larger Airports line of business within FAA. However, the AIP appropriation request covers more than just AIP, it also funds the administrative costs of the Airports office. FAA is in the process of developing a cost accounting system that will be able to track costs by activity.	FY2003 President's Budget Submission	9%	0.0
6	<i>Does the program use strong financial management practices?</i>	Yes	The program is free of material internal control weaknesses. However, the program has experienced difficulty with erroneous payments. DOT has established a recovery audit system to reduce the number of erroneous payments.	OIG report on FAA's financial statements for FY 2001 and 2000 ( <a href="http://www.oig.dot.gov/show_pdf.php?id=712">http://www.oig.dot.gov/show_pdf.php?id=712</a> )	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
7	<i>Has the program taken meaningful steps to address its management deficiencies?</i>	Yes	The Airports office internal performance goals have been used to address weaknesses in managing AIP project costs and timeliness of completion. One of these goals requires that 70% of all grant offers be based on actual bids. Timeliness is managed through goals for project completions. Staff from headquarters meet with regional airport directors to discuss how the program can improve its effectiveness.	FAA Annual performance goals and DOT Performance Plan.	9%	0.1
8 (Co 1.)	<i>Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?</i>	Yes	In developing the ACIP, (an internal funding plan), the staff reviews airport plans for development and decides which projects are of greater priority. The ACIP process involves individual airports, state officials and headquarters staff. Congressional earmarking is a problem.	The Airports Capital Improvement Plan (ACIP) Order ( <a href="http://www.faa.gov/arp/publications/orders/acip/5100-39.pdf">http://www.faa.gov/arp/publications/orders/acip/5100-39.pdf</a> )	9%	0.1
9 (Co 2.)	<i>Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?</i>	Yes	The FAA uses a numerical system as one tool for prioritizing airport development for discretionary projects. In addition, airports must submit grant applications to FAA to spend their formula funds. All airports are aware of the selection criteria and FAA requirements.	The Airports Capital Improvement Plan (ACIP) Order ( <a href="http://www.faa.gov/arp/publications/orders/acip/5100-39.pdf">http://www.faa.gov/arp/publications/orders/acip/5100-39.pdf</a> )	9%	0.1
10 (Co 3.)	<i>Does the program have oversight practices that provide sufficient knowledge of grantee activities?</i>	Yes	The AIP program office in headquarters together with the regional staff keep in regular contact with airports across the US. Grantees must also submit applications in order to receive their formula funds so FAA is aware of their activities.	The Airports Capital Improvement Plan (ACIP) Order ( <a href="http://www.faa.gov/arp/publications/orders/acip/5100-39.pdf">http://www.faa.gov/arp/publications/orders/acip/5100-39.pdf</a> ), and the NPIAS. ( <a href="http://www.faa.gov/arp/planning/npias/index.cfm?ARPnav=npias">http://www.faa.gov/arp/planning/npias/index.cfm?ARPnav=npias</a> )	9%	0.1
11 (Co 4.)	<i>Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?</i>	No	FAA tracks performance on grant activity from the airports. However, only the grant announcements are made available to the public. Performance data are used internally for the ACIP and NPIAS formulations.	-----	9%	0.0
<b>Total Section Score</b>					<b>100%</b>	<b>64%</b>

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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**Section IV: Program Results (Yes, Large Extent, Small Extent, No)**

1	<i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	Yes	The program is making progress towards its long term goals. For FY 2001, the annual accomplishments will allow the Airport's office to make their long term goal.	See accomplishments below.	20%	0.2
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<p>Long-Term Goal I: Eliminate airport conditions as cause for aircraft accidents and for security breaches.</p> <p>Target: 520 by 2007</p> <p>Actual Progress achieved toward As of FY 2001, 139 Runway safety areas have been brought to standard. (cumulative) goal:</p>					
<p>Long-Term Goal II: Reduce the number of persons exposed to high levels of noise by 50,000 over 5 years.</p> <p>Target: 50,000 people over 5 years</p> <p>Actual Progress achieved toward As of FY 2001, 32,314 persons no longer exposed to high levels of noise. (cumulative) goal:</p>					
<p>Long-Term Goal III: Keep at least 93% of active airfield pavement in fair or better condition.</p> <p>Target: 93% of all pavement</p> <p>Actual Progress achieved toward As of FY 2001, 94.5% of all airfield pavement was in fair or better condition. goal:</p>					

2	<i>Does the program (including program partners) achieve its annual performance goals?</i>	Yes	The Airport's office met or exceeded its annual performance goals.	See accomplishments below.	20%	0.2
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<p>Key Goal I: Upgrade runway safety areas to full standards</p> <p>Performance Target: In FY 2001 the annual goal was 65 runway safety areas.</p> <p>Actual Performance: In FY 2001, 68 runway safety areas were brought to standard.</p>					
<p>Key Goal II: Reduce the number of persons exposed to high levels of noise by 10,000.</p> <p>Performance Target: 10,000 people a year</p> <p>Actual Performance: In FY 2001, 18,813 persons were no longer exposed to high levels of noise.</p>					
<p>Key Goal III: Keep at least 93% of active airfield pavement in fair or better condition.</p> <p>Performance Target: 93% of all pavement</p> <p>Actual Performance: In FY 2001, 94.5% of all airfield pavement was in fair or better condition.</p>					

	<b>Questions</b>	<b>Ans.</b>	<b>Explanation</b>	<b>Evidence/Data</b>	<b>Weighting</b>	<b>Weighted Score</b>
3	<i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	Small Extent	FAA has improved the cost-effectiveness and efficiency in program execution. For instance, the FAA used more automated financial databases and delegated authority to the regions, reducing the number of headquarters personnel assigned to funds control and eliminating the need for paper ledgers for the national program. Under AIR 21, AIP funding levels have risen but staffing has remained flat. In the future, FAA will achieve further efficiencies by permitting direct data entry from local airport sponsors and states and through use of contractors.	Annual reports to Congress, annual year-end clean audits. Program is receiving a score of "small extent" because many of their management efficiencies are still in the design and planning stages and have not been implemented yet.	20%	0.1
4	<i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	Yes	The AIP program compared to FHWA Federal-aid highway program has well established procedures for monitoring airport projects funded under the AIP program. Before an airport can move forward with a project, it must meet with FAA to discuss responsibilities of all parties.	DOT Management Challenges report ( <a href="http://www.oig.dot.gov/item_details.php?item=87">http://www.oig.dot.gov/item_details.php?item=87</a> )	20%	0.2
5	<i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	Large Extent	The GAO and OIG have audited various aspects of the AIP regularly to gauge its effectiveness in achieving desired outcomes. An April 2002 GAO report concluded that the management of AIP complied with requirements. OIG's June 1998 report and GAO's May 1999 report provided similar findings. When audits recommend changes or improvements, FAA has made adjustments. After the release of GAO's June 1994 report on the AIP Reliever Airport Set-Aside Funds, FAA changed the way it was distributing funds to reliever airports.	GAO report April 2002 "Aviation Finance: Distribution of of Airport Grant Funds Complied with Statutory Requirements. (GAO - 02-283). This program is receiving a score of "large extent" because many of the GAO and IG's reports only look at specific portions of the AIP program.	20%	0.1
<b>Total Section Score</b>					<b>100%</b>	<b>80%</b>

## PART Performance Measurements

**Program:** FAA Grants-in-Aid for Airports (Airport Improvement Program)  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	71%	64%	80%	Effective

**Measure:** Eliminate airport conditions that cause aircraft accidents and security breaches (Such conditions include safe runways and taxiways that meet standards. The long-term target is to bring all 520 runway safety areas to standard by 2007. The annual target is to bring 65 runway safety areas to standard each year.)

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2000	65	71	
2001	65	68	
2002	65		
2003	65		
2005			
2006			

**Measure:** Reduce the number of people exposed to high levels of noise by 50,000 over 5 years (The annual target is a reduction of 10,000 people exposed a year.)

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2000	10,000	13,501	
2001	10,000	18,813	
2002	10,000		
2003	10,000		
2005			
2006			

## PART Performance Measurements

**Program:** FAA Grants-in-Aid for Airports (Airport Improvement Program)  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	71%	64%	80%	Effective

**Measure:** Maintain at least 93% of active airfield pavement in fair or better condition (The 93% figure was selected because 5-7% of all runways are undergoing major repairs each year.)

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term and Annual
1999	93%	95 %	
2000	93%	94.5%	
2001	93%		
2002	93%		
2005			
2006			

## PART Performance Measurements

**Program:** Facilities and Equipment  
**Agency:** Department of Transportation  
**Bureau:** Facilities and Equipment  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	75%	39%	

**1.1 Is the program purpose clear?**

Answer: YES                      Question Weight 20%

**Explanation:** The mission of Facilities and Equipment program is to provide development and acquisition for products and services that enable the FAA to enhance the safety of the NAS and satisfy current and future operational needs of the U.S. civil aerospace system for national and international operations.

**Evidence:** Federal Aviation Act (P.L. 85-726). Part A of subtitle VII of Title 49, United States Code. Omnibus Bill 1999. FAA Order 2500.8A: Funding Criteria for Operations, Facilities and Equipment (F&E), and Research, Engineering and Development (R, E&D) Accounts. FY03 Performance Accountability Report.

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES                      Question Weight 20%

**Explanation:** The F&E Program targets shortfalls (mission needs) in the operational capabilities the FAA needs to perform its mission. The program provides the necessary equipment and facilities for the FAA to fulfill its mission for a safe, secure, and efficient National Airspace System.

**Evidence:** Federal Aviation Act (P.L. 85-726). Part A of subtitle VII of Title 49, United States Code. Flight Plan 2004-2008. FY03 Performance Accountability Report, pages 6 and 83.

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES                      Question Weight 20%

**Explanation:** The FAA has sole responsibility for the national airspace system. If the program did not exist, no other public or private organization could take its place. FAA's Facilities and Equipment (F&E) program provides improvements to the National Airspace System (NAS) to accommodate demands for aviation services, to maximize operational efficiency and to replace or modernize aging equipment and facilities.

**Evidence:** Capital Investment Plan. NAS Architecture. Operational Evolution Plan.

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**

Answer: NO                      Question Weight 20%

**Explanation:** The program focuses on acquisition, instead of changes to operating outcome. The program should use spiral development techniques to validate operating outcome before deployment commitments. Capital funding processes have driven management priorities towards discrete priorities rather than comprehensive, integrated, and on-going refresh of operating capabilities. In addition, contract management disciplines should be more widely use, defined, and measured.

**Evidence:** Acquisition Management System. Capital Investment Plan. NAS Architecture. F&E Management and Control briefing.

## PART Performance Measurements

**Program:** Facilities and Equipment  
**Agency:** Department of Transportation  
**Bureau:** Facilities and Equipment  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	75%	39%	

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: NO Question Weight: 20%

**Explanation:** FAA uses a decision tool during the annual budget review process to support annual resource allocations. The tool weighs each project's contribution within a program office to agency goals and civil aviation needs relative to other. However, often projects consistently experience large cost/schedule overruns and the relative benefit is unclear, but FAA rarely terminates or discontinues programs. Furthermore, since the F&E program does not focus on achieving outcomes, it is unclear if resources reach the highest percentage of target beneficiaries.

**Evidence:** Capital Investment Plan. NAS Architecture. FAA FY 2004-2015 Aerospace Forecast. Expert choice, Budget formulation, Baseline Variance (IBEAM)

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 11%

**Explanation:** The F&E Program's long-term performance measures tie to the FAA Flight Plan 2004-2008. These measures focus on increasing aviation safety, creating greater capacity, and ensuring organizational excellence.

**Evidence:** Flight Plan 2004-2008. F&E Performance Goal Chart.

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 11%

**Explanation:** The F&E Program's long-term targets are challenging, ambitious and that align to the FAA corporate-level strategic plan.

**Evidence:** Flight Plan 2004-2008.

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 11%

**Explanation:** The F&E program only had one goal in FY 2005--percent of major system acquisitions that are on schedule and within budget. During the PART review, FAA developed additional annual measures to more comprehensively measure program performance, which will be included in the FY 2006 Congressional Justification.

**Evidence:** FY 2005 FAA Congressional Justification and draft FY 2006 Performance Goals.

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 11%

**Explanation:** Baselines and ambitious targets are only established for one annual measure. FAA will establish baselines and targets the new annual measures in the FY 2006 Budget.

**Evidence:** FY 2005 FAA Congressional Justification

## PART Performance Measurements

**Program:** Facilities and Equipment  
**Agency:** Department of Transportation  
**Bureau:** Facilities and Equipment  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	75%	39%	

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight: 11%

**Explanation:** All partners are committed to achieving F&E program element goals. The FAA's NAS Architecture and Operational Evolution Plan are developed in close collaboration with the aviation community, DoD, and NASA. RFPs reflect required contractor performance in support of the overall F&E mission and contractual incentives are included as appropriate. It is not feasible to hold contractors accountable for long-term goals (i.e. reduction in fatal accident rate) over which they have no control. Contractors play no role other than providing equipment to achieving those objectives.

**Evidence:** NAS Architecture. Target System Description. Operational Evolution Plan. Acquisition Management System. Capital Investment Plan. RTCA stakeholders. Joint Planning and Development Office charter. Memorandums of Understanding [National Weather Service, NASA, DOD]. Incentive-type contract vehicles [ERAM sample].

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight: 11%

**Explanation:** The F&E Projects are reviewed on a regular basis by the GAO, IG and other independent entities. These studies are sufficient in scope and quality; they typically focus on specific projects. Council or other organizations.

**Evidence:** Evaluation of FAA Acquisition Reform-The First Three Years: April 1996-March 1999, (recommendations page iv and 6). GAO reports: FAA's Modernization Efforts (10/2003); Current Efforts and Proposed Changes to ATC System (5/2003). GAO Reducing Delays and Congestions (5/2001). FAA IG: Status of FAA's Major Acquisitions (6/2003).

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight: 11%

**Explanation:** The draft FY 2006 Congressional Justification request ties resource requirements to accomplishment of annual and long-term goals.

**Evidence:** Draft FY 2006 FAA Congressional Justification

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 11%

**Explanation:** The FAA is working to implement a well-defined, standard process for developing operations and maintenance cost assumptions, estimating life cycle costs, and determining program outcomes. It will apply lifecycle techniques that allow usable segments of the development effort to be addressed to the programs that are to be rebaselined.

**Evidence:** FAA FY2003 Performance and Accountability Report. Flight Plan 2004-2008. Administrator's Testimony, March 17, 2004. SPIRE tracking and reporting tool [pbViews]. Brief to OMB on the Air Traffic Organization.

## PART Performance Measurements

**Program:** Facilities and Equipment  
**Agency:** Department of Transportation  
**Bureau:** Facilities and Equipment  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	75%	39%	

**2.CA1**     **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?**     Answer: NO     Question Weight:11%

**Explanation:** In developing its business case, the FAA conducts technical/operational analysis, risk analysis and economic analysis against its Capital Investment Program. The FAA is in the process of developing better internal financial management standards and controls to validate the basis for estimating capital program costs and benefits. The FAA will manage new programs and existing programs that are baselined by employing an incremental lifecycle approach. This approach will facilitate key decision points at discrete milestones during the development effort.

**Evidence:** Business Case Analysis Briefing, May 2004. Capital Investment Plan.

**3.1**     **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**     Answer: YES     Question Weight:13%

**Explanation:** All projects of the F&E Program collect and analyze cost, schedule, and technical performance data from contractors on a monthly basis. ANSI Standard Earned Value Management is applied against 66 percent of FY 04 major acquisitions contract dollars. This data is used 1) to manage the project, identify areas needing improvement, and target corrective action; 2) brief the ATS Board on program performance (quarterly); 3) brief the Administrator on performance (monthly); 4) track and report goals (quarterly); and 5) to support semi-annual JRC acquisition reviews.

**Evidence:** ARA FY03 Performance Plan. ARA Quarterly Performance Status Reports. ATS Performance Plan FY 2001-2003. Air Traffic Services Subcommittee metrics. Joint Resources Council (JRC) presentations. SPIRE status formats (sample smart sheets). Acquisition Baseline Management Process. Performance Dashboard (ATOP).

**3.2**     **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**     Answer: YES     Question Weight:13%

**Explanation:** Managers are held responsible for achieving cost, schedule, and performance targets through the Performance Management System Plan, which is evaluated semiannually. The FAA's Core Compensation Plan, the Organizational Success Increase reward system, and the performance standards in the Executive's Short-Term Incentives program. For program partners, incentives for good performance are embedded in contract documents, when appropriate.

**Evidence:** Performance Management System documentation. ARA and ATS Senior Executive Service Short-Term Incentives. Organizational Success Increase documentation. Core Compensation Plan documentation. Acquisition Management System incentive clauses (ERAM and ATOP examples). Service contract (TAC2 example). Memorandum of Understanding (National Weather Service example).

## PART Performance Measurements

**Program:** Facilities and Equipment  
**Agency:** Department of Transportation  
**Bureau:** Facilities and Equipment  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	75%	39%	

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 13%

**Explanation:** The F&E account is a three year appropriation. 84% is obligated the first year, 10% the second year, and 6% the third year. Each fiscal year the program offices develop commitment and obligation plans (spend plans) for the F&E Program. These plans are tracked monthly and analyzed to determine if targets will be met. Deviations from plan are noted and corrective actions taken as required to improve performance.

**Evidence:** Monthly Financial Commitments and Obligations Reports. ATOP Program Obligation Plan. Overall Obligation Plan. End of the year F&E Obligation Report.

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 13%

**Explanation:** The program's procurement planning processes includes 1) a market analysis to determine the availability of commercial items and their cost; 2) vendor selection and award based on a determination of best value. However, these procedures do not measure efficiencies and cost effectiveness. FAA has two efficiency measures: cost and schedule variance from baseline and reduce contract administration costs.

**Evidence:** Acquisition Management System (samples of source selection documentation, pre- and post-award audits, market analysis, SIR1 and SIR2, investment analysis report). OMB Circular A-76 documentation. Draft FY 2006 Efficiency Goals.

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: NO Question Weight: 13%

**Explanation:** During the annual budget formulation process, FAA's F&E and Operations collaborate to ensure that sufficient F&E funds are allocated to support new systems to be fielded. However, while there are procedures in place to account for operations and maintenance costs, the operations account can not demonstrate savings through operational efficiency and effectiveness as a result of the deployed technology. The acquisitions and operations programs have been managed separately; therefore, program success was driven by acquisition completion rather than measured change in operating outcome.

**Evidence:** Memorandum of Agreement for ASR-11. North American Aerospace Surveillance Council documentation. Memorandum of Understanding and working group minutes (National Weather Service, National Aeronautics and Space Administration). OEP, Integrated Program Plan, IOT&E Overview

**3.6 Does the program use strong financial management practices?** Answer: NO Question Weight: 13%

**Explanation:** FAA is currently implementing a new financial system--Delphi. FAA has developed a scorecard and is tracking its efforts to address all transition issues and FAA has made great strides in this area. However, because it is still reconciling data, the F&E program does not yet have financial information that is accurate and timely. FAA is confident that these outstanding issues will be resolved in early FY 2005.

**Evidence:** FAA FY2003 Performance and Accountability Report (which includes the independent KPMG audit report and the DOT OIG letter dated December 19, 2003). Status Reports on Delphi.

## PART Performance Measurements

**Program:** Facilities and Equipment  
**Agency:** Department of Transportation  
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Section Scores				Rating
1	2	3	4	Adequate
60%	89%	75%	39%	

**3.7**      **Has the program taken meaningful steps to address its management deficiencies?**      Answer: YES      Question Weight:13%

Explanation: The F&E Program continually reassesses its management processes using the FAA-integrated Capability Maturity Model (iCMM). This system identifies and helps correct program management deficiencies and uses the system to make corrections.

Evidence: Office of the Inspector General, Report AV-2003-045, Status of FAA's Major Acquisitions (June 27, 2003). FAA-integrated Capability Maturity Model (iCMM) v2. ECG IPP, F&E Performance Goal Chart, iCMM description for PART, iCMMv2 Quick Reference Guide.

**3.CA1**      **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?**      Answer: YES      Question Weight:13%

Explanation: The FAA continuously reviews its program documentation at designated key milestones. The program develops a Requirements Document that establishes the operational framework and performance baseline for an acquisition program, which defines the cost, schedule, benefits, and performance baselines. The business and technical approaches are also carefully analyzed and developed and the Integrated Program Plan details the actions and activities the product team will accomplish to execute the program. About 30% of contract dollars are firm-fixed price and an additional 40% of contracts dollars include some form of incentive fee.

Evidence: Acquisition Management System. Requirements document. Acquisition Program Baseline. Acquisition Strategy Paper. Integrated Program Plan. Acquisition Baseline Management Process. URET, FTI, and ECG as examples of well managed programs. F&E chart describing contract types.

**4.1**      **Has the program demonstrated adequate progress in achieving its long-term performance goals?**      Answer: LARGE EXTENT      Question Weight:17%

Explanation: The F&E Program is making significant progress in achieving its long-term goals.

Evidence: Capital Investment Plan. Flight Plan 2004-2008. FAA FY2003 Performance and Accountability Report, p. 11. Operational Evolution Plan.

**4.2**      **Does the program (including program partners) achieve its annual performance goals?**      Answer: SMALL EXTENT      Question Weight:17%

Explanation: The F&E program has demonstrated results on only one of its annual goals: for Acquisition programs (80% of acquisition resources in FY 2003) 88% of the goal to meet annual cost goals within 80%; 77% met the goal on achieving annual schedule milestones within 80%. This goal was only partially achieved.

Evidence: DOT Performance & Accountability Report FY 2003. FAA Year-End Report. FAA FY2003 Performance & Accountability Report. (The F&E Program supports seven of the twelve goals referenced in this report.) Operational Evolution Plan.

## PART Performance Measurements

**Program:** Facilities and Equipment  
**Agency:** Department of Transportation  
**Bureau:** Facilities and Equipment  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	75%	39%	

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**

Answer: SMALL  
EXTENT

Question Weight: 17%

**Explanation:** During FY 2003, FAA is currently conducting an A-76 competition for operating automated flight service stations, which requires a mandatory savings of 22% (operations and capital). FAA is also in the process of developing an efficiency measure that will focus on increasing the number of performance-based contracts.

**Evidence:** A-76 competition on Flight Service Stations. FAA FY2003 Performance & Accountability Report (pp. 29-30 on A-76).

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: SMALL  
EXTENT

Question Weight: 17%

**Explanation:** GAO began an evaluation of FAA's investment management practices in FY 2003, using GAO's information technology investment management (ITIM) maturity model. The FAA's independent program evaluation staff (ACM) conducted an evaluation of FAA's Acquisition Management System (AMS) compared to the FAA's pre-AMS acquisition system, which was based on DoD's implementation of Circular A-109. The ACM study concluded that the FAA's AMS process saved time over the DoD-based system. However, FAA's ATC modernization program has been on the GAO High Risk List since 1995.

**Evidence:** Information Technology Investment Management (ITIM) self-assessment submitted to GAO. ITIM Guidance. ACM Evaluation of FAA Acquisition Reform: The First Three Years. OMB Circular A-76 documentation. GAO High Risk Series.

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: SMALL  
EXTENT

Question Weight: 17%

**Explanation:** The F&E Program is subject to independent evaluations by FAA stakeholders, the ATS Subcommittee, and independent internal and external organizations. Although some of these evaluations have identified shortcomings, the F&E Program as a whole is effective and achieves results.

**Evidence:** FY05 F&E Program Budget Formulation Process Paper. Expert Choice Briefing. Air Traffic Services Subcommittee minutes. Monthly Administrator status reviews. List of ACM-10 evaluations. Acquisition reviews - minutes. OIG Report, FAA Oversight of Cost-Reimbursable Contracts, FI-2002-92, May 2002. FAA FY2003 Performance and Accountability Report.

**4.CA1 Were program goals achieved within budgeted costs and established schedules?**

Answer: SMALL  
EXTENT

Question Weight: 17%

**Explanation:** For Acquisition programs (80% of acquisition resources in FY 2003) 88% of the goal to meet annual cost goals within 80%; 77% met the goal on achieving annual schedule milestones within 80%. However, in some cases, it is unclear how the variance was calculated. FAA will work to refine this methodology for FY 2005.

**Evidence:** FAA FY2003 Performance and Accountability Report.

## PART Performance Measurements

**Program:** Facilities and Equipment  
**Agency:** Department of Transportation  
**Bureau:** Facilities and Equipment  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	75%	39%	

**Measure:** Fatal aviation accidents per 100,000 departures.

**Additional Information:** this measure applies to commercial air carriers

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	.043	.037	
2002	.038	.026	
2003	.033	.024	
2004	.028	.021	
2005	.023		
2006	.018		

**Measure:** Fatal general aviation accidents

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	379	359	
2002	379	348	
2003	374	366	
2004	349	340	
2005	343		
2006	337		

## PART Performance Measurements

**Program:** Facilities and Equipment  
**Agency:** Department of Transportation  
**Bureau:** Facilities and Equipment  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	75%	39%	

**Measure:** Flights arriving within 15 minutes of schedule at 35 Operational Evolution Plan airports  
**Additional Information:** this measure tracks flight arrivals at the 35 largest airports

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	N/A	76.2	
2002	77.2	82.2	
2003	78.2	82.3	
2004	82.1	79.1	
2005	82.2		
2006	82.68		

**Measure:** For major systems acquisitions, percentage of schedule goals that are met  
**Additional Information:** this measure tracks the achievement of annual milestones within a major system acquisition

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2003	80	77	
2004	80	91	
2005	80		
2006	85		

**Measure:** For major systems acquisitions, percentage of cost goals within 10% of target  
**Additional Information:** this measure tracks the achievement of annual cost goals within a major system acquisition

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2003	80	88	

## PART Performance Measurements

**Program:** Facilities and Equipment  
**Agency:** Department of Transportation  
**Bureau:** Facilities and Equipment  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	89%	75%	39%	

2004	80	91
2005	80	
2006	85	

**Measure:** Capital Investment projects that exceed either cost or schedule by 10%. Baseline and target under development.

**Additional Information:** Tthis measure tracks projects' status against baseline cost and schedule goals for the duration of development and deployment

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
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**Measure:** Reduce the number of baseline modifications. Baseline and target under development.

**Additional Information:** This goal will strive to reduce the total cost of administering contracts.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
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## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight 20%

**Explanation:** The Research, Development, and Technology Program's (RD&T) mission is to: Lead in developing a nationally coordinated R&T program; champion the advancement of highway technological innovation in support of FHWA strategic goals and performance objectives (primarily improving highway safety); advance knowledge through research, development, testing, and evaluation services; and provide support and assistance throughout FHWA in matters relating to RD&T. The Federal Highway Administration (FHWA) also conducts research through the Intelligent Transportation Systems (ITS) program, which is a cross-cutting program within DOT. ITS research focuses on development and operational tests of intelligent vehicles and intelligent infrastructure systems, such as adaptive signal controls and ramp metering.

**Evidence:** The RD&T authorization is available at Title 23 of the U.S. Code, chapter 5, Section 502 is available at <http://www4.law.cornell.edu/uscode/23/502.html>. The specific responsibilities of the FHWA RD&T are found in FHWA ORDER M 1100.1A, Chg. 28, Chapter 13, dated September 4, 2002. The program's mission statement is found in The FHWA FY-2004-5 RD&T Performance Plan is posted at: <http://www.tfsrc.gov/about/03085/index.htm>.

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight 20%

**Explanation:** Traffic congestion on the nation's highways is worsening, and potential to be involved a roadway accident remains a serious risk. Program offices within FHWA (e.g., safety, environment, planning) as well as the Office of Research and Technology direct the research program work on the most critical issues affecting highway users.

**Evidence:** Highway statistics are found in the FHWA Strategic Plan: at: <http://www.fhwa.dot.gov/policy/fhplan.html>. Also see the 2002 FHWA Conditions and Performance report: <http://www.fhwa.dot.gov/policy/2002cpr/>.

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES

Question Weight 20%

**Explanation:** FHWA's work most closely coincides with the research programs of state governments and universities (a portion of the annual Federal highway funding provided to states is reserved for research). The program uses several mechanisms to avoid duplicative efforts. The National Academy of Science's Transportation Research Board (TRB) and FHWA have developed a Transportation Research Information System (TRIS) and a Research In Progress Database. DOT and non-federal researchers considering projects must consult these databases to identify similar efforts. FHWA also participates in the National Cooperative Highway Research Program (NCHRP) to help ensure that it does not duplicate state work. Further, FHWA coordinates within and outside of the Department (for example, the President's National Science and Technology Council Committee on Technology). Local governments do not conduct national highway research, and private research is mostly product related.

**Evidence:** The Transportation Research Information Services is on-line at [www.ntl.bts.gov/tris](http://www.ntl.bts.gov/tris) and is described at [www.trb.org/trb/tris-nst/web/tris-online](http://www.trb.org/trb/tris-nst/web/tris-online). NCHRP is a voluntary program where states, working with AASHTO, pool funds to conduct applied research; see <http://www4.trb.org/trb/crp.nsf/reference/appendices/NCHRP+Overview>. Also see the National Science and Technology Council's National Transportation Science and Technology Strategy at <http://www.volpe.dot.gov/infosrc/strtplns/nstc/strategy99/ntsts99.pdf>; the Technology Plan <http://www.volpe.dot.gov/infosrc/strtplns/nstc/nttplan/index.html#toc>; and Research Plan <http://www.volpe.dot.gov/infosrc/strtplns/nstc/srplan00/index.html>.

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**1.4**      **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**      Answer: YES      Question Weight 20%

**Explanation:** In response to GAO and TRB recommendations, RD&T has improved its processes for setting its program agenda and evaluating its research. Specifically, FHWA has developed a Research & Technology (R&T) Corporate Master Plan that outlines a strategy for investing in and conducting research on behalf of FHWA stakeholders. Stakeholders are now invited to participate in agenda-setting and planning, research implementation, and evaluation of projects. FHWA also implemented an assessment program of RD&T's various labs, which is conducted by independent, expert reviewers. Further, the Corporate Master Plan incorporates findings by the Volpe Center (an independent evaluation organization within DOT) of best practices of other Federal research agencies (e.g., NIH, NIST and NSF) for improving stakeholder involvement, program reviews, and project evaluations.

**Evidence:** The GAO report 'Highway Research: Systematic Selection and Evaluation Processes Needed for Research Program (GAO-02-573)' is available at <http://www.gao.gov/>. In it, GAO notes that two characteristics leading research programs are, 1) developing research agendas through the involvement of external stakeholders, and 2) evaluating research using expert review of the quality of research outcomes. The U.S. DOT's FY-2004 Performance Plan is available on-line at <http://www.dot.gov/PerfPlan2004/index.html>. The FHWA's Corporate Master Plan for Research is posted at <http://www.fhwa.dot.gov/legsregs/directives/policy/cmp/03077.htm>. For DOT's lab assessment schedule, see <http://www.tfsrc.gov/services/labroadmap04.htm>

**1.5**      **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**      Answer: NO      Question Weight 20%

**Explanation:** In 2004, 47 percent of RD&T program's budget was earmarked by Congress for specific projects. Earmarking limits the program's ability to conduct research on the most relevant subjects and in the most effective manner. Additionally, within the RD&T budget, Congress allocates funds to different program areas (e.g., safety, environment, infrastructure), which limits FHWA's flexibility in managing its resources. Otherwise, FHWA has made improvements in involving program stakeholders (primarily state and local highway departments) in designing its research agenda. DOT communicates its findings through websites, technical journals, technical reports, and a catalog of products and services. FHWA customer surveys indicate high levels of satisfaction with research products and deployment services.

**Evidence:** See the FHWA FY-2002-3 RD&T Performance Plan <http://www.tfsrc.gov/about/perfplan/home.htm>; the FHWA's Corporate Master Plan for RD&T <http://www.fhwa.dot.gov/legsregs/directives/policy/cmp/03077.htm>; the RD&T Catalog of Products <http://tfsrc.gov/about/perfplan/products.htm>; and the RD&T Catalog of Services at <http://tfsrc.gov/about/perfplan/services.htm>

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight:10%

**Explanation:** RD&T goals include both the FHWA strategic goals and product development goals specific to research (DOT has not officially tracked and reported product development goals until now). For example, RD&T contributes to the achievement of the FHWA strategic goal of reducing fatalities per 100 million vehicle-miles of travel is facilitated. To support this goal, RD&T plans to develop at least 30 new safety-related innovations or projects by 2008. This output measure reflects the program's productivity in delivering technologies that help improve highway safety. RD&T also has productivity goals for FHWA's other strategic goals (mobility, security, environment, global connectivity, and organizational excellence). FHWA management actively links strategic goals and product development goals through multi-year program plans, referred to as "road maps."

**Evidence:** See the FHWA Strategic Plan <http://www.fhwa.dot.gov/policy/fhplan.html>; The U.S. DOT's FY-2004 Performance Plan: <http://www.dot.gov/PerfPlan2004/index.html>; FHWA's Performance Plan website <http://www.fhwa.dot.gov/reports/2003plan/fy03fhwaplan.pdf>. Note the DOT / FHWA / RD&T Program Goal matrix. For a general discussion of the development of RD&T's performance measures see the NCHRP report "Performance Measures for Research, Development, and Technology Programs" at [http://gulliver.trb.org/publications/nchrp/nchrp\\_syn\\_300.pdf](http://gulliver.trb.org/publications/nchrp/nchrp_syn_300.pdf) (page 26).

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight:10%

**Explanation:** RD&T strives to develop new products, technologies, and innovations that are deployed by FHWA. The program manages the development of these products using multi-year program plans, or "road maps," for 63 different research areas. These plans include ambitious milestones, schedules, and annual performance targets for the delivery of research products. Examples of recently completed products include a traffic noise model, ground penetrating radar, and 511 traveler information technology. Based on the road maps, RD&T has established targets for the number of project deliverables. The number of deliverables is also set based on DOT's ability to meet strategic goals and on the financial resources available. RD&T also measures customer satisfaction to gauge its effectiveness in delivering its products.

**Evidence:** See the 2003-2008 U.S. DOT Strategic Plan: [http://www.dot.gov/stratplan2008/strategic\\_plan.htm](http://www.dot.gov/stratplan2008/strategic_plan.htm); and the FHWA's RD&T Corporate Master Plan <http://www.fhwa.dot.gov/legsregs/directives/policy/cmp/03077.htm>. Note U.S. DOT / FHWA / RD&T Program Goal matrix.

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight:10%

**Explanation:** RD&T aims to meet yearly targets of the FHWA strategic goals and RD&T productivity goals. For each FHWA strategic goal, a given target number of deliverable products and technologies has been established. These products are described in the road maps created for each research program.

**Evidence:** The U.S. DOT's FY-2004 Performance Plan is available at: <http://www.dot.gov/PerfPlan2004/index.html>. The FHWA FY-2002-3 RD&T Performance Plan: <http://www.tfsrc.gov/about/perfplan/home/htm>. The FHWA FY-2004-5 RD&T Performance Plan is available at: <http://www.tfsrc.gov/about/03085/index.htm>.

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:10%

**Explanation:** FHWA has baselines and targets for its annual research measures, which are maintained in the research road maps and reported in the annual RD&T performance reports. The roadmaps establish ambitious programs regarding the type of research (like greater emphasis on advanced research), timelines, and deliverables. Targets are set for the number of new products, technologies, and innovations that are deployed by FHWA. A baseline of deliverables has been established within each FHWA strategic goal.

**Evidence:** The FHWA's Corporate Master Plan for RD&T: <http://www.fhwa.dot.gov/legsregs/directives/policy/cmp/03077.htm> The U.S. DOT's FY-2004 Performance Plan: <http://www.dot.gov/PerfPlan2004/index.html> The FHWA FY-2004 Performance Plan and FY-2004-5 RD&T Performance Plan: <http://www.tfsrc.gov/about/03085/index.htm> U.S. DOT / FHWA / RD&T Program Goal matrix.

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight:10%

**Explanation:** All partners assist in achieving annual and long term goals. Approximately 70 percent of FHWA's research work is conducted by contractors, with the rest done by permanent Federal staff. FHWA contracts describe the relationship between a research project and the agency's long-term strategic goals. When contracts are awarded, the FHWA contracting officer meets with the contractor to review the terms of the contract and performance expectations.

**Evidence:** See the Federal Highway Administration Executive Acquisition Handbook. Also see the Federal Highway Administration Contracting Officer's Technical Representative Reference Guide. The SAFETEA proposal is available on-line at: [http://www.fhwa.dot.gov/reauthorization/safetea\\_bill.pdf](http://www.fhwa.dot.gov/reauthorization/safetea_bill.pdf)

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight:10%

**Explanation:** FHWA routinely assesses its "in house" laboratories at the Turner-Fairbank Highway Research Center. Six labs are reviewed each year, and each lab is reviewed once every four years. The reviews are performed by outside research experts who do not participate in FHWA highway research contracts. They systematically review the processes, techniques, standards, staffing, project selection, and quality control practices of each laboratory. For work conducted externally by contractors or universities, FWHA hires third-party contractors to help oversee, evaluate, and manage the work. Further, FHWA invites the Transportation Research Board's Research and Technology Coordinating Committee to provide periodic (three times per year) advice on the overall structure and quality of the FHWA RD&T Program. Moreover, FHWA has hired had independent contractors to validate research designs and document program benefits.

**Evidence:** Information the lab assesments is available at <http://www.tfsrc.gov/services/labassessmentprocess.htm>. The lab assessment schedule is available at <http://www.tfsrc.gov/services/labroadmap04.htm>. Information on the Turner Fairbank's R&D facility is available at <http://www.tfsrc.gov/>. The most recent Transportation Research Board Research and Technology Coordinating Committee Operating Plan (June 2003) is available on-line as Appendix B of the September letter report [http://gulliver.trb.org/publications/reports/rtcc\\_sept\\_2003.pdf](http://gulliver.trb.org/publications/reports/rtcc_sept_2003.pdf). The TRB's Research and Technology Coordinating Committee letter reports are posted on TRB's website at <http://www4.trb.org/trb/homepage.nsf/web/rtcc?OpenDocument>.

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight: 10%

**Explanation:** Agency and program performance objectives are thoroughly incorporated into the RD&T budget development process. The RD&T budget is founded on multi-year "road maps," which include resource information and are reviewed annually by RD&T management with stakeholder input. Stakeholder input on user needs is balanced by expert technical advice regarding scientific merit and likelihood of success. RD&T selects projects that are most likely to contribute to program goals. For presentation, the RD&T budget request is integrated in the FHWA's budget request to Congress, and research is recognized as a "tool" for achieving the agency's strategic goals. However, the budget requests do not make clear how changes to the research budget would affect the achievement of strategic and research productivity goals.

**Evidence:** See the U.S. DOT's FY-2004 Performance Plan: <http://www.dot.gov/PerfPlan2004/index.html>; Excerpts from FHWA's FY-2004 and 2005 Budget Requests to the Congress. Note work sheets for the FY-2005 Budget Request: Programs and Priority Areas contributing to accomplishment of Departmental Goals. The FHWA's Corporate Master Plan for RD&T and Innovation is available at <http://www.fhwa.dot.gov/legsregs/directives/policy/cmp/03077.htm>.

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 10%

**Explanation:** Responding to recommendations by GAO and TRB, RD&T has developed a Corporate Master Plan for RD&T and Innovation to improve management of the program. RD&T has implemented a number of the action items from the plan including instituting a lab review system, using research "road maps" that include detail schedule and budget information, and increasing outreach to research stakeholders in the project selection and priority setting process. For example, the road map for Highway Needs and Investment Analysis describes stakeholder outreach efforts to industry, academia and State DOTs. The Office of RD&T is a winner of the FHWA Quality Breakthrough Award, recognizing significant progress in developing clear plans, building sound processes, and achieving measurable results. TRB's Research and Technology Coordinating Committee has commended the FHWA for its progress on the implementation of the Corporate Master Plan.

**Evidence:** See the Transportation Research Board Special Report 261, "The Federal Role in Highway Research and Technology," available at <http://gulliver.trb.org/publications/sr/sr261.pdf>. For latest TRB letter report on the RD&T program see [http://trb.org/publications/reports/rtcc\\_sept\\_2003.pdf](http://trb.org/publications/reports/rtcc_sept_2003.pdf). Also See the FHWA Corporate Master Plan for Research and Deployment of Technology and Innovation, posted at <http://www.fhwa.dot.gov/legsregs/directives/policy/cmp/03077.htm>

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**2.RD1**     **If applicable, does the program assess and compare the potential benefits of efforts within the program to other efforts that have similar goals?**     Answer: YES     Question Weight: 10%

**Explanation:** FHWA and state researchers are required to consult the TRB Transportation Research Information System and Research in Progress databases to identify similar projects. If a subject has been studied previously, the new study is not approved, unless it will advance earlier work. The FHWA's RD&T Leadership Team also reviews the multi-year road maps to avoid duplication with other DOT work. Within FHWA program offices, senior management annually reviews research proposals (road maps), prioritizing projects based on their merits and their potential to improve agency performance. Further, DOT's R&T Coordinating Council (RTCC) compares the potential benefits of the research with efforts of other modal administrations. FHWA has also contracted a review of approaches to research and technology development, evaluation, and deployment used by other agencies to find best practices.

**Evidence:** FY-2004-5 RD&T Performance Plan: <http://www.tfsrc.gov/about/03085/index.htm>; FY-2003 RD&T Performance Report: <http://www.tfsrc.gov/about/04083/index.htm>; The Volpe Center (Annalynn Lacombe) review of R&D Planning Models for FHWA. A summary of the material appears as Appendix B of the Corporate Master Plan <http://www.fhwa.dot.gov/legsregs/directives/policy/cmp/03077.htm>; Assessing Research and Development at Federal Agencies Through Peer Review; SAIC; October 2001

**2.RD2**     **Does the program use a prioritization process to guide budget requests and funding decisions?**     Answer: YES     Question Weight: 10%

**Explanation:** The FHWA Administrator has designated three program goals 'referred to as the 'Vital Few' ' as emphasis areas for the agency. When developing budget requests, research programs that support these goals are given higher priority. When funds are appropriated, each FHWA program office is responsible for managing a share of the FHWA research budget. To allocate funding to the various program offices, the R&T leadership team uses the Vital Few and information about the agency's progress towards meeting its long-term goals. The individual research program offices complete the prioritization level down to individual projects based on their individual research road maps contribution to specific office goals and program demands.

**Evidence:** The "Vital Few" priorities (safety, congestion mitigation, and environmental stewardship and streamlining) are discussed in the FHWA FY-2003 Performance Plan available at <http://www.fhwa.dot.gov/reports/2003plan/fy03fhwaplan.pdf>. The minutes of the FHWA Leadership Team on December 13, 2001 describe how the Vital Few goals were selected. Note excerpts from the FHWA 2005 Budget Request submitted to Congress. See FHWA's Corporate Master Plan for Research and Deployment of Technology and Innovation <http://www.fhwa.dot.gov/legsregs/directives/policy/cmp/03077.htm>.

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intellige  
**Agency:** Department of Transportation  
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Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 13%

**Explanation:** FHWA uses performance data from the National Highway Traffic Safety Administration's Fatality Accident Reporting System, the Highway Safety Information System, and the FHWA Highway Performance Monitoring System. DOT collects Intelligent Transportation Systems data from at least ten metropolitan sites. RD&T also collects customer satisfaction data annually. It employs the Baldrige management system to assess program performance for a wide range of indicators and uses performance data to direct its research agenda. In administering contracts, RD&T collects time and cost data and tracks project deliverables such as the release of reports and the deployment of new technologies. These deliverables are the basis of RD&T's performance measurement system.

**Evidence:** Note sample outputs from the RD&T Program tracking system. The program's organizational performance management framework (Baldrige) is found at <http://www.tfsrc.gov/about/perfplan/perfmngmtfrmwrk.htm>. Note the FHWA Satisfaction Survey: State/Other Local Partners National Report, Wave 1&3 Results, Pacific Consulting Group. Approximately 13 states are surveyed in each wave every 6 months (the goal is to complete all four waves in 2 years). The State and local partner survey results help FHWA Division offices improve local performance while national data identifies areas where program offices can address systemic concerns.

**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 13%

**Explanation:** Through annual personnel evaluations, FHWA managers are held accountable for the success and performance of research and development activities. For program partners, RD&T has established a computerized tracking system to track contracts and provide routine notices of deadlines to DOT contracting officers. This system has resulted in a significant decrease in cost and time extensions. Most contracts include standardized language requiring quarterly and annual progress reports from the contractor. FHWA contracting officers evaluate the performance of contractors in terms of quality, time, and money (i.e., did they produce a quality product on time and within budget), which is considered when future contracts are awarded.

**Evidence:** Note the FHWA Executive Acquisition Handbook and the FHWA Contracting Officer's Technical Representative (COTR) Reference Guide. See the Office of Federal Procurement Policy's Guide to Best Practices for Collecting and Using Current and Past Performance Information at <http://www.acqnet.gov/Library/OFPP/BestPractices/pastpeformguide.htm>. Also see the Senior Procurement Executive's News for June 21, 2000: <http://www.dot.gov/ost/m60/062100.htm>. See the lab assessment schedule at <http://www.tfsrc.gov/services/labroadmap04.htm>.

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 13%

**Explanation:** The RD&T allocates funds to its labs in accordance with an annual spending plan that is built on program road maps. No incidents of fraud, waste, or abuse are currently under investigation by the U.S DOT's Inspector General's office. The Office works closely with the FHWA Budget Division to ensure budget submissions are supportive of administration, departmental, and agency goals and utilized in accordance with established laws, regulations, and policies.

**Evidence:** Samples of the multi-year program plans implementing the Corporate Master Plan; Outputs from the RD&T Program tracking system; Sample Spending Plan for Highway Operations research in FY-2003.

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 13%

**Explanation:** Each research office uses the RD&T project tracking system to monitor whether projects are 1) on time and, 2) within budget. RD&T's computerized tracking system actively monitor project costs and provides routine notices of deadlines to FWHWA contracting officers. The system has resulted in a significant decrease in cost and time extensions. Additionally, FHWA is implementing a managerial cost accounting system and supporting processes within the agency to align overhead costs and specific project activities to national goals.

**Evidence:** See the Federal Highway Administration Executive Acquisition Handbook. Also see the Federal Highway Administration Contracting Officer's Technical Representative (COTR) Reference Guide.

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 13%

**Explanation:** For example, under the Transportation Pooled Fund Program, FHWA and State DOTs combine resources to pursue R&T projects of mutual interest. There are currently 119 active FHWA-led pooled fund studies. Successful pooled fund studies have documented the impact of congestion on High Occupancy Vehicles (HOV) Systems and developed a promotional campaign to improve safety in work zones. Other studies revised the methodology for analyzing left turn operations currently included in the Highway Capacity Manual, analyzed pavement deterioration, and revised the guidelines for "Superpave" mixtures. RD&T Performance Reports document additional examples of successful collaborations with other agencies, including the development of High Performance Steel, developed with the U.S. Navy and the American Iron and Steel Institute. Further, DOT participates in the NCHRP, which is a voluntary program where states, working with AASHTO, pool funds to conduct applied research.

**Evidence:** For information on pooled fund projects see <http://www.pooledfund.org/>. For information on the NCHRP, see Federal-Aid Policy Guide, Title 23 - Code of Federal Regulations: <http://www4.trb.org/trb/crp.nsf/reference/appendices/NCHRP+Overview>. The Transportation Research Information Service is available at: [www.ntl.bts.gov/tris](http://www.ntl.bts.gov/tris) and [www.trb.org/trb/tris-nst/web/tris-online](http://www.trb.org/trb/tris-nst/web/tris-online). Also see the National Partnership Report: 'Making the Case for Greater Investment' <http://gulliver.trb.org/publications/rtforum/HwyRandT.pdf> & <http://www.pooledfund.org>.

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**3.6 Does the program use strong financial management practices?**

Answer: YES

Question Weight: 13%

**Explanation:** The RD&T program has own Accounting and Budgeting System to track all financial transactions. Individual research offices can access to the Accounting and Budgeting System to check on research, development, and technology records. In addition, the program uses its project tracking system to monitor whether projects are on time and within budget. These systems complement FHWA's higher-level financial management system (Delphi), which does not track contract-level data. The FHWA is also developing a managerial cost accounting system and is working to further align overhead costs and specific project activities to national goals.

**Evidence:** Note outputs from the RD&T Program tracking system, and sample spending plan for Highway Operations research in FY-2003.

**3.7 Has the program taken meaningful steps to address its management deficiencies?**

Answer: YES

Question Weight: 13%

**Explanation:** RD&T's executive Leadership Team, sponsored by the FHWA Administrator and composed of FHWA Associate Administrators, directs the implementation of programmatic and management improvements. The Leadership Team has written an 2004 Workforce Plan update and takes part in other initiatives relating to the President's Management Agenda (i.e., financial management, human capital, competitive sourcing, budget and performance integration, electronic government). Additionally, regular lab assessments address human capital issues within the labs such as preserving institutional memory, utilizing contractor support, and retaining and rewarding a high-quality workforce.

**Evidence:** For information on the R&T leadership team see <http://www.fhwa.dot.gov/rnt4u/charter.htm>. For information on FWHA's lab review process see <http://www.tfrc.gov/services/labassessmentprocess.htm>

**3.RD1 For R&D programs other than competitive grants programs, does the program allocate funds and use management processes that maintain program quality?**

Answer: YES

Question Weight: 13%

**Explanation:** To maintain program quality, RD&T uses merit reviews to analyze research proposals and to evaluate program performance. RD&T vets research proposals through a formal peer review process, where independent reviewers from private industry, academia, and state DOTs consider the merits of a project before it is reviewed by RD&T senior management through program road maps. When evaluating its in-house work, FHWA employs lab assessments conducted by outside experts who provide independent feedback on improving the quality and performance of laboratory research and services, and whether the research program is appropriately structured. For off-site contracted work, FHWA hires third-party contractors to review applications, guide the design, and evaluate the quality of final products. Additionally, FHWA has outside firms perform broad-based evaluations of program benefits.

**Evidence:** For information on review of research proposals see Appendix C of the Corporate Master Plan posted at <http://www.fhwa.dot.gov/legsregs/directives/policy/cmp/03077.htm>. Peer review input is included in program road maps; Also see the Laboratory Assessment Process Handbook for Expert/Peer Reviews at the Turner-Fairbank Highway Research Center, Version 1.1, December 2003. The lab assessment schedule is available at <http://www.tfrc.gov/services/labroadmap04.htm> and general information the lab assessments is available at <http://www.tfrc.gov/services/labassessmentprocess.htm>. For information about FHWA contracting practices, see the FHWA's Executive Acquisition Handbook and FHWA's Contracting Officer's Technical Representative (COTR) Reference Guide.

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight 20%

**Explanation:** RD&T is on track to meet all of its long-term performance goals. For example, the fatality rate per 100 million vehicle miles traveled has decreased from 3.3 in 1980 to 1.47 in 2003, with a long-term target of 1.0 in 2008. In support of this strategic goal, RD&T plans to produce 30 new highway safety technologies by 2008. Third party reviews have affirmed the importance of research in enabling the agency to achieve its larger goals. AASHTO's Strategic Highway Safety Plan acknowledges the contribution of research to improved highway safety statistics. Likewise, the Texas Transportation Institute found that R&T solutions ' including ramp meters and signal coordination ' reduced annual per capita commuter delays by 26 hours in 2001 to 24 hours in 2003.

**Evidence:** The FHWA RD&T FY-2003 RD&T Performance Report is available at: <http://www.tfsrc.gov/about/04083/index.htm>; The American Association of State Highway and Transportation Officials' Strategic Highway Safety Plan: <http://safety.transportation.org> includes a sub-page specifically devoted to FHWA's safety research; Also see the 2003 Texas Transportation Institute Urban [http://mobility.tamu.edu/ums/news\\_release/](http://mobility.tamu.edu/ums/news_release/)

**4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight 20%

**Explanation:** RD&T has achieved its annual product development goals, based on the data available since 2002. However, FHWA has not met all of the annual targets for its strategic goals. Note that the "real world" effects of RD&T technologies are often not realized for several years because of the time required to deploy technologies. An example is use of rumble strips, which are proven to reduce of risk of drivers leaving the roadway. Originally, they were installed on interstates, but are now being installed on rural roads where most crashes occur. Increased use of this technology should yield improved safety statistics in future years.

**Evidence:** The FHWA RD&T FY-2003 Performance Report is available at: <http://www.tfsrc.gov/about/04083/index.htm>

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight 20%

**Explanation:** RD&T has met one of its two efficiency goals -- percent of projects completed on budget. Going forward, the program has implemented a computerized contract tracking system, which should lead to fewer cost overruns and requests for contract time extensions. This new system should help RD&T meet its timeliness measure in 2004. In terms of effectiveness, customer satisfaction surveys indicate that state and local partners rate the program at 71 percent, which slightly exceeds the 2004 target.

**Evidence:** The FHWA RD&T FY-2003 Performance Report is available at: <http://www.tfsrc.gov/about/04083/index.htm>. Also note that the latest FHWA Satisfaction Survey found 68% of State and local partners rate FHWA 4 or 5 on the 5-point scale.

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: LARGE EXTENT

Question Weight 20%

**Explanation:** RD&T has taken several steps to adopt best practices that ensure relevant and high-quality research. Key process improvements include managing through multi-year program plans and using independent expert lab assessments. These lab assessments are modeled after the evaluation processes of other federal agencies, including NSF and DOE. In addition, FHWA has implemented best practices identified by the Volpe Center, such as improving stakeholder involvement, employing merit reviews, and conducting on-going R&D evaluations. FHWA conducts regular surveys of its customers and receives strong feedback. FHWA's RD&T Performance Management Framework is featured on OPM's website as an example for other Federal agencies, and was reviewed favorably in NCHRP's Synthesis Report #300. GAO has also cited the program's planning efforts as a model for other agencies.

**Evidence:** From the latest FHWA Satisfaction Survey, 68% of State and local partners rate FHWA 4 or 5 on the 5-point scale. Note SAIC's report "Assessing Research and Development at Federal Agencies Through Peer Review," October 2001. Appendix B of the Corporate Master Plan summarizes the Volpe Center review of R&D Planning Models, available on-line at <http://www.fhwa.dot.gov/legisregs/directives/policy/cmp/03077.htm>. OPM's description of FHWA's RD&T Performance Management Framework is at <http://apps.opm.gov/performance/clearing/clearing.cfm?id=124>. Also see GAO report 01-822 "Combating Terrorism" for discussion of the RD&T's planning process. The NCHRP study on RD&T program and performance management is at [http://gulliver.trb.org/publications/nchrp/nchrp\\_syn\\_300.pdf](http://gulliver.trb.org/publications/nchrp/nchrp_syn_300.pdf)

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: YES

Question Weight 20%

**Explanation:** Independent contractors (Battelle, Cambridge Systematics, and the University of North Carolina, for example) have conducted studies documenting research benefits in safety, operations, congestion, work zones, and infrastructure. Collectively the studies worked with universities, trade associations, consultants, county governments, and over 30 state DOTs. Battelle concluded that, "programs and projects achieved their research objectives and have developed products that are widely used by states, local agencies and other institutions," and that, "estimated cost savings to the public is more than ten times the annual research funding." A 2003 study by the Texas Transportation Institute found that RD&T solutions have significantly decreased congestion. A TRB Research Committee stated that "highway research has yielded many advances and innovations that have contributed to improvements in all aspects of highway development."

**Evidence:** See the Battelle study, "Recommend Measures of the Benefits of Infrastructure RD&T" (April 2003). Also note the UNC Highway Safety Research Center report, "Evaluation of Highway Safety Information System-III," (August 2001), which concluded the system was extensively used, met the needs of safety researchers, and had proven to be an effective, accepted tool for synthesizing and analyzing safety data. Cambridge Systematics found the Quickzone software tool for highway work zones is easy to learn and use, relevant to user needs, and typically results in an overall increase in agency efficiency. Also note results of the FHWA Satisfaction Survey: State/Other Local Partners National Report, Wave 1 & 3 Results, by Pacific Consulting Group. Also see the 2003 Texas Transportation Institute Urban Mobility Study at <http://mobility.tamu.edu/ums/report/> for information on the usefulness of R&T projects.

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**Measure:** Annual highway fatality rate as based on the number of fatalities per 100 million vehicle miles traveled.

**Additional Information:** Safety: The DOT and FHWA goal is to reduce highway fatality to not more than 1.0 per 100 million vehicle-miles traveled by 2008. FHWA's RD&T program has released numerous products in support of this goal. These include crash avoidance systems, improved visibility of pavements and signs, traffic signal improvements and bicycle and pedestrian safety design improvements.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	1.50	1.52	
2002	1.40	1.51	
2003	1.40	1.48	
2004	1.38	1.45	
2005	1.38		
2006	1.38		
2007			
2008	1.00		

**Measure:** The annual percentage of research project deliverables that are completed on time.

**Additional Information:** Organizational Excellence: RD&T's goal is to deliver their research projects on time at least 90% of the time. Timeliness is measured based on established completion dates set during the corporate planning process and the actual completion of the project research and the delivery of the final report.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	Baseline	90%	
2003	90%	87%	
2004	90%		
2005	90%		

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

2006	90%
2007	90%
2008	90%

**Measure:** The annual percentage of all research projects that are completed within budget.

**Additional Information:** Organizational Excellence: RD&T's goal is to delivery research services within budget at least 90% of the time. Costs are measured based on established budgets set during the corporate planning process. These are compared to the actual expenses of the research project upon the completion of the project.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2000	Baseline	95%	
2001	90%	92%	
2002	90%	99%	
2003	90%		
2004	90%		
2005	90%		
2006	90%		

**Measure:** The level of customer satisfaction for deploying technology and innovation as measured by the FHWA State and Local Partners Satisfaction Survey.

**Additional Information:** Organizational Excellence: RD&T's target is to continually improve customer satisfaction and to achieve a satisfaction level of at least 80%. The survey is issued bi-annually to one quarter of FHWA's transportation partners - State DOT's and Local MPO's.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2003	Baseline	69%	
2004	70%	71%	
2005	80%		

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intellige  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

2006	80%
2007	80%
2008	80%

**Measure:** Number of deliverable research products, innovations, and technologies that support the accomplishment of DOT and FHWA safety goals.

**Additional Information:** Safety: RD&T's Safety goal is to deliver 30 safety technologies by 2008. Current deliverables include studies focused on roadway departure crashes, intersection fatalities, and pedestrian fatalities.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2002	Baseline		
2003	5	10	
2004	5	5	
2005	5		
2006	5		
2007	5		
2008	5		
2009	5		

**Measure:** The percentage of vehicle miles traveled on pavement with acceptable ride quality.

**Additional Information:** Mobility: DOT's and FHWA's goal is to increase the percentage of vehicle miles traveled on pavement with acceptable ride quality to 94.9 percent by 2008. FHWA's RD&T program has helped achieve this goal by developing long-term pavement performance guides, evaluating the use of fiber reinforced polymers in concrete, and developing procedures for estimating alkali-silica reactivity.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	NA	90.9	
2002	92.0	90.6	

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

2003	92.5	90.8
2004	93.0	
2005	93.5	
2006	94.0	
2007	94.5	
2008	94.9	

**Measure:** Number of deliverable research products, innovations, and technologies that support the accomplishment of DOT and FHWA infrastructure improvement goals.

**Additional Information:** Mobility: RD&T's goal is to development 30 new pavement and bridge longevity technologies by 2008. Current projects include studies on weigh-in-motion pavement smoothness specifications, accelerated performance testing for superpave, and low-temperature binder characterization.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2002	5	18	
2003	5	12	
2004	5		
2005	5		
2006	5		
2007	5		
2008	5		
2009	5		

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

**Measure:** The percentage of urban area road travel occurring in congested conditions.

**Additional Information:** Mobility: DOT's goal is to decrease the growth in percent of urban area road travel occurring in congested conditions by 0.2 percent annually. FHWA's research program has released numerous products that have directly contributed to the success of the DOT congestion goal.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	30.0	30.4	
2002	30.9	30.4	
2003	31.1	30.8	
2004	31.8		
2005	32.8		
2006	32.6		
2007	32.4		
2008	32.2		

**Measure:** Number of deliverable research products, innovations, and technologies that support the accomplishment of DOT and FHWA congestion mitigation goals.

**Additional Information:** Mobility: RD&T's goal is to develop at least 20 new congestion mitigation technologies by 2008. Current projects include transportation management center studies, traffic control system studies, and advanced incident management detection systems.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2002	3	4	
2003	3	3	
2004	4		
2005	3		
2006	3		

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

2007                      4

2008                      3

**Measure:** Thee ratio of wetland acres replaced versus the number of wetland acres impacted by a given transportation project.

**Additional Information:** Human and Natural Environment: DOT has a goal of replacing at least one and a half times the amount of wetlands that are impacted by highway projects. On a program-wide basis, one and a half acres of wetlands will be replaced for every acre affected by Federal-aid Highway projects (where impacts are unavoidable). The RD&T program contributes to this goal by developing techniques to evaluate the impacts of toxic spills and techniques to manage highway runoff.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2002	1.5	2.7	
2003	1.5	2.7	
2004	1.5		
2005	1.5		
2006	1.5		
2007	1.5		
2008	1.5		

**Measure:** Number of deliverable research products, innovations and technology that support the accomplishment of DOT and FHWA environmental goals.

**Additional Information:** Natural and Human Environment: RD&T's goal is to develop at least 10 new environmental preservation, mitigation activities and pollution reduction technologies by 2008. Current projects include studies on diffusion of airborne highway polutants and improvements in traffic modeling that reduce congestion and reduce emissions.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2002	2	3	
2003	2	3	
2004	2		

## PART Performance Measurements

**Program:** Federal Highway Administration (FHWA): Research and Development/Intelligence  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	74%	Effective

2005	2
2006	2
2007	2
2008	2

**Measure:** Number of deliverable research products, innovations and technology that support the accomplishment of DOT and FHWA security goals.

**Additional Information:** Security: RD&T's goal is to develop 10 new national security and system preservation technologies by 2008. Current projects include studies using Global Positioning Satellite observation systems to track vehicle movement across the country and use of security systems at bridges and tunnels.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2002	2	2	
2003	2	2	
2004	2	3	
2005	2		
2006	2		
2007	2		
2008	2		

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight 20%

**Explanation:** The Federal Lands Highway (FLH) program purpose is to (1) ensure effective and efficient funding and administration for a coordinated program of public roads and bridges serving Federal and Indian lands; (2) to provide needed transportation access for Native Americans; and (3) to protect and enhance our Nation's resources.

**Evidence:** The Federal Lands Highway program purpose is stated in the Federal Lands Highway Business Plan 2003 - 2007.

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight 20%

**Explanation:** The FLHP addresses the specific transportation needs, from a national perspective, of the Federal lands which are not a state or local government responsibility. The Federal lands highways (about 160,000 miles of public roads) connect with the National Highway System to provide safe and seamless routes for travel to and within Federal and Indian lands. Federal and Indian lands cover one-third of the Nation's land area. Recent condition surveys of park roads, forest highways, refuge roads, Indian reservation roads, and bridges note recent improvement in conditions, but indicate that thousands of miles of roads and hundreds of bridges need improvement or replacement in order to ensure access to and a coordinated program of public roads. NOTE: Some Federal agencies, such as DOI, transform their pavement condition ratings into asset management systems that also nationally evaluate the status of buildings, construction equipment, and other capital items. States tend to focus on transportation-related items.

**Evidence:** Appendix E of the FHWA 1999 Conditions and Performance Report provides information on road and bridge conditions (<http://www.fhwa.dot.gov/policy/1999cpr/report.htm>). More current information is provided in the Federal agency TEA-21 reauthorization resource papers prepared in fiscal years 2002 and 2003. Other sources of information that discuss program needs are included in the various needs assessment reports and the finalized proposed rule making for management systems.

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES

Question Weight 20%

**Explanation:** As mentioned above, the FLHP provides funding for a coordinated program of public roads that serve the transportation needs of the Federal lands which are not a state or local government responsibility. These highways are critical to the survival and quality of life of tribal communities and other small towns located within these lands. They also connect visitors to the vast number of historic and recreation sites as well as connect tribal housing, schools, health care, and employment centers. The program also fulfills the important role of redistributing Federal transportation funds among Federal Land Management Agencies (FLMA) to ensure mobility and safety throughout 30 percent of the Nation. The Federal program is especially important in 13 western States, some of which have relatively low fiscal capacity and small populations. The FLHP funds are used by the FLMAs for preliminary engineering, design and construction of projects. Maintenance is not a FLHP-eligible item. Maintenance of existing roads and bridges is funded by appropriations directly to these FLMAs.

**Evidence:** The 2002 Conditions & Performance report indicates that Congress uses this program as the major funding tool to make investments in transportation projects serving Federal and Indian lands. Congress provides separate road and bridge maintenance funding through annual appropriations acts using general funds.

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**1.4      Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**      Answer: YES      Question Weight 20%

**Explanation:** FLHP funds are distributed to each class of Federal lands highways (forest highways, public land highways, Indian reservation roads, park road and parkways, and refuge roads). Project selection is delegated to the local owners and users (FLMAs, Indian tribes, and States) of the transportation systems, according to three-year transportation improvement plans (TIPs). The projects included in the TIPs are selected based on relative need. Management systems are also used to identify and prioritize projects. The Public Lands Discretionary program has experienced some eligibility issues and bias in earmarking of various projects. While project selection was once based on competition, the program has now become 100% earmarked. FHWA has addressed this by eliminating this discretionary program through the Administration's reauthorization proposal (the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003, or SAFETEA).

**Evidence:** Sections 202 and 204 of Title 23 define who selects the projects for each class of Federal lands highways and the criteria to be used. The methods of distributing funds for each class are defined either in section 202 or in policy issued by FHWA or its partners. The requirements to develop three-year transportation improvement plans and management systems are defined in section 204.

**1.5      Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**      Answer: YES      Question Weight 20%

**Explanation:** The program ensures a connected system of roads that serve local, regional, and national needs by providing resources to each of the land management agencies responsible for 590,000 miles of public roads and highways. Resources effectively reach intended beneficiaries through formula and allocation distribution processes. Several road types owned by the Bureau of Land Management, Forest Service, Bureau of Reclamation, U.S. Corps, and other DOD agencies do not receive dedicated funding and have to compete for funds under a discretionary category. However, this Public Lands Discretionary program is fully earmarked by Congress each year. This issue is being addressed in the SAFETEA reauthorization bill. In the design of the new proposed safety and recreational roads categories, FHWA has proposed the distribution of these program funds to the FLMAs based on performance and results.

**Evidence:** The beneficiaries of the FLH program are the National Park Service, the Forest Service, the U.S. Fish and Wildlife Service, and the Native American tribes and villages through coordination with the Bureau of Indian Affairs. The SAFETEA proposal would also make the Bureau of Land Management, Bureau of Reclamation, Department of Defense, and U.S. Army Corps of Engineers eligible for percentages of FLH program safety and/or recreational road funding (section 1804 of the SAFETEA bill). Four bills (S. 2884, S. 2906, S. 310,6 and S. 3132) were introduced in the 107th Congress to establish new funding programs to address transportation needs in rural areas of Federal lands.

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**      Answer: YES                      Question Weight:12%

**Explanation:** The Federal Lands Highway program is a small and complementary program within the Federal Highway Administration. While FLH activities contribute to the overall FHWA performance goals, the FLH program also has a specific purpose, established by Congress in 1982 (see 1.1). FLH has two long-term performance measures that relate specifically to the first stated program purpose -- to ensure the effective and efficient funding and administration for a coordinated program of public roads and bridges. For its other stated program purposes, FLH contributes to the related FHWA long-term performance measures for mobility and environment. FLH also contributes to additional FHWA and DOT long-term measures, including safety. FLH contributes by collecting and reporting data on condition and performance of road systems, but FLMAs are primarily responsible for the activities associated with these measures.

**Evidence:** The Federal Lands Highway program purpose and long-term performance measures are stated in the Federal Lands Highway Business Plan 2003 - 2007 (<http://www.fhwa.dot.gov/flh/index.htm>); FHWA Performance Plans.

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?**      Answer: YES                      Question Weight:12%

**Explanation:** The baselines for the FLH long-term measures have been established through several years of recording data and are ambitious. In addition to working toward achieving FLH's specific targets, FLH also contributes to FHWA's and DOT's long-term targets and "vital few" initiatives as described in the FHWA performance plans.

**Evidence:** The Federal Lands Highway Business Plan 2003 - 2007 and the 1998 FHWA strategic plan. <http://www.fhwa.dot.gov/flh/bizplan.htm>  
<http://www.fhwa.dot.gov/policy/olsp/strategicplans.htm>

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?**      Answer: YES                      Question Weight:12%

**Explanation:** FLH has annual performance measures that assess the program's progress in achieving both the FLH-specific long-term goals and the FHWA long-term goals, to which FLH contributes indirectly. The measures are based on results from customer surveys. While these outcome measures are acceptable, the addition of output measures (e.g., number of training sessions provided to Native American tribes) could augment the program's annual measures of performance.

**Evidence:** The Federal Lands Performance Plan 2003 contains the annual performance measures that help to meet long-term goals. The FHWA annual performance plan states annual performance measures to assess progress in achieving long-term goals. Condition and performance measures are described in the FLH Business Plan 2001 - 2005. These have since been turned over to the appropriate FLMAs. The FLH 2003 - 2007 Business Plan has new performance measures that specifically pertain to the FLH program.

**2.4 Does the program have baselines and ambitious targets for its annual measures?**      Answer: YES                      Question Weight:12%

**Explanation:** The baselines for the FLH annual measures have been established through several years of recording data and the targets are ambitious. The target of 85% for use in the survey measures was developed in consultation with the national survey consultant group, International Research Institute, Inc. of Fairfax, VA.

**Evidence:** The Federal Lands Highway Business plans 2001 - 2005, 2003 -2007, and the Federal Lands Highway Performance Plan 2003.

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**      Answer: YES                      Question Weight:12%

**Explanation:** Although they are not required to commit to FLH and FHWA long-term and annual goals, program partners are encouraged to share these goals and FLH has reasonably obtained partner buy-in. Through its joint administration with FLMAs of federally-owned roads, FLH assists partners in accomplishing their missions by providing transportation solutions. Through Memoranda of Agreement (MOAs) with FLMAs, FLH is able to clarify program responsibilities and influence partners to commit to FLH and FHWA goals. In coordinating the FLH program with FLMAs, FHWA stresses the importance of national goals of improving safety, reducing congestion, and protecting the environment. FLH is also sponsoring a performance measurement steering committee to coordinate the transportation performance measures among FLMAs, in an effort to develop common measures. Also, in support of the President's National Park Legacy program, FLH and the National Park Service are coordinating their commitments to further improve the transportation infrastructure within the national parks.

**Evidence:** FLMAs, States, and tribes report data on number of injuries and fatalities, percent of travel under congested conditions, and the physical condition of roads and bridges. Partners submit information on highway conditions to NHTSA and FHWA for the National Bridge Inventory on a regular basis. NHTSA collects information on highway related injuries and fatalities. MOAs provide written documentation of FLMA responsibilities and commitments. FLMA strategic plans, while not specifically focused on transportation issues, also reference safety and mobility (access) goals.

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**      Answer: NO                      Question Weight:12%

**Explanation:** While independent evaluations have been conducted for selected portions of the program, there are no comprehensive, regularly scheduled, independent evaluations currently conducted. Both the Departments of the Interior and Transportation Inspector General have evaluated Federal bridges and the Indian Reservation Roads activities. GAO has issued a report on the use of Indian Reservation road administrative funds. Federal Lands has sponsored other independent evaluations in the past, including program reviews by Booz-Allen and peer reviews conducted by the American Society of Civil Engineers. Results from these evaluations have been used to improve program processes.

**Evidence:** IG and GAO reports: [No. 00-I-597] Independent Auditors Report on Bureau of Indian Affairs Financial Statements for Fiscal Year 1999; [No. 99-i-959] Audit Report on Deferred Maintenance, National Park Service; [No.TR-1998-079] Inspection of Federally Owned Bridges; [No. 96-I-870] Final Audit Report on the Road Construction Program, Bureau of Indian Affairs; GAO/AIMD-00-285R BIA's Use of Highway Trust Fund Resources; GAO/RCED-98-14 TRANSPORTATION INFRASTRUCTURE Review of Project Selection for Five Discretionary Programs; RCED-97-160R Forest Service: Construction of National Forest Roads.

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**2.7      Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**                      Answer: YES                      Question Weight:12%

**Explanation:** Although FLHP is authorized on a 6-year basis and has not implemented a cost-accounting system, beginning in FY 2004, FHWA has provided a performance-based budget to Congress. FLHP reinforces the linkages between performance and budget through the Administration's reauthorization proposal, SAFETEA. Within this proposal, FLHP has based the allocation of safety and recreational road funding on performance results.

**Evidence:** FY 2004 budget submission. Also, in support of the safety goal through reauthorization, FLH is proposing to develop and fund a highway safety program for the FLMAs (section 1804 of the proposed SAFETEA legislation).

**2.8      Has the program taken meaningful steps to correct its strategic planning deficiencies?**                      Answer: YES                      Question Weight:12%

**Explanation:** FLH has taken significant steps to address its strategic planning deficiencies, which includes revising adopting long-term and annual goals as well as relevant targets, and measures based on its experience gained as a GPRA pilot. FLH has also revised its strategic planning chapter. With the new business plan these goals and measures have been refined.

**Evidence:** The Federal Lands Highway Business plans 2001 - 2005 and 2003 -2007; and revised FLH manual chapter on strategic planning.

**3.1      Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**                      Answer: YES                      Question Weight:11%

**Explanation:** FLH collects information on program delivery, program administration, customer satisfaction, injuries, and fatalities, as well as roadway and bridge conditions on a regular basis. While existing authorizing language for the program does not allow much flexibility in using this information to make resource reallocations, the information is used to manage the program in other ways. For example, collected performance information is used during the "August redistribution" process to move funds from agencies whose projects have not met schedules to others that are ready to be awarded. Also, information is used to assign workload for staff and contractors, as was done for mega-projects. Further, performance requirements are proposed in SAFETEA for the new safety and recreational roads programs, for which funds to the FLMAs would be distributed based on performance results.

**Evidence:** The FHWA Performance Plan and the Conditions and Performance report publish data on performance that is routinely collected from the Federal partners and States (forest highways). Condition information is also reported in Federal agency reauthorization resource papers. Section 1804 of the proposed SAFETEA legislation.

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**3.2      Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**                      Answer: YES                      Question Weight:11%

**Explanation:** FLMAs and States (forest highways) are generally held accountable by the nature of the formulas and set amounts for each funding category. FLH requires additional financial accountability and reporting of obligations by partners. FLH program managers are held accountable to their commitments through FHWA's performance appraisal system and those who do not perform are relegated to other support roles. Regional FLMA management holds their local planners accountable for completing their share of the overall FLH program. If projects miss deadlines, they are not constructed and returned to the queue of projects to again compete with other projects from across the country. As per their contract, contractors must meet schedule and performance requirements and are subject to fines for not doing so. Contractors who do not meet their contract requirements and/or are found guilty of waste, fraud, and abuse may lose their license and can be barred from bidding on government jobs.

**Evidence:** FLH works with FLMAs and States (forest highways) to develop transportation improvement program and projects. FHWA has MOUs with other Federal agencies for most FLH program funding categories and tri-party agreements with States for forest highways. Indian tribes perform activities and projects funded through the Indian reservation road program under P.L. 93-638 contracts and agreements.

**3.3      Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**                      Answer: YES                      Question Weight:11%

**Explanation:** The majority of funds for this program are obligated in a timely manner. Public lands highway funding earmarked for projects by Congress is occasionally not obligated in a timely manner because funding is earmarked before projects are ready to begin. Nearly all of the funds for this program are spent for the intended purpose. Some small amounts of Indian Reservation Road funds were mismanaged, but these occurrences are an anomaly.

**Evidence:** SF 133 reports and FHWA account reports on FHWA, Federal agencies, and State (forest highways and public lands highways) obligations show that almost all funding is obligated in a timely manner.

**3.4      Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**                      Answer: YES                      Question Weight:11%

**Explanation:** The program's performance plans include efficiency measures and targets. In FY 2000, FHWA identified 35 positions as potentially available for competitive sourcing and successfully converted to contract 15% of those positions in accordance with OMB guidance. In its FY 2002 inventory, the FHWA identified 245 positions that were in commercial functions, of which 14 positions reside within FLH. FHWA and FLH are pursuing a goal of competing between 40 and 50 percent of the FY 2002 inventory positions beginning in FY 2004. In addition to the President's Management Agenda challenge that drives the Competitive Sourcing initiatives, FLH historically contracts a large percent (40%) of its program activities. The requirement to use consultant services has been driven by FTE requirements and not necessarily by cost benefit comparisons.

**Evidence:** FHWA and FLH Performance Plans contain detailed performance measurements. FHWA also has business cases for its relevant programs. Cost information comparing Federal workforce versus consultant services is available in every FLH division office. Project managers prepare their preliminary engineering design cost estimates based on whether the job is to be designed within the office or by outside contractors. Prices vary between consultants and the date of their indefinite delivery, indefinite quantity (IDIQ) contracts.

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**3.5      Does the program collaborate and coordinate effectively with related programs?**                      Answer: YES                      Question Weight:11%

Explanation: Program partners coordinate their maintenance and improvement activities with the FLH program funded projects that they administer. FHWA collaborates and coordinates with its division offices, other Federal agencies, States, local governments, and transportation organizations. FHWA works closely with NHTSA and FMCSA on safety and freight programs and with EPA on strategic planning and environment programs. FHWA also sponsors local meetings and outreach programs.

Evidence: DOT strategic and performance plans.

**3.6      Does the program use strong financial management practices?**                      Answer: YES                      Question Weight:11%

Explanation: FHWA uses effective financial management practices in administering program funds. FHWA is in the process of updating their DAFIS financial management system with a new DELPHI system. FLH, through the FHWA Budget office, is also involved in implementing a new managerial cost accounting program. All of these financial programs have strong error prevention features.

Evidence: FHWA's erroneous payments rate is less than one percent and the program has received clean audits in recent years.

**3.7      Has the program taken meaningful steps to address its management deficiencies?**                      Answer: YES                      Question Weight:11%

Explanation: FHWA has implemented a new financial management system and a protocol for identifying and recovering erroneous payments. FLH also participates in the dashboard performance measurement system initiated by Administrator Peters. This system gives top management a monthly view of the progress and performance of the agency on key focus areas.

Evidence: FHWA has provided a detailed description of its erroneous payments program. The new financial management system tracks comprehensive financial data.

**3.BF1    Does the program have oversight practices that provide sufficient knowledge of grantee activities?**                      Answer: YES                      Question Weight:11%

Explanation: FHWA has sufficient oversight capacity and receives information from Federal agencies, Indian tribes and States (forest highways and public lands highways) on their Transportation Improvement Programs (TIPs) and planning activities. FLH and partner staff conduct field reviews of selected project and program activities. FLH is also participating in the agency's incorporation of risk management techniques in selecting partner program areas that are prime for review.

Evidence: FHWA has published an oversight policy, and the Conditions & Performance Report and Transportation Improvement Programs (TIPs) provide information on grantee activities.

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**3.BF2**      **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?**      Answer: YES      Question Weight: 11%

**Explanation:** The program collects performance data on an annual or bi-annual basis. Most partners contribute to this data collection. FLH also collects some of this data for its program partners. The FLH program makes its performance data available to the public via its four websites and through its various publications.

**Evidence:** Partners submit information on highway conditions to FLH and bridge conditions to the National Bridge Inventory on a regular basis. NHTSA collects information on highway related injuries and fatalities. Condition information is found in the Conditions and Performance report and Federal agency resource papers. Web sites: <http://www.wfl.fhwa.dot.gov>; <http://www.cflhd.gov>; <http://www.efl.fhwa.dot.gov>; <http://www.fhwa.dot.gov/flh>.

**4.1**      **Has the program demonstrated adequate progress in achieving its long-term performance goals?**      Answer: LARGE EXTENT      Question Weight: 20%

**Explanation:** While the program has not met all of its long-term performance goals, it has made adequate progress in achieving these outcome goals. The change in results between 2001 and 2002 for measures #1 and #2 is a result of redefinition of costs. The new measures cover all funding that passes through the FLH program including reimbursable funds for work performed for other Federal agencies). The 2001 measure only covered funding allocated to the program.

**Evidence:** The Federal Lands Highway Business plans 2001 - 2005, 2003 -2007.

**4.2**      **Does the program (including program partners) achieve its annual performance goals?**      Answer: LARGE EXTENT      Question Weight: 20%

**Explanation:** While the program has not met all of its annual performance goals, it has shown progress towards meeting targets. Some baselines, targets and measures were recently revised to reflect the experience gained as a GPRA pilot.

**Evidence:** The Federal Lands Highway Business plans 2001 - 2005, 2003 -2007; draft FLH manual chapter on performance measures; historical data from 1989 to present.

**4.3**      **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**      Answer: LARGE EXTENT      Question Weight: 20%

**Explanation:** The FLH has demonstrated its improved efficiencies and cost effectiveness. In 2000, FLH completed a benchmarking study to optimize its use of contractor services. This study compared outsourcing costs and benefits for 12 State DOTs and several consulting firms. Based on the model developed from this study, FLH is fine-tuning its organizational structure to improve its program delivery effectiveness.

**Evidence:** FLH 2000 Benchmarking Study and FLH annual reports.

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**4.4      Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**                      Answer: YES                      Question Weight20%

**Explanation:** In the course of delivering engineering services to other Federal Land Management Agencies (FLMAs), FLH makes use of in-house staff, consulting firms, and various State highway departments. While production results vary on a project-by-project basis, FLMA customer satisfaction survey results indicate that for a variety of reasons, they prefer to have their projects designed and constructed by FLH in-house processes.

**Evidence:** Customer satisfaction surveys.

**4.5      Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**                      Answer: SMALL EXTENT                      Question Weight20%

**Explanation:** Internal documents such as the FHWA Performance Plan, the Conditions and Performance Report, and Federal agency resource papers provide good analysis but are not independent. IG and GAO reports tend to focus on particular aspects of the program, but they do not provide a comprehensive evaluation of the program in relation to specific performance measures. FLH has in the past requested and received peer reviews conducted by the American Society of Civil Engineers and Booz & Allen. In coordination with their FLMA partners, FLH also conducts bi-annual user surveys. The results of these surveys help FLH focus on specific program improvements. While these external reviews indicate that certain aspects of the program are relatively effective and also help the FLH program effectively improve their performance, they are not specifically focused on systematic program reviews.

**Evidence:** IG and GAO reports: [No. 00-I-597] Independent Auditors Report on Bureau of Indian Affairs Financial Statements for Fiscal Year 1999; [No. 99-i-959] Audit Report on Deferred Maintenance, National Park Service; [No.TR-1998-079] Inspection of Federally Owned Bridges; [No. 96-I-870] Final Audit Report on the Road Construction Program, Bureau of Indian Affairs; GAO/AIMD-00-285R BIA's Use of Highway Trust Fund Resources; GAO/RCED-98-14 TRANSPORTATION INFRASTRUCTURE Review of Project Selection for Five Discretionary Programs; RCED-97-160R Forest Service: Construction of National Forest Roads. ASCE Peer Review reports. Booz-Allen program evaluation report. User survey reports.

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**Measure:** Program Delivery Costs (measure/targets adjusted and redefined in FY 2002). This metric measures the percent of funds to deliver projects to construction.

**Additional Information:** Percent of funds to deliver projects to construction. Measure adjusted and redefined in FY 2002.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term (Efficiency Measure)
2001	<28%	<29%	
2002	<28%	<29%	
2005			
2006			
2007	<25%		

**Measure:** Percent of Funds Obligated (measure/targets adjusted and redefined in FY 2002). This metric measures the percent of obligations completed during a fiscal year.

**Additional Information:** Percent of obligations completed during the fiscal year. Measure adjusted and redefined in FY 2002.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term (Efficiency Measure)
2001	100%	98%	
2002	100%	98%	
2005			
2006			
2007	80-85%		

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

**Measure:** Employee Survey Results  
**Additional Information:** Based on a score of 0-100

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	>85%	59.4%	
2002	>85%	61%	
2003	>85%		
2004	>85%		
2005	>85%		

**Measure:** Program Administration Customer Satisfaction  
**Additional Information:** Based on a score of 0-100

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	>85%	75.1%	
2002	>85%	73%	
2003	>85%		
2004	>85%		
2005	>85%		

**Measure:** Project Development Customer Satisfaction. This measure assesses customers' rating of performance by a score of 0 to 100.  
**Additional Information:** Based on a score of 0-100

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	>85%	>85%	

## PART Performance Measurements

**Program:** Federal Lands  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant                      Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	100%	67%	Effective

	2002	>85%	>85%
	2003	>85%	
	2004	>85%	
	2005	>85%	

**Measure:** Completed Project Customer Satisfaction  
**Additional Information:** Based on a score of 0-100

	<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
	2001	>85%	83.5%	
	2002	>85%	84.5%	
	2003	>85%		
	2004	>85%		
	2005	>85%		
	2006			

## PART Performance Measurements

**Program:** Federal Motor Carrier Safety Administration Grant Program  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	88%	60%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight 20%

**Explanation:** The Motor Carrier Safety Assistance Program (MCSAP) is consistent with authorizing legislation to reduce commercial motor vehicle (CMV)-involved crashes, fatalities, and injuries through consistent, uniform, and effective state CMV safety programs and is in close alignment with the agency mission of saving lives and reducing injuries by preventing truck and bus crashes.

**Evidence:** Motor carrier safety grant program was authorized by the Surface Transportation Safety Act of 1982 (STAA), and reauthorized by Section 4003 of the Transportation Equity Act for the 21st Century (TEA-21, 112 Stat. 395-398) and Section 103 of the Motor Carrier Safety Improvement Act of 1999 (MCSIA). (Authority: 49 U.S.C. 31100-31104, 31108, 31136, 31140-31141, 31161, 31310-31311, 31502; and 49 CFR 1.48. Regulation: 49 CFR Part 350.) MCSAP is consistent with authorizing legislation to reduce commercial motor vehicle (CMV)-involved crashes, fatalities, and injuries through consistent, uniform, and effective state CMV safety programs. MCSAP aligns closely with the agency mission of saving lives and reducing injuries by preventing truck and bus crashes and DOT Highway Safety performance and Safety strategic goals reflected in the DOT Strategic and Performance Plans.

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight 20%

**Explanation:** Trucks are over-represented in fatal highway crashes. About 12% of all people killed in motor vehicle incidents are involved in a crash with a large truck, yet trucks represent only 4 percent of registered vehicles and about 7 percent of the vehicle-miles of travel.

**Evidence:** Aspects of Large Truck Safety have been identified as management challenges by GAO and DOT/OIG. DOT OIG recommendations (TR-1999-01) are specifically addressed in sections 206, 208, 217, and 222 of the Motor Carrier Safety Improvement Act (MCSIA, 1999).

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES

Question Weight 20%

**Explanation:** Enlisting the efforts of state agencies greatly expands the resources available for and broadens the reach of safety enforcement. FMCSA authorization includes regulation of interstate (and foreign/border) motor vehicle transportation. State involvement extends enforcement to intrastate commerce. The MCSAP maintenance of effort requirements (see 49 CFR Part 350.301) ensure these federal grant funds do not supplant state funds for commercial vehicle safety efforts.

**Evidence:** GAO (GAO-02-495) confirms the complementarity of federal and MCSAP-supported state programs. FMCSA is the only federal agency that addresses and remediates the causes of commercial motor vehicle crashes and resulting injuries and fatalities. Prior to 1982, few states and no federal agencies focused on commercial vehicle safety issues including vehicle defects, motor carrier compliance or special driver requirements. Unlike NHTSA's state grant program that focuses on educational traffic safety efforts, MCSAP grants provide for direct state motor carrier enforcement activities.

## PART Performance Measurements

**Program:** Federal Motor Carrier Safety Administration Grant Program  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	88%	60%	Effective

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**      Answer: NO      Question Weight20%

**Explanation:** In 2003, FMCSA harmonized its CMV safety goal in a consolidated Department of Transportation's highway safety goal with NHTSA and FHWA. MCSAP has been a key contributor to reversing the trend in commercial motor vehicle fatalities in recent years. Results and evidence support the program's effectiveness. Program initiatives aimed at improving the focus and effectiveness of the MCSAP program are being considered in the context of surface transportation reauthorization.

**Evidence:** Despite significant progress, motor carrier safety continues to be a persistent national problem. In recent years, approximately 5,000 people a year have been killed in highway incidents involving large trucks. MCSAP has proven effective at marshalling state enforcement activity, providing a safety multiplier, and encouraging consistency of enforcement protocols; extending enforcement of FMCSRs and safe practices.

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**      Answer: YES      Question Weight20%

**Explanation:** MCSAP is a central element in a coordinated strategy to reduce fatalities in crashes involving large trucks. Without MCSAP and coordinating strategies, it could be expected that fatalities would increase along with the increases in traffic and exposure. The program's impact is evidenced in the difference between potentially increasing fatalities and the actual reductions realized, the delta represents lives saved.

**Evidence:** MCSAP supports state-conducted motor carrier safety activities to ensure compliance with Federal Motor Carrier Safety Regulations (FMCSRs), including compliance reviews, roadside inspections, and traffic enforcement. MCSAP grants to states contribute, with other safety mitigation strategies/programs (including partnership, outreach, information/research, education, rulemaking, compliance, and enforcement), as an integral part of a coordinated strategy to increase compliance with FMCSRs and reduce crashes, fatalities, and injuries. MCSAP-supported state-level motor carrier safety interventions have contributed to reduced fatalities each of the past five years (1997-2002), a reduction of more than 9% over the timeframe. This improvement has been accomplished in the face of annual increases in commercial motor vehicle miles traveled (VMT), estimated at approximately 3.4% per annum. The large truck fatality rate has been reduced from 2.7 per million CVMT to 2.28\* over the same period.

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**      Answer: YES      Question Weight12%

**Explanation:** The program has one specific long-term goal - to reduce the rate of fatalities in crashes involving large trucks. This long-term goal has been translated into specific performance targets and is directly tied to the DOT's Safety strategic goal and Highway Safety performance goal.

**Evidence:** The program's ambitious long-term goal is to reduce the rate of large truck fatalities to 1.65 fatalities per 100 million CVMT by 2008. This goal translates to a 41% reduction in the number of fatalities between 1996 and 2008. Related to this overarching goal, the agency also tracks as indicators the number of fatalities and persons injured in crashes involving large trucks, and the rate of persons injured in crashes involving large trucks.

## PART Performance Measurements

**Program:** Federal Motor Carrier Safety Administration Grant Program  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	88%	60%	Effective

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 12%

**Explanation:** The agency manages to annual targets for reduction of fatality rate, and monitors fatalities and injuries and injury rate as leading indicators. The agency also establishes and tracks its progress toward accomplishment of annual performance targets for programmatic outputs, including federal- and state-conducted compliance reviews and roadside inspections. Annual performance targets are established for combined federal/state roadside inspections and federal compliance reviews. State recipients of the MCSAP program are required to create Commercial Vehicle Safety Plans (CVSPs) that must address 5 essential MCSAP performance elements, which contribute to the agency's long-term goals, including roadside inspections, compliance reviews, traffic enforcement, data, and public education. Data timelines and quality standards are established and tracked.

**Evidence:** The FMCSA's long-term safety objective is to reduce the rate of truck related fatalities to 1.65 per 100 million Commercial Vehicle Miles Traveled (CVMT), by the year 2008. This goal equates to a 41% reduction in rate of fatalities from those experienced in 1996. FMCSA sets annual performance targets for achieving this reduction and is on track towards achieving the 1.65 long-term goal, having reduced the number of truck related fatalities and rate of truck-related fatalities every year for the past five years. Targets for essential operational program outputs, including those supported by the MCSAP program, are addressed in the agency's annual performance plan and budget.

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 12%

**Explanation:** States address five MCSAP safety performance elements in their Commercial Vehicle Safety Plans (CVSPs)/grant applications. In addition, in order to qualify for incentive funding, states agree to specific safety performance objectives ("Reduce the number of fatal accidents involving large trucks" and "Reduce the large-truck-involved fatal accident rate", among others) that link to agency goals. The FMCSA tracks the performance of each state with regard to the outcome goal of reducing truck-related fatalities and accidents in each state, and tracks their progress in achieving these goals.

**Evidence:** GAO (GAO-02-495) confirms that annual state plans include quantifiable performance objectives and measures and strategies and specific activities for achieving the objectives. The MCSAP program office sends out an annual planning memorandum to its state partners that outline the performance goals for the upcoming fiscal year. Since 2000, all state MCSAP CVSPs were required to be prepared in a performance-based format. Risk-based training has been and remains readily available for any state in prioritizing goals and assigning resources. In addition, qualification for special incentive funding requires state adoption of specific performance objectives for: reduction of fatal accidents, reduction of CMV-involved fatality rate, CDL verification, and inspection and accident data timelines.

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 12%

**Explanation:** The baselines and targets that the MCSAP program contributes to are contained in the FMCSA's annual integrated performance budget and performance plans and reports.

**Evidence:** The ambitious target for the program is to reduce the rate of truck related fatalities to 1.65 per 100 million Commercial Vehicle Miles Traveled (CVMT), by the year 2008. This goal equates to a 41% reduction in rate of fatalities from the baseline fatality rate of 2.81 fatalities per 100 million CVMT in 1996.

## PART Performance Measurements

**Program:** Federal Motor Carrier Safety Administration Grant Program  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	88%	60%	Effective

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: NO Question Weight: 12%

**Explanation:** States address five MCSAP safety performance elements in their Commercial Vehicle Safety Plans (CVSPs)/grant applications. In addition, in order to qualify for incentive funding, states agree to specific safety performance objectives ("Reduce the number of fatal accidents involving large trucks" and "Reduce the large-truck-involved fatal accident rate", among others) that link to agency goals. The FMCSA tracks the performance of each state with regard to the outcome goal of reducing truck-related fatalities and accidents in each state, and tracks their progress in achieving these goals.

**Evidence:** GAO (GAO-02-495) confirms that annual state plans include quantifiable performance objectives and measures and strategies and specific activities for achieving the objectives. The MCSAP program office sends out an annual planning memorandum to its state partners that outline the performance goals for the upcoming fiscal year. Since 2000, all state MCSAP CVSPs were required to be prepared in a performance-based format. Risk-based training has been and remains readily available for any state in prioritizing goals and assigning resources. In addition, qualification for special incentive funding requires state adoption of specific performance objectives for: reduction of fatal accidents, reduction of CMV-involved fatality rate, CDL verification, and inspection and accident data timelines.

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight: 12%

**Explanation:** Every year, the FMCSA engages an outside, independent organization to review the effectiveness of the activities funded by the MCSAP program and assess the contribution of these activities towards the agency's outcome goals. The Volpe National Transportation Systems Center annually evaluates and issues reports on the effectiveness of safety mitigation strategies (FMCSA Safety Program Performance Measures - Compliance Review Impact Assessment Model, February 2002; FMCSA Safety Performance Program Performance Measures - Intervention Model: Roadside Inspection and Traffic Enforcement Effectiveness Assessment, December 2001). Published reports are available on-line at: <http://ai.volpe.dot.gov/ProgramMeasures/PM/PerfMeas.asp>.

**Evidence:** Evaluation of the effectiveness of safety enforcement operations is conducted annually by the: (1) Roadside Inspection and Traffic Enforcement Intervention Model and (2) Compliance Review Impact Assessment Model. In 2001, 83% of MCSAP funding supported state-conducted safety enforcement interventions; roadside inspections (58%), traffic enforcement (18%), and compliance reviews (7%). The 2002 Roadside Inspection and Traffic Enforcement Intervention Model estimates that in 2000, 12,668 crashes were avoided, resulting in 544 lives saved and 8,681 injuries avoided as a result of roadside inspection and traffic enforcement. The 2002 Compliance Review Impact Assessment Model estimates that in 2000, 1,500 crashes were avoided, 64 lives saved, and 1,028 injuries avoided attributable to compliance reviews. MCSAP has been reviewed by GAO (GAO-02-495, Regulatory Programs: Balancing Federal and State Responsibilities, 3/02) and DOT OIG (AS-FH-4-012, 6/94 and TR-1999-091, 4/99). DOT OIG emphasizes the importance of strong enforcement to ensuring motor carrier safety.

## PART Performance Measurements

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1	2	3	4	Moderately
80%	88%	88%	60%	Effective

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight:12%

**Explanation:** The FMCSA has developed a set of logic models, included in its annual integrated performance budget, that details the alignment between funding for all programs, including the MCSAP program, and performance on agency strategic goals. The impact of funding, policy and legislative changes are reflected in the budget submission. The MCSAP program has contributed to achieving reduced fatalities five consecutive years (1998-2002), despite annual increases in CVMT. Injuries have been reduced for two consecutive years.

**Evidence:** In the logic models contained in the agency's annual integrated performance budget, MCSAP funding aligns with the agency safety program objective "Support state enforcement, regulatory compatibility, technology deployment, and safety information capabilities" which links to the performance goal "Save lives and reduce injuries by preventing truck and bus crashes", which links, in turn, to the DOT Highway Safety performance goal and ultimately to the Safety strategic goal.

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:12%

**Explanation:** The agency has integrated its performance planning and reporting with its budget process and has a strong strategic planning process. The only potential deficiency in the strategic planning process for the MCSAP program is that the state government agencies that receive MCSAP funding are not under the agency authority since they are state, not Federal, agencies. However, the FMCSA actively works to mitigate this structural weakness by including state officials in the strategic planning process. The agency has tasked each state Division Administrator to develop specific, performance-based plans for their FMCSA Division in coordination with their state counterparts. The MCSAP program coordinated with the states is a major contributor to FMCSA's overall strategy aimed at reducing large truck-related fatalities and injuries.

**Evidence:** MCSAP is identified in the FMCSA's annual integrated performance budget, performance plans, and reports. Program evaluations are conducted to inform the strategic planning process, which are aimed at identifying deficiencies in the strategic planning of the program. Identified deficiencies are being addressed as part of an ongoing process to revise the agency's strategic plan. Specifically, in FY 2004, FMCSA will engage programs in a comprehensive evaluation process identifying and addressing challenges which affect the attainment of annual performance goals.

**3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:12%

**Explanation:** MCSAP program managers receive monthly data quality and timeliness reports. Information is also received regarding state-level rulemaking that affects compatibility. Ensuring compatibility of state regulations with Federal Motor Carrier Safety Regulations (FMCSRs) is a key program goal. MCSAP funding is conditioned upon state adoption and enforcement of state laws that are compatible with the FMCSRs, as such, it contributes to elevating regulatory and enforcement standards across the country.

**Evidence:** The Timeliness of Uploads Report and the Data Non-Match Reports from MCMIS (Motor Carrier Management Information System) are used to quickly identify upload deficiencies, thus allowing remedial action. State rulemaking information provided to the program by the state or field staff enables the agency to take appropriate action to remedy potential compatibility issues.

## PART Performance Measurements

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80%	88%	88%	60%	Effective

**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: NO Question Weight: 12%

**Explanation:** The MCSAP program has been strategically designed to incorporate incentive grants for those grantees that demonstrate improvement in identified safety and program performance factors. Moreover, in those instances where program partners (i.e. grantees) do not have compatible CMV safety laws and regulations pertaining to interstate commerce, mechanisms are in place to reduce and/or withhold MCSAP funding. The States' Safety Plans are scrutinized by MCSAP staff to ensure adherence to established funding eligibility criteria.

**Evidence:** FMCSA State Division Administrators prepare monitoring plans for each grant program. In addition, reimbursement vouchers are scrutinized to ensure that costs are reasonable and fall within the Commercial Vehicle Safety Plan (CVSP) budget.

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 12%

**Explanation:** Funds are obligated by FMCSA State Division Administrators upon receipt of the allocation memo. MCSAP funds are spent by the states in accordance with the approved CVSP.

**Evidence:** MCSAP program managers monitor the obligation activity for timeliness on a regular basis. FMCSA State Division Administrators review all reimbursement vouchers to ensure that claimed expenses are in conformance with the budget submitted with the approved CVSP. Any questionable expenditures are immediately resolved with state partners.

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NA Question Weight: 0%

**Explanation:** In addition to formula grants, MCSAP makes available incentive grants to states adopting specific safety performance improvement objectives. Incentive funds are awarded to states demonstrating performance improvement with regard to specific performance goals. The incremental performance advances represent efficiencies in program delivery.

**Evidence:** GAO (GAO-02-495) recognizes MCSAP financial incentives provided to states achieving reductions in CMV fatal accident rates. State incentive grant funding requires state performance improvement with regard to the following specific safety goals: (1) reduce the number of fatal accidents involving large trucks, (2) reduce the large-truck-involved fatal accident rate or maintain a rate that is among the lowest 10% of all MCSAP recipients, (3) verify commercial driver's licenses during all roadside inspections, (4) Upload CMV inspection data in accordance with current FMCSA policy guidelines, and (5) upload CMV accident reports in accordance with current FMCSA policy guidelines.

## PART Performance Measurements

**Program:** Federal Motor Carrier Safety Administration Grant Program  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	88%	60%	Effective

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 12%

**Explanation:** MCSAP grants are directly integrated into the FMCSA's coordinated motor carrier safety strategy, along with motor carrier partnership, outreach, information/research, education, rulemaking, compliance, and enforcement program activities, which all contribute to the achievement of motor carrier safety outcomes. Together, the spectrum of mitigation activities leverages the effectiveness of each individually. At the same time, FMCSA motor carrier programs complement and collaborate with highway and transportation safety programs of DOT, FHWA, NHTSA, various associations, and state partners to achieve shared safety objectives. The very purpose of MCSAP grants are to collaborate and coordinate truck-related safety activities between the Federal government and the states.

**Evidence:** Planning for/integration of MCSAP goals in broader agency fatality and injury outcomes is manifest in the agency performance budget and performance reports, with accountability for performance cascaded through the organization (HQ and Field) via a network of performance accountability contracts. Department of Transportation-level collaboration is reflected in the consolidated Highway Safety planning in the DOT Strategic Plan and performance metrics and monitoring in the DOT Performance Budget. In addition, MCSAP implementing regulations require states to coordinate their CVSPs with state highway safety programs under Title 23 USC (see 49 CFR 350.211).

**3.6 Does the program use strong financial management practices?** Answer: YES Question Weight: 12%

**Explanation:** There have been no internal control weakness reported by auditors. A DAFIS and voucher review process has been established to ensure payment for the appropriate purpose and prevention of erroneous payments.

**Evidence:** Each FMCSA program office is responsible for internally tracking all obligations and reconciling obligations against the monthly DAFIS reports. Budget and Finance division, in turn, works closely with FHWA Finance office to resolve any funding issues, report DAFIS discrepancies for correction, maintain funding codes and allotments, and ensure prompt payment of all invoices.

**3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 12%

**Explanation:** The effectiveness of essential program compliance/enforcement interventions is evaluated on an annual basis to inform strategy development and resource allocation decisions. Program evaluation findings are reviewed in the development of annual agency and Departmental strategic and performance plans and reports.

**Evidence:** The FMCSA strives for continuous improvement in its management and has an active evaluation program aimed at improving program effectiveness, efficiency and agency performance. When the MCSAP program staff identifies management deficiencies in areas such as strategic staffing management and financial resource allocation, they initiate corrections and/or modification to management plans and practices. Periodic leadership meetings, including forums with State partners and industry interest groups, are held to vet identified program issues and to develop strategies for incorporating corrections into ongoing management operations.

## PART Performance Measurements

**Program:** Federal Motor Carrier Safety Administration Grant Program  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
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Section Scores				Rating
1	2	3	4	Moderately
80%	88%	88%	60%	Effective

<b>3.BF1</b>	<b>Does the program have oversight practices that provide sufficient knowledge of grantee activities?</b>	Answer: YES	Question Weight: 12%
<p>Explanation: FMCSA State Division Administrators establish monitoring plans to review states performance activities submitted in the CVSP. This plan includes site visits to ensure program conformance with the CVSP. States submit quarterly performance reports that document completion of projected activities and goals. Progress and final vouchers contain expenditure details which ensure resources are used for the purposes identified in the state's CVSPs.</p> <p>Evidence: Narrative quarterly performance reports, provided by state, documentation of periodic site visits by division staff, and review of expense vouchers for funds used for their designated purpose.</p>			
<b>3.BF2</b>	<b>Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?</b>	Answer: YES	Question Weight: 12%
<p>Explanation: Program performance data (inspections, crashes, and compliance reviews) are electronically uploaded to the Motor Carrier Management Information System (MCMIS). This data is available to the public from the from the FMCSA website. Progress in reducing motor carrier crashes, fatalities, and injuries is reported in the FMCSA and DOT annual performance reports, and periodic press releases.</p> <p>Evidence: The agency's annual report data is available through the Analysis and Information (A&amp;I) website (<a href="http://ai.volpe.dot.gov/">http://ai.volpe.dot.gov/</a>), including information on the number of inspection reports, crash reports, and compliance reviews submitted by the states.</p>			
<b>4.1</b>	<b>Has the program demonstrated adequate progress in achieving its long-term performance goals?</b>	Answer: LARGE EXTENT	Question Weight: 20%
<p>Explanation: In 2003, FMCSA harmonized its CMV safety goal in a consolidated Department of Transportation's highway safety goal with NHTSA and FHWA. The agency's long-term safety goal is to reduce the large truck fatality rate 41% from 1996 to 2008, to a rate of 1.65. In the face of increased exposure owing to annual increases in commercial motor vehicle miles traveled (CVMT), fatalities involving large trucks have been reduced each of the past five years. Injuries and injury rates that the agency tracks as leading indicators have also been reduced. Robust state safety programs and enforcement interventions supported by MCSAP are important factors in saving these lives and avoiding these injuries.</p> <p>Evidence: The agency achieved its target for large truck fatality rate in 2002 of 2.28 bettering the agency target of 2.32. Trends for all of the agency's leading indicators are encouraging, suggesting agency mitigation strategies are on target and having a positive impact and follows an increase of 2.6% in commercial vehicles miles traveled. This rate improvement interprets to 1,138 lives saved in 2002.</p>			
<b>4.2</b>	<b>Does the program (including program partners) achieve its annual performance goals?</b>	Answer: SMALL EXTENT	Question Weight: 20%
<p>Explanation: MCSAP program goals link and contribute to the accomplishment of the motor carrier safety long-term outcome goal of reducing CMV-related fatality rate. The program is advancing in its achievement of specific program-level goals.</p> <p>Evidence: The program manages to intermediate outcomes of (1) compatibility with FMCSRs, (2) quality and timeliness of state safety data, and (3) completion of motor carrier compliance reviews.</p>			

## PART Performance Measurements

**Program:** Federal Motor Carrier Safety Administration Grant Program  
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**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	88%	60%	Effective

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**

Answer: LARGE  
EXTENT

Question Weight20%

**Explanation:** While MCSAP grant funds have increased incrementally since establishment of the agency's baseline targets in FY 1998, overhead expenses funded under the agency's limitation on administrative expenses have not grown above annual inflation factors.

**Evidence:** The downward trend in large truck-related fatality rate, and achievement of the agency 2002 large truck fatality rate target in 2002, has been achieved without increasing administrative overhead costs beyond annual inflation factors.

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: LARGE  
EXTENT

Question Weight20%

**Explanation:** Several agencies within the Federal government strive to reduce fatalities. Within the Department of Transportation, NHTSA, FHWA, and FMCSA share the highway fatality goal since each of the three agencies have a responsibility to improve safety on our nation's highways. With achievement of the agency large truck fatality rate target in 2002, progress toward reduction of truck-related fatalities and injuries is tracking with Departmental objectives. Data supporting DOT Highway Safety measures for all highway modal administrations are housed in NHTSA FARS.

**Evidence:** The agency has achieved its target for large truck fatality rate reduction in 2002. Despite annual increases in VMT and CVMT, fatalities and injuries in crashes involving large trucks have been reduced. Large-truck-related fatality and injury rates have also been reduced. Results are reflected in the DOT FY 2003 Performance Plan/FY 2001 Performance Report.

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: LARGE  
EXTENT

Question Weight20%

**Explanation:** Rigorous program effectiveness evaluations of the major operational compliance/enforcement activities supported by MCSAP are conducted annually by the Volpe National Transportation Systems Center. Volpe National Transportation Systems Center reports on the effectiveness of safety mitigation strategies (FMCSA Safety Program Performance Measures - Compliance Review Impact Assessment Model, February 2002; FMCSA Safety Performance Program Performance Measures - Intervention Model: Roadside Inspection and Traffic Enforcement Effectiveness Assessment, December 2001) are available on-line at: <http://ai.volpe.dot.gov/ProgramMeasures/PM/PerfMeas.asp>.

**Evidence:** Aspects of MCSAP have been reviewed by GAO (GAO-02-495) and DOT OIG (AS-FH-4-012, TR-1999-091). The effectiveness of compliance reviews, roadside inspections, and traffic enforcement in reducing crashes, fatalities, and injuries is evaluated on an annual basis using the: (1) Intervention Model and (2) Compliance Review Impact Assessment Model. These evaluation models yield annual estimates of crashes avoided, injuries avoided, and lives saved attributable to these interventions. Additional information about the Intervention Model and the Compliance Review Impact Assessment Model accompany this assessment as attachments.

## PART Performance Measurements

**Program:** Federal Motor Carrier Safety Administration Grant Program  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	88%	60%	Effective

**Measure:** Large Truck Fatalities per 100 Million Commercial Vehicle Miles Traveled (CVMT)

**Additional Information:** The goal is to reduce the rate of large truck-related fatalities per 100 million commercial vehicle miles traveled (CVMT) 41% from 1996 to 2008, resulting in a rate of 1.65 per 100 million CVMT.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2008	<1.65		

**Measure:** Large Truck Fatalities per 100 million per CVMT

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	<2.45	2.45	
2002	<2.32	2.28	
2003	<2.19		
2004	<2.07		
2005	<1.96		
2006			

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight 20%

**Explanation:** The Federal-Aid Highway program provides national policy leadership and federal financial and technical assistance to States to construct and maintain a national system of roads and bridges.

**Evidence:** The Federal-Aid Highways program mission as stated in the FHWA strategic plan. <http://www.fhwa.dot.gov/policy/fhplan.html>

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight 20%

**Explanation:** The need for a Federal-Aid Highway program was pronounced during the construction of the national interstate system of highways. Today, this program still provides a substantial share of funding for highway projects. It also provides valuable technical assistance and sets national standards and guidelines.

**Evidence:** The FHWA Conditions and Performance Report states that local and state governments rely on the federal government for 21 percent of their highway funding. Federal funds account for 41 percent of total outlays for highway capital projects. <http://www.fhwa.dot.gov/policy/2002cpr/index.htm>

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES

Question Weight 20%

**Explanation:** The Federal-Aid Highway program ensures a connected system of roads that serve regional and national needs. It also fulfills the important role of redistributing funds among the States to ensure mobility and safety throughout the country. This Federal program is especially important in large land area, low population States, and in States with relatively low fiscal capacity. The nature of the Federal-Aid Highway program stresses State flexibility in the application of the various program funds. While the Administration designates focus areas through legislation, individual project selection is done by the States. FHWA does infer influence on the selection of projects through environmental and eligibility approvals. Stewardship agreements between FHWA Division Offices and State transportation departments define the roles and responsibilities between the two parties and outline procedures that ensure funds spent result in an improved/enhanced highway infrastructure that supports a safe and efficient transportation system.

**Evidence:** The Federal-Aid Highway program accounts for about 21 percent of all highway funding (federal, state, local) and about 41 percent of spending on highway capital projects. State and local governments fund the remainder. While State and local governments contribute more spending on highways than the federal government, approximately 43 percent of all VMT and 70 percent of all freight travel occur on the 163,000-mile road network of the NHS. It is unclear if State/locals could pick up taxes/spending if the federal program were eliminated, although surveys have indicated that States would not increase taxes and spending. Federal influence is evidenced in their approval of environmental clearance documents and in the approval of the States' financially constrained list of approved projects (STIP). Stewardship Agreements between FHWA every State highway department, the District of Columbia and Puerto Rico. <http://www.fhwa.dot.gov/policy/2002cpr/index.htm>

## PART Performance Measurements

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**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**      Answer: YES      Question Weight: 20%

**Explanation:** From a financial perspective, funds made available to FHWA are immediately reallocated to the States. Funding that is going to be obligated during a fiscal year is returned to FHWA during August and reallocated to States that can make use of them. From a program perspective, FHWA is devolving more power to the States and increasing their financial flexibility through legislation to provide States with more efficient/effective mechanisms to accomplish the goals of increasing safety and improving mobility. However, with respect to effectiveness, several of the goals work at cross purposes. Decreasing congestion, increases vehicle speeds and the likelihood and severity of crashes. Flexibility in the design of the program allows every State to balance goal resources based on their particular needs. FHWA monitors program effectiveness through financial and program management requirements on major projects. One measure of program efficiency is through their environmental stewardship focus on reducing environmental document completion times.

**Evidence:** Funding procedures used by the FHWA as described in the 'Financing of Federal-Aid Highways' <http://www.fhwa.dot.gov/reports/finfedhy.html>. Increased State flexibility described in various sections of Title 1 from ISTEA through TEA-21 through our latest Reauthorization proposals. Organizational excellence measures for program effectiveness and efficiency as described are contained in the FY 2004 performance plan.

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**      Answer: YES      Question Weight: 20%

**Explanation:** The majority of the program funds resources, over 98% of the \$31 billion is either apportioned or allocated to the States in accordance with established legislation. These funds are obligated by the States in accordance with their approved transportation improvement programs. While the program's design provides enormous flexibility to the States, the Administration maintains stewardship and oversight control and often directs priorities through reauthorization and appropriation bills.

**Evidence:** Annual apportionment formulas and distribution tables. Allocation tables. Approved State transportation improvement programs lists. Reauthorization proposal that doubles the Federal focus (\$1 billion) on safety.

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**      Answer: YES      Question Weight: 12%

**Explanation:** The program has outcome related performance goals that relate to mobility/congestion and safety. These goals were developed and refined in a year long goal evaluation process introduced by the new FHWA Administrator. These three primary focus areas include reducing the number or highway related injuries and fatalities, limiting the percent of travel under congested conditions and improving environmental stewardship and streamlining activities. The program also has national security goals related to infrastructure security and defense mobilization.

**Evidence:** FHWA's strategic plan and their annual performance plan state these goals. These goals are ambitious, focus on outcomes and reflect the purpose of the program. While the safety and environmental goals strive to save lives and reduce pollution, the mobility-related goals for congestion only aim to slow the rate of growth. According to the 2002 Condition and Performance Report, a 17.5% increase in program funding is required to maintain the overall condition and performance of the existing highway system. A 65% increase would be required to address all congestion, safety, environmental, condition and performance issues.

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
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Section Scores				Rating
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100%	88%	56%	60%	Effective

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 12%

**Explanation:** Several of FHWA's targets and timeframes for its long-term measures are extremely ambitious. Specifically targets in Safety, congestion mitigation and environmental stewardship and streamlining. As reported in their performance plans, FHWA has baseline information in these program areas that go back at least seven years. The stewardship and oversight measure for the financial and management of major projects is a new item this year with baselines to be established.

**Evidence:** The FHWA annual performance plan identifies annual performance targets and existing baselines that measure progress in achieving the agency's long term goals.

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 12%

**Explanation:** The program has annual performance targets that measure progress toward achieving long term programmatic goals (such as safety, environment and mobility). The program also has two efficiency outcome goals; one that measures the timeliness of completing environmental processes, and the other that measures schedules and costs on major projects. FHWA will commit to investigate the feasibility of a similar cost and scheduling measure based on statistical sampling for use on other projects built by State highway departments with FHWA funding.

**Evidence:** FHWA annual performance plan.

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 12%

**Explanation:** With the exception of several newly implemented goals, FHWA has solid baselines and ambitious targets established for all its annual measures. In the safety, mobility and environment programs, the baselines extends back to 1996. FHWA's goals require coordination with other Federal agencies and extensive amounts of stewardship and oversight with States and local transportation entities. Improving highway safety, reducing congestion and improving environmental procedures are all extremely complex and interrelated processes with no direct and simple solutions.

**Evidence:** The FHWA annual performance plan identifies annual performance targets and existing baselines that measure progress in achieving the agency's long term goals.

## PART Performance Measurements

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**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**      Answer: YES      Question Weight: 12%

**Explanation:** The partners of FHWA in the Federal-Aid Highway program are the States and, to a lesser extent, the Metropolitan Planning Organizations (MPOs). Many of FHWA's goal areas are established and funded by legislation that is created by State senators and representatives. Through this legislation, States are required to report to FHWA data on the number of injuries and fatalities, percent of travel under congested conditions, and the physical condition of roads and bridges. While FHWA does not require a formal commitment, States are encouraged to share and work toward these goal of improving highway safety and increasing mobility. As part of their Stewardship agreements, individual FHWA Division offices meet with their State counterparts and work to align FHWA's specific goals with State transportation initiatives.

**Evidence:** As their contribution to FHWA's goals, States submit information on highway conditions to the Highway Performance Monitoring System and the National Bridge Inventory on a regular basis. NHTSA collects information from States on highway related injuries and fatalities. Evidence of FHWA and State integration of goals and resource alignment can be seen on various FHWA Division office and State highway department web pages. Specifically FL, KY and IN.

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**      Answer: NO      Question Weight: 12%

**Explanation:** While independent evaluations have been conducted for selected portions of the program, there are no comprehensive, regularly scheduled, independent evaluations currently conducted. In the past five years, FHWA has received over 60 GAO audits on various parts of the Federal-aid Highway program. Specifically, there have been audits on FHWA's stewardship and oversight of major projects, and on FHWA's major programs in safety, environmental, and congestion. GAO also annually reports on FHWA's performance and accountability when they issue their Management Challenges and Program Risks report. The Office of Inspector General performed over 37 audit activities during the past five years with at least 10 of these occurring during the past year. The primary focus of these audits have been the stewardship and oversight of major projects.

**Evidence:** GAO regularly evaluates the performance of the Interstate system. For example, a May 2002 GAO report, entitled "Interstate Physical Conditions Have Improved, but Congestion and Other Pressures Continue," evaluates the goals and performance of FHWA's highway infrastructure program. <http://www.gao.gov> /[http://www.oig.dot.gov/docs\\_by\\_area.php?area=24](http://www.oig.dot.gov/docs_by_area.php?area=24)

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight: 12%

**Explanation:** Although Federal-aid highway programs are authorized on a 6-year basis and FHWA has not implemented a cost-accounting system, beginning in FY 2004, FHWA has provided a performance-based budget to Congress. In addition, FHWA budgets for all direct and indirect costs associated with administering this program at the Federal level. FHWA reinforces the linkages between performance and budget through the Administration's reauthorization proposal, SAFETEA. In support of the FHWA safety goal, the agency intends to double the amount it spends on highway safety through its reauthorization proposal. Despite the Administration's efforts toward budget and performance integration through its budget submittals and reauthorization proposal, there is only minor evidence that when Congress sets these funding levels every six years that they relate them to program goals.

**Evidence:** FHWA budget justification and Congressional Justifications. Section 1402 of the Administration's SAFETEA reauthorization proposal would double safety funding levels.

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 12%

**Explanation:** FHWA has taken significant steps to address its strategic planning deficiencies, which includes adopting long-term and annual goals as well as relevant targets and measures. With each performance plan, these goals and measures have been refined. During FY 2003, FHWA has added goals and the corresponding measures that relate to the Administration's emphasis on safety, congestion mitigation and environmental stewardship. FHWA has taken active steps in correcting deficiencies as determined by the GAO management challenges directed at major project stewardship and oversight.

**Evidence:** DOT's FY 2004 Budget submission reflects integration of budget planning and performance planning processes. In addition, the department's reauthorization proposal makes strategic principles the basis of the proposal. The FHWA has documented their goals and objectives at correcting specific management challenges for major project oversight within the Department's 2003-2008 Strategic Plan.

**3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 11%

**Explanation:** States regularly report program performance data to DOT on injuries and fatalities, roadway performance and conditions, and environmental measures. FHWA uses this data to develop program priorities, most notably under the Vital Few initiative, which attempts to improve local performance where large deficiencies exist. To date, FHWA has begun working with State partners to develop baseline performance information on local transportation programs. FHWA division offices also use performance data to focus their efforts on areas where individual States need to improve. FHWA could still improve its data collection and management, however. Multi-year authorizing language does not allow DOT to use data to make resource reallocations or to manage the program in other ways. Further, FEMIS, the State financial reporting system to DOT, does not accept performance data. DOT also does not require that States report on cost and schedule performance of their projects. The IG notes that FHWA's information system only tracks costs data on individual contracts, making it difficult to determine the reasons for overall project costs increases.

**Evidence:** OIG Testimony, Management of Cost Drivers on Federal aid Highway Projects, May 8, 2003;

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: NO Question Weight:11%

Explanation: FHWA does not hold Federal managers accountable for the performance of individual projects (for example cost and schedule overruns) or of State highway programs. Further, FHWA does not penalize States for poor program performance (e.g., poor safety ratings, cost overruns, or schedule slippages) on Federally-sponsored projects. States receive Federal highway dollars according to static formula regardless of results. An exception is that FHWA can withhold funds if a State fails to meet air quality requirements in a non-attainment area. At the contractor level, States may hold construction contractors accountable for not meeting terms of their contracts by withholding payments. Contractors found guilty of waste, fraud, and abuse are debarred and are permanently prevented from bidding on government contracts.

Evidence:

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:11%

Explanation: FHWA obligates funds quickly to the states, and there are few cases of fraud or illegal mismanagement of funds. After FHWA apportions Federal-aid funds, States have not always spent funds in a timely manner, though FHWA has taken corrective steps recommended by the IG. Additionally, funding for Congressional earmarks is not always obligated quickly because Congress sometimes provides money long before a project is ready to begin or because the project is not a high priority for local communities.

Evidence: DOT IG Report on Inactive Obligations, Sept. 24, 2001.

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight:11%

Explanation: FHWA has not defined measures that show whether the organization delivers its program efficiently or cost-effectively. FHWA has undertake some processes that likely contribute to a better run organization, such as competitive sourcing. In recent years, FHWA directly converted six positions from government employees to contractors, and it plans to conduct a public-private competition of 120 positions in 2004. Going forward, FHWA has proposed a pilot program in SAFETEA that would demonstrate the benefits of performance based management.

Evidence:

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight:11%

Explanation: FHWA collaborates and coordinates with other Federal agencies, States, local governments, and transportation organizations. FHWA works closely with NHTSA and FMCSA on safety and freight programs and with EPA on strategic planning and environment programs. FHWA also sponsors local meetings and outreach programs.

Evidence: FHWA works with division offices to develop work plans with States. FHWA also enters into MOUs with other Federal agencies (e.g., planning). In the safety areas, refer to Title 23 Sections 157 (seat belt) 163 (drinking and driving) and section 402 (highway safety programs).

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

**3.6 Does the program use strong financial management practices?** Answer: YES Question Weight:11%

**Explanation:** Overall, FHWA's has good financial management practices. FHWA's system for reimbursing the states is highly automated where States report financial data through an on line system -- FEMIS -- to DOT, which promptly processes financial transactions. In terms of program oversight, FHWA could do more to ensure that all State highway programs have financial management systems in place that can track project cost and schedule information. For example, the IG reported that FHWA staff did not question State reports of low rates of erroneous payments. At the Federal level, FHWA recently installed a new financial management system--DELPHI-- that will more accurately report financial data than the old system--DAPHIS--which is not FASB compliant. FHWA is also in the initial planning stages of developing a cost accounting system that will feed into DELPHI. The system will allow States to link spending on projects to DOT's larger performance goals, which the current system cannot do.

**Evidence:** OIG Report, Report on Inactive Obligations, September 24, 2001 [http://www.oig.dot.gov/show\\_pdf.php?id=582](http://www.oig.dot.gov/show_pdf.php?id=582)

**3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight:11%

**Explanation:** FHWA responds to the recommendations of the IG and GAO for improving its program management. Moreover, FHWA leadership recognizes a major challenge of the organization is to improve management oversight of States' highway programs, including oversight of higher level management and financial issues, and it has take some steps in this direction. For example, FHWA now works closely with States on project plans for large projects, and it has started tracking cost growth on all projects of \$10 million or more. Further, it is reviewing the project cost estimating practices of States and using risk analysis to identify potential cost overruns. Still, to prevent cost and schedule overruns, FHWA must make program stewardship and oversight a central organizational goal. To do so, FHWA needs to restructure the composition of its workforce to bolster project management and cost estimating skills. Today, FHWA's oversight mission is not clear to program staff, owing to the program's authorization that delegates most program administrative responsibilities to the States.

**Evidence:** FHWA Administrator Mary Peters Testimony before the Senate T and I Committee 2/27/03 <http://www.fhwa.dot.gov/pressroom/test030227.htm>IG testimony; GAO Testimony, Cost and Oversight of Major Highway and Bridget Projects--Issues and Options, May 8, 2003.

**3.BF1 Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: NO Question Weight:11%

**Explanation:** FWHA field staff work very closely with State highway departments providing technical assistance and approving changes to different aspects of a project. Yet until very recently, FWHA has not focused on project and financial oversight, leading to insufficient knowledge about whether Federal funds are used efficiently and effectively. As evidence, the DOT IG reports that FHWA has generally centered with low level issues such as approving change orders, and that this focus has prevented the agency from spotting larger cost issues. There have been cases, for example, where FHWA was surprised by announcements of significant costs increases on major projects, despite reviewing many low level change orders. The IG notes that FHWA's information system only tracks costs for contracts rather than projects. The IG has repeatedly seen unreliable cost estimates that have resulted in substantial cost increases. Further, the IG has found that cases where statewide transportation plans are unrealistic and of little value, despite being reviewed by FHWA. Additionally, GAO reported in May of 2002 that it has previously found that cost growth on major projects and that neither FWHA nor State highway departments tracked the reasons for this. FWHA is now attempting to improve its financial oversight, though its efforts are not yet complete.

**Evidence:** OIG Testimony, Management of Cost Drivers on Federal aid Highway Projects, May 8, 2003; GAO Testimony, Cost and Oversight of Major Highway and Bridget Projects--Issues and Options, May 8, 2003.

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

**3.BF2**      **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?**      Answer: NO      Question Weight: 11%

**Explanation:** FHWA only shares nationally aggregated performance data with the public, which limits its usefulness for the public. Although States report information on system conditions and performance, safety, and environmental data to FHWA, FHWA does disclose State data. Further, FHWA does not collect performance data regarding project costs and schedules from the States. Some States publicly report on the status of a major project through websites, but this is not a FHWA requirement.

**Evidence:** An example of how one State keeps the public aware of their costs, schedules, and performance on Virginia DOT's website.  
<http://virginiadot.org/projects/dashboard-intro.asp>;

**4.1**      **Has the program demonstrated adequate progress in achieving its long-term performance goals?**      Answer: YES      Question Weight: 20%

**Explanation:** The program has made adequate progress in achieving its long-term performance goals. When annual targets have been missed they have been missed by a very small percentage. Note: Goals based on FHWA's proposed FY 2004 Performance Plan and Report. Goals reported in the measurement section of this report are all outcome based.

**Evidence:** FHWA's Performance Plan and Report contains the annual targets for each performance measure and data that shows progress being made to achieve long term goals.

**4.2**      **Does the program (including program partners) achieve its annual performance goals?**      Answer: LARGE EXTENT      Question Weight: 20%

**Explanation:** The program has met a majority of their annual performance targets over the past three years. When targets have been missed they have been missed by a very small percentage. Note: Goals based on FHWA FY 2004 Performance Plan and Report. During the past year, FHWA has added additional goals in the areas of stewardship and oversight.

**Evidence:** FHWA's Performance Plan and Report contains the annual targets for each performance measure.

**4.3**      **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**      Answer: NO      Question Weight: 20%

**Explanation:** The program does not have measures through which to demonstrate improved efficiency or cost effectiveness. Still, FHWA is on track to meet its competitive sourcing goals and it is working to streamline environmental assessment activities. Other efficiencies measures are currently being developed.

**Evidence:** FHWA's Performance Plan and Report contains the annual targets for each performance measure.

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**      Answer: YES      Question Weight 20%

**Explanation:** In some regards, various aspects of the FHWA Federal Aid program could be compared to other DOT modal Administrations. Specifically, the Federal Motor Carrier Safety Administration, National Highway Safety Administration and the Federal Transit Administration. The FHWA coordinates and aligns many of their goal activities with these Administrations specifically in the areas of safety and mobility.

**Evidence:** PART ratings for 2004. DOT's ranking in external evaluation of Performance plans. FHWA's budget / goal integration offered as government example.

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**      Answer: SMALL EXTENT      Question Weight 20%

**Explanation:** Internal documents such as the FHWA Performance Plan and the Conditions and Performance Report provide good analysis but are not independent. IG and GAO reports focus on particular aspects of the program, and in those areas provide a comprehensive evaluation of the program in relation to specific performance measures. However, no comprehensive evaluations of the program as a whole are being conducted.

**Evidence:** Specific GAO reports the focus on national level activates include: GAO-03-225 (management challenges); GAO-03-764T (major projects) GAO-03-735T (congestion pricing) GAO-03-474 (oversight of State safety programs); GAO-03-398 9project completion times); GAO-03-338R (environmental reviews). Various specific reports are not number but cover the areas of management of large projects; project financial plans; CMAQ and alternative-fuel vehicles, and duplicate payments.

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

**Measure:** Traffic related fatalities per 100 million vehicle miles traveled (VMT)

**Additional Information:** Highway related fatalities and injuries per 100 million vehicle-miles-of-travel. Long term goals is to reduce fatalities by 20% by 2008 from a baseline of 41,501 in 1998 (1.6 fatalities per 100 million VMT in 1998).

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	1.5	1.51	
2002	1.4	1.51	
2003	1.4		
2004	1.38		
2005	1.38		
2006			

**Measure:** Median time (in months) to complete environmental impact statements and environmental assessments for DOT funded infrastructure projects

**Additional Information:** This measure contributes to goal of reducing pollution and other adverse environmental effects of transportation.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2004	35		
2005	30		

**Measure:** Transportation capability assessment for readiness index score

**Additional Information:** DOT's security score is based on the following scale: A=90-100; B=80-89; C=70-79.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2003		59	
2004	82		

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

2005                      87

**Measure:** Percent of vehicle miles traveled on National Highway System (NHS) with acceptable pavement smoothness

**Additional Information:** The condition of the NHS affects wear-and-tear on vehicles, fuel consumption, travel time, congestion, and comfort, as well as public safety. DOT continuously measures the condition of the nation's highways and bridges.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001		90.9	
2002	92	91.6	
2003	92.5		
2004	93		
2005	93.5		
2006			

**Measure:** Percent of travel under congested conditions

**Additional Information:** DOT measures the percent of traffic on freeways and major arterial streets in major urban areas moving at less than free flow speeds. In the future, congestion is forecasted to increase. DOT's goal is to slow the annual growth rate of congestion to 0.7 percent.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001		30.4	
2002	30.9	31.1	
2003	31.6		
2004	32.3		
2005	32.5		
2006			

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

**Measure:** Median time to complete and Environmental Impact Statement (EIS)  
**Additional Information:** In FY 2004, the target is to decrease the median completion time for all EIS projects to 48 months.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term (Efficiency Measure)
2001		54	
2002			
2003	51		
2004	48		
2005			
2006			

**Measure:** Percent of schedule milestones and cost estimates for major Federally funded transportation infrastructure projects  
**Additional Information:** Dot's target is to achieve 95% of schedule or miss by less than 10%.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term (Efficiency Measure)
2002	95	85	
2003	95		
2004	95		
2005			
2006			

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	88%	56%	60%	Effective

**Measure:** Travel time in significant freight corridors (under development)

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
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**Measure:** Delay per 1,000 commercial vehicle processed at NHS border crossings (under development)

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
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**Measure:** 12-month average number of area transportation emissions conformity lapses

**Additional Information:** DOT attempts to minimize the number of area transportation conformity lapses through improved integrated transportation and air quality planning. The transportation conformity process is designed to ensure that emissions from an area transportation system are consistent with Clean Air Act goals.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001		6	
2002	6	6	
2003	6		
2004	6		
2005	6		

**Measure:** Ratio of wetland replacement resulting from Federal-aid highway projects

**Additional Information:** This measure contributes to goal of reducing pollution and other adverse environmental effects of transportation.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	1.5	2.1	
2002	1.5	2.7	

## PART Performance Measurements

**Program:** FHWA Highway Infrastructure  
**Agency:** Department of Transportation  
**Bureau:** Federal Highway Administration  
**Type(s):** Block/Formula Grant

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Section Scores				Rating
1	2	3	4	
100%	88%	56%	60%	Moderately Effective

2003	1.5
2004	1.5
2005	1.5

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**1.1 Is the program purpose clear?**

Answer: YES                      Question Weight 20%

**Explanation:** The Section 5307 Urbanized Area and Section 5309 Fixed Guideway Modernization Formula Programs provide capital and limited operating assistance to maintain and improve public transit service and infrastructure in urbanized areas, as designated by the US Census.

**Evidence:** 49 U.S.C. 5307(b)(1) 49 U.S.C. 5309(a)(1)(E) Sec. 5309. FTA Circular 9030.1C, October 1, 1998 'Urbanized Area Formula Program: Grant Application Instructions' FTA Circular 9300.1A October 1, 1998 'Capital Program: Grant Application Instructions'; Chapter IV 'Fixed Guideway Modernization' IV.2. Eligible Projects. Program Summary Fact Sheets ' www.fta.dot.gov

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES                      Question Weight 20%

**Explanation:** Transit plays a vital role in the nation's public transportation infrastructure system. With approximately 9 billion boardings annually, transit moves people to jobs and other destinations, and helps to relieve road congestion and air pollution in urbanized areas as well as reducing the nation's reliance on foreign oil. Transit provides a lifeline for persons with disabilities, the elderly, and low-income individuals without automobile transportation. Most public transit services are not economically sustainable without governmental subsidies to meet capital and operating costs. Nearly half of the combined amounts spent by local, State, and Federal entities on public transportation infrastructure are comprised of funding from FTA. Where transportation services are profitable, they continue to be provided by the private sector.

**Evidence:** 2002 Conditions and Performance Report 49 U.S.C. 5301(b)(4) 49 U.S.C. 5301(b)(5) 49 U.S.C. 5301(b)(7) 49 USC 5301(f)(3) Publication: Conserving Energy and Preserving the Environment: 'The Role of Public Transportation,' by Robert J. Shapiro, Kevin A. Hassett, and Frank S. Arnold, 2002.

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES                      Question Weight 20%

**Explanation:** The Formula Program complements, without duplication, the efforts and responsibilities at the State and local level as well as other Federal transportation programs. Transit operators depend on Federal sources to supplement, not replace, their spending on transit capital investment. The program includes requirements for local grant recipients to encourage private sector participation to the maximum extent feasible and to provide for the coordination of efforts with services from other Federal programs. The FTA Bus and New Starts discretionary programs address capital needs that cannot be met through these two formula programs. FTA also has the lead for coordinating 62 disparate programs under ten Federal agencies, which fund transportation to support client access to human service programs. DOT, DHHS, DOL, and ED recently launched a five-part initiative called 'United We Ride', to improve transportation across programs.

**Evidence:** 2002 Conditions and Performance Report 49 USC 5306 ' Private Enterprise Participation; 49 USC 5307(c) ' coordination with other Federally assisted transportation Coordinating Council on Access and Mobility ' www.fta.dot.gov Executive Order 13330, issued 2/24/2004 ' Human Service Transportation Coordination 49 USC 5307(e) ' local share requirement. TCRP Research Results Digest, July 2003 ' Number 60: Characteristics of State Funding for Public Transportation 2002

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight 20%

**Explanation:** The current programs are structured to provide a predictable funding source for public transit based on factors that represent relative need. Formula programs promote local priority setting and decision-making. The Section 5307 Urbanized Area and Section 5309 Fixed Guideway Modernization Formula Programs are based on formulas, which rely heavily on population and surrogates for ridership as their base. The formula is calculated annually and is thus able to shift funds automatically to the areas with growing needs.

**Evidence:** Federal Register/ Vol. 69, No. 28, February 11, 2004: FTA Fiscal Year 2004 Apportionments, Allocations and Program Information; Notice of Transferability: 49 USC 5336(f-g) Programming/Planning: Joint Federal Highway Administration (FHWA)/Federal Transit Administration (FTA) regulations, "Planning Assistance and Standards," 23 C.F.R. Part 450 and 49 C.F.R. Part 613 (specifically, Subpart B "Statewide Transportation Planning," and Subpart C Metropolitan Transportation Planning and Programming") Statistical Summaries Report: FY 2003

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

**Explanation:** All Formula funds are apportioned to the States (for Urbanized Area's (UZA) under 200,000 population) and directly to UZA's over 200,000, according to a statutory formula. Funds are distributed based on relative need and reward efficiency. Fixed Guideway Modernization funds are distributed to UZA's over 200,000 by statutory formula based on Fixed Guideway Factors for segments more than seven years old. The identification of a designated recipient for each UZA ensures that funds apportioned to the urbanized area are distributed according to local priorities and reach the appropriate transit operators in the urbanized area.

**Evidence:** Program guidance: FTA C 9030.1C and FTA C 9300.1A Apportionment formulas: 49 USC 5336(a-c) for S. 5307 and 49 USC 5337 for S. 5309 FGM Federal Register, February 11, 2004. FTA Fiscal Year 2004 Apportionments, Allocations, and Program Information; Notice of Designated Recipient: 49 USC 5307(a)(2) Joint Federal Highway Administration (FHWA)/Federal Transit Administration (FTA) regulations, "Planning Assistance and Standards," 23 C.F.R. Part 450 and 49 C.F.R. Part 613 (specifically, Subpart B "Statewide Transportation Planning," and Subpart C Metropolitan Transportation Planning and Programming"). FY 03-04 operating assistance for areas affected by 2000 census: Pub. L 107-232; and Surface Transportation Extension Act to 2003 Surface Transportation Extension Act of 2003.

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 13%

**Explanation:** Three FTA performance measures are designed to focus on increased mobility and accessibility for all Americans, and improvement of the transportation infrastructure, an essential element to improving mobility and accessibility. The measures are: Increase by 2 percent annually the average transit passengers (boardings) per transit market (150 largest transit agencies), adjusted for changes in employment levels; achieve 100% accessibility for the bus fleet and key stations by 2006; and stabilize and improve the condition of the bus and rail fleets, so that it does not fall below 3 but increases to and stabilizes at 3.24 and 3.55 respectively, where 3 represents fair on a scale of 1 (poor), 2 (marginal), 3 (fair), 4 (good), and 5 (excellent).

**Evidence:** DOT Strategic Plan 2003 to 2008, the DOT Strategic Plan for 2000 to 2005, the FTA Strategic Plan for 1998 to 2002 FTA Budget Justification for FY 2005.

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 13%

**Explanation:** FTA uses a 5-year timeline for achieving its very ambitious targets. The target for ridership is an annual increase of 2% a year, where the average annual increase from 1990 to 2000 was only 0.5%. The transit accessibility measures are to have 100 percent of the bus fleet ADA compliant (lift equipped, ramp equipped or low floor) and 100 percent of the 547 key rail stations ADA compliant by 2006. This goal was established in 1996, when only 63% of the bus fleet and 19% of the key rail stations were accessible, following passage of the ADA in 1990. When the transit condition goal was established in 1999 the bus fleet was at 3.13 and the rail fleet at 3.14, where 3.0 represented a fair condition level. While our goal is to move the condition up the 'fair' range, it would require a substantial increase in the Federal investment to reach the level of 4 (good).

**Evidence:** Department of Transportation's (DOT) Strategic Plan for 2003 to 2008, DOT Strategic Plan for 2000 to 2005, DOT Performance Plans for FY 2002 and FY 2003, FTA Strategic Plan for 1998 to 2002, FTA Budget Submissions, FTA Strategic Business Plan, FTA Executive Core Accountabilities, FTA budget justification for FY 2005, DOT FY 2003 Performance and Accountability Report. FTA Performance Plans and budget documents from FY 2002, 2002 Conditions and Performance Report.

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 13%

**Explanation:** FTA uses annual measures appropriate to each goal that allow us to judge our progress toward goal achievement. For ridership, the annual measure is the same as the long-term goal (a 2% increase per year). For accessibility, the annual measure is incrementally increased in order to achieve 100% by 2006. For condition, the annual measure required slight increases in order to improve and then stabilize the condition of the bus and rail fleets. (See measures tab for the annual goals.)+E27

**Evidence:** FTA FY 2005 Budget Submission, FTA Strategic Business Plan, FTA Executive Core Accountabilities

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 13%

**Explanation:** FTA's baseline is set when the goal is first established and reflects ambitious targets based on the information used to set the goal. The two percent change in ridership is based on a comparison of the prior year's ridership and the current year's ridership. The annual goal is the same as the long-term goal and was based on a ten-year trend (1990-2000) in which ridership increased 2% in only 2 of those years and actually declined in 5 of the years. The bus and key stations use 1996 as the baseline, when only 63 percent of the bus fleet was wheelchair accessible and only 19 percent of the 547 key rail stations were ADA compliant. FTA is approaching full attainment of these accessibility measures, and will be developing new ambitious goals for the next cycle. The current measures for bus and rail fleet condition were established in 2000, replacing 'average age of the bus and rail fleet,' as the measure of transit condition with a rating system from 1 (poor) to 5 (excellent). The baseline for bus fleet condition was 3.13 and for rail fleet was 3.14. FTA's goal is to not have the condition of the fleet fall below an 'adequate' level and to move as far up the adequate scale as our financial resources will permit.

**Evidence:** FTA FY 2005 Budget Submission, FTA Strategic Business Plan, FTA Executive Core Accountabilities

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight: 13%

**Explanation:** In order to ensure that all partners are committed to working toward our goal, FTA communicates its goals through a number of media, such as speeches and Federal Register and on-line notices and either annually or biannually, reviews each urbanized areas Transportation Improvement Program (TIP). The TIP is the main mechanism that grantees, subgrantees, and units of government (state, regional and local) use to show their commitment to FTA's goals. The TIP is a 3-5 year fiscally constrained plan for expending all surface transportation funds in a given urbanized area, which documents agreements on how the funds will be spent on an annual basis. Criteria for programming the funds must take into account compliance with ADA, upon which the accessibility goal is based. Since ridership is one of the factors used in apportioning formula funds, improvements in ridership are a natural focus for investment decisions. Finally, maintaining and improving the condition of the infrastructure is one of the planning factors considered in preparing the TIP.

**Evidence:** 23 CFR Part 450.324(g)(7) (TIP requirements on accessibility) Strategic Business Plan ' www.fta.dot.gov Statement of Jennifer L. Dorn, FTA Administrator, before the Committee on Banking, Housing, and Urban Affairs, United States Senate, Hearing on the FY 2005 Budget of FTA, March 25, 2004 Ridership Kit ' www.planning.dot.gov/2/04 Ridership Demonstration Announcement- www.fta.dot.gov 2002 and 2003 Federal Register Notice of Apportionments

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight: 13%

**Explanation:** The Conditions and Performance Report is a biennial report to Congress on the state of the transportation industry as a whole but it also provides raw data and trend analysis that support decisions on how well the needs of the transit industry are being met and provides insight into what changes are needed. Furthermore, as part of this report, each year a team of independent engineers from Booz-Allen conducts physical inspections of a national sample of a particular type or types of transit assets. These physical inspections give first hand information on the conditions of transit assets for specific agencies and are used to improve the asset deterioration schedules used by the model, TERM (Transit Economic Requirements Model), which estimates condition levels and future investment requirements. Beginning in FY2005, FTA will establish the parameters for an on-going program evaluation process, including scheduling evaluations for each of FTA's programs.

**Evidence:** 2002 Conditions and Performance Report Section 502(g) of Title 23, USC and Section 308(e) of Title 49 USC FTA Budget Estimates, FY 2005

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight: 13%

**Explanation:** FTA's budget is performance based on and specifically ties to our annual and long-term goals. In FY 2005, nearly 99 percent of the budget request for Urbanized Area Formula Grants and Fixed Guideway Modernization contribute to the DOT strategic goals of improving mobility and accessibility and improving the condition of the fleet.

**Evidence:** FY 2005 Budget Submission

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 13%

**Explanation:** FTA works with transit operators to improve their performance with respect to FTA's ridership goal and gathers information on successful methods to improve ridership. An FTA Web site will provide case studies of successful efforts. Additional transit operators conducted a national 'webinar (on line seminar), in cooperation with APTA, to promote these efforts and encourage implementation. In addition, FTA participates in the Transportation Planning Capacity Building program (TPCB) with FHWA+E41 which is a program of technical assistance and training support services designed to respond to documented deficiencies in the metropolitan planning programs, particularly the Transportation Improvement Program, that support investment decisions for the Section 5307 and 5309 programs. The TPCB supports the development and dissemination of informational materials, training courses, and facilitated peer exchanges focused on topics and grantees with demonstrated need.

**Evidence:** The TPCB Annual Report documents a variety of statistics that are applicable here including:- the number of training courses delivered and participants,- the number of peer exchanges facilitated, the topics involved, and participants,- the number of website queries to access informational materials,- other similar quantifiable parameters.

**3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 11%

**Explanation:** In accordance with the statute, recipients of FTA urbanized area formula/block grants are required to report under the National Transit Database (NTD) which collects data annually on transit service extent, cost, quality and reliability. Information is used to develop measures of cost efficiency and effectiveness. This data is used by the transit industry for modal comparisons as well as comparisons between individual transit operators. The data is also used in FTA's Transit Economic Requirements Model (TERM) that is used in the development of the DOT Condition and Performance Report to Congress. In addition, data is used to develop the justifications for FTA's annual Congressional Budget Submission.

**Evidence:** NTD data and an analysis of the data are published annually on FTA's web site, [www.fta.dot.gov](http://www.fta.dot.gov). <http://www.fhwa.dot.gov/policy/2002cpr>

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**      Answer: YES      Question Weight:11%

**Explanation:** FTA uses a variety of performance monitoring systems to both track and enforce cost, schedule and performance results by FTA staff and its grantees. Grantees are required to self-certify they will comply with all applicable Federal requirements at the beginning of each Fiscal Year. Grant agreements and the grantee's program of projects contain costs and schedules that are monitored by FTA through quarterly and annual milestone reports. FTA's triennial review oversight program reviews grantee compliance with both these requirements. Grantees are also subject to annual audits in compliance with the Single Audit Act. Findings related to FTA programs are reviewed to ensure timely resolution. FTA Regional Offices follow up on findings and resolve issues with grantees. The performance of the Regional Offices in closing findings is monitored each month. For FTA's Executive Management Team, executive core accountabilities including ridership and grants management are used to justify performance awards.

**Evidence:** Grantee findings in the triennial review program are entered in an Oversight Tracking System (OTRAK) computer program. Status of Regional Office progress in closing triennial review findings is reported on FTA internal web site, www.fta.dot.gov, each month as a regional core accountability. FTA's Executive Core Accountabilities: (1) Ridership ' By the end of FY 2004, the average number of transit passenger miles traveled per market (urbanized area) will have increased by 2.0 percent over the previous year, controlling for changes in the economy. (2) Grants Management ' By the end of FY 2004 80 percent of FTA grants will have been obligated within 60 days after submission of a completed application.

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**      Answer: YES      Question Weight:11%

**Explanation:** In FY 2003, 92% of Section 5307 grants were obligated within 60 days of receipt of a complete application, with an average processing time of 34 days and 91% of Section 5309 FGM grants were obligated within 60 days of receipt of a complete application, with an average time of 38 days. Section 5307 and Section 5309 Fixed Guideway Modernization (FGM) program funds are available for obligation for a period of four years, including the year of appropriation. Funds not obligated within that period (lapsed funds) are reapportioned for the same program, together with lapsed recoveries and newly appropriated funds, in a subsequent year. On average, only .03% of formula funds lapsed. Eligibility of items and activities included in each grant is determined during FTA's review of the grantee's application and compliance with all Federal requirement is confirmed during the Triennial review process.

**Evidence:** Table of FY 5307 and 5309 FGM obligations within period of availability FY 2003 Grant Processing Report as of 9/30/2003, For Selected Programs Triennial Review ' order and guidance

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight:11%

**Explanation:** In January 2002, FTA determined that improvements in the timeliness of grant processing should be an important component of its effort to be more customer-focused and results-oriented. A long-term performance goal has been established which is also measured annually to document progress. All FTA Executives were accountable for grant processing performance as a core accountability upon which performance awards were based. Other program execution related performance measures included grant closeouts and closing of findings from grantee reviews.

**Evidence:** The annual performance is contained in the DOT Performance and Accountability Report, and the FTA Budget JustificationsTEAM Instructions ' www.ftateamweb.fta.dot.govGrant Management Guideline ' www.fta.dot.govUrbanized Area Formula Program ' www.fta.dot.gov

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight:11%

**Explanation:** Funding eligibility for the Section 5307 and 5309 programs requires all proposed strategies and projects to be developed through the federally required metropolitan planning process (MPP). This collaborative approach to decision-making ensures consensus and provides a safeguard against duplication of services. There is also strong collaboration between FHWA and FTA on the Congestion Mitigation and Air Quality Improvement (CMAQ) Program. Similarly, flexible funds can be used by local areas to fund projects based on local planning priorities, not on a restrictive definition of program eligibility. Flexible funds include Federal Highway Administration (FHWA) Surface Transportation Program (STP) funds and Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Federal Transit Administration (FTA) Urban Formula Funds. During 2004, FTA, together with DHHS, DOL, and Ed implemented a five-part initiative called 'United We Ride' to promote and facilitate coordination of the 62 human services transportation programs funded across ten Federal agencies.

**Evidence:** FTA Circular 5010.1C, Chapter 4www.fta.dot.gov/legal/guidance/circulars

**3.6 Does the program use strong financial management practices?** Answer: YES Question Weight:11%

**Explanation:** Both the Section 5307 and 5309 programs utilize the agency's TEAM (Transportation Electronic Award Management) system for management of grant obligations and the ECHO (Electronic Clearing House Operation) system for management of grantee payments to support day-to-day operations. In addition, the FTA has a strong process to review the financial management practices of individual grantees. An on site review of each grantee is conducted every three years. This review, by experienced contractors, includes a review of grantee financial management practices. If significant concerns are uncovered, FTA's financial oversight contractors undertake a detailed financial management system review of the grantee. Action plans have been prepared to address the two material weaknesses raised in the DOT OIG audit of the HTF FY2003 financial statements.

**Evidence:** FTA Circular 5010.1C, Chapter 4www.fta.dot.gov/legal/guidance/circulars

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight:11%

**Explanation:** Management deficiencies are generally identified through internal or external audits. A recent DOT-wide OIG audit of Highway Trust Fund FY 2003 Financial Statements identified two weaknesses in FTA related to all of its grant programs. FTA has developed and is implementing action plans addressing the audit findings that will correct and strengthen these areas. With regard to computer security FTA has changed its electronic grant application process (TEAM) to provide better evidence of required sign-offs and by June 30, 2004 will have established an offsite site that can be used in the case of disaster recovery. With regard to the Single Audit Act, FTA will require our Regional office to track all Single Audit submittals on an annual basis.

**Evidence:** DOT Highway Trust Fund, Independent Auditor's Report and Financial Statement, September 30, 2003 and 2002, Clifton Gunderson, LLP, CPA and Consultants

**3.BF1 Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight:11%

**Explanation:** FTA has established a framework for oversight practices that includes an annual grantee risk assessment, the development of oversight recommendations for each grantee, and the assignment of contractors to implement reviews. FTA uses the triennial review process as a general review in which grantees are reviewed on site every three years. Section 11 of the Triennial Review Circular and Section 8 b. of FTA's internal Oversight Reviews Order lists the sanctions that can be used for specific violations. FTA has an array of enforcement tools available to it and has exercised them based on the particular situation and grantee. To supplement these reviews, the annual grantee risk assessment conducted of each grantee by FTA's Regional offices and their staff, establishes specific technical reviews to be conducted of grantees in the areas of financial management, procurement, civil rights, safety and security, etc.

**Evidence:** The FTA Oversight Order O 5400.1 established the framework for oversight practices. FTA Triennial Reviews Order O 9010.1B provides guidance to FTA staff on the conduct of triennial reviews.

**3.BF2 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight:11%

**Explanation:** Grantee performance data is collected annually through FTA's National Transit Database (NTD). Data is submitted by transit operators and validated through computer checks and by data analysts. Summaries of this data as well as the data itself is posted on an NTD website accessible through the FTA website. An operator transit profile is prepared with performance indicators allowing comparisons to be made to national averages. A number of practitioners and researchers utilize this data. The University of South Florida has made available summaries of the data for use nationwide.

**Evidence:** The NTD website, www.ntdprogram.com includes Indicators such as operating expense per vehicle revenue mile, operating expense per passenger mile, and passenger trips per vehicle revenue mile are developed by mode. The University of South Florida website, www.nctr.usf.edu, contains easily accessible NTD grantee performance data.

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?**      Answer: LARGE EXTENT      Question Weight 25%

**Explanation:** Based on its annual performance, FTA has demonstrated that, barring unforeseen circumstances, it will meet or exceed its long-term goal to have the bus fleet and the 547 key stations fully accessible by 2006 and to have the condition of the rail fleet stabilized at the level of 3.55. While it will take a concerted effort, we are also likely to stabilize the condition of the bus fleet at or near 3.24. FTA's ridership goal was extremely ambitious and while we may not meet the goal we are moving in the right direction. See Measures Tab.

**Evidence:** The annual performance is contained in the DOT Performance and Accountability Report, and the FTA Budget Justifications.

**4.2 Does the program (including program partners) achieve its annual performance goals?**      Answer: LARGE EXTENT      Question Weight 25%

**Explanation:** The annual transit ridership goal of 2% has not been met on a national basis, but has been met in specific cities and represents acceptable progress given the ten year trend analysis on which the goal was based. Both the bus and the key rail station targets have been met each year. The target for bus fleet ADA compliance in FY 2003 was 89 percent; the actual performance was 93% of the bus fleet with lift or wheel chair ramp equipped. The FY 2003 performance target for key rail station ADA compliance was 79 percent; actual performance was 82 per cent. The condition of transit is measured using a scale of 1 (poor), 2 (marginal), 3 (fair), 4 (good), and 5 (excellent). Even though the bus fleet has not met the annual targets established, the decline in the condition of the bus fleet has been reversed, and there has been a steady annual increase in the condition of the bus fleet. The annual targets for the condition of the rail fleet have been met each year.

**Evidence:** The annual performance is contained in the DOT Performance and Accountability Report, and the FTA Budget Justifications.

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**      Answer: YES      Question Weight 25%

**Explanation:** The Urbanized Area and Fixed Guideway Formula programs demonstrate improved efficiencies and cost effectiveness in achieving program goals each year through internal management goals that are tied to employee performance evaluations and are focused on grant delivery and administration. In order to achieve the goals, the Formula program must be administrated efficiently and effectively. We have attached data, which shows how we have achieved efficiency in 1) grant obligations per full-time equivalent employee and 2) grants obligated within 60 days after submission of completed applications. Cost effectiveness is demonstrated through assuring grantee compliance with program requirements through 1) timely follow up on triennial review findings and 2) timely closeout of grants over five years old.

**Evidence:** The annual performance is contained in the DOT Performance and Accountability Report, and the FTA Budget Justifications.      Report on Internal Management Performance Metrics for Measuring Improved Efficiencies and Cost Effectiveness, May 2004

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**      Answer: NA      Question Weight: 0%

**Explanation:** These program funds are used in conjunction with other Federal, state, and local programs which have similar purpose and goals. However, the state and local programs develop their own standards, if any, and we have not found a consistent basis for making comparisons across programs.

**Evidence:**

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**      Answer: YES      Question Weight 25%

**Explanation:** The Conditions and Performance Report is a biennial report to Congress on the state of the transportation industry as a whole but it also provides raw data and trend analysis that support decisions on how well the needs of the transit industry are being met and provide insight into what changes are needed. Furthermore, as part of this report, each year a team of independent engineers from Booz-Allen conducts physical inspections of a national sample of a particular type or types of transits assets. These physical inspections give first hand information on the conditions of transit assets for specific agencies and are used to improve the asset deterioration schedules used by the model, TERM (Transit Economic Requirements Model), which estimates condition levels and future investment requirements. Beginning in FY 2005, FTA will establish the parameters for an on-going program evaluation process, including scheduling evaluations for each of FTA's programs.

**Evidence:** 2002 Conditions and Performance Report Section 502(g) of Title 23, USC and Section 308(e) of Title 49 USC FTA Budget Estimates, FY 2005

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**Measure:** Ridership - Average percent change in transit boardings per transit market (150 largest transit agencies), adjusted for changes in employment levels (new measure with target starting 2003)

**Additional Information:** This measure is geared towards increasing transit ridership in every community, while recognizing the impact of economic conditions on ridership. However, for ease of calculation, the goal is based on the 150 largest systems, which carry the bulk of the riders.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
Baseline	2002	.2	
2003	2.0	1.2	
2004	2.0	.7	
2005	1.0		
2006	1.0		

**Measure:** Accessibility - Increase the percentage of bus fleet that are ADA compliant (lift-equipped, ramp-equipped, or low floor).

**Additional Information:** This measure is aimed at increasing the accessibility of all Americans to public transportation. The measure is to have 100 percent of the bus fleet ADA compliant (lift equipped, ramp equipped, or low floor) by 2006.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
Baseline	1996	63%	
2001	83%	85%	
2002	86%	90%	
2003	89%	93%	
2004	92%	95%	
2005	95%		
2006	100%		

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

**Measure:** Accessibility - Increase the percentage of key rail stations that are ADA compliant.

**Additional Information:** The measure is aimed at increasing the accessibility of all American's to public transportation. In 1996, only 19% of the 690 key rail stations in 33 systems were accessible. FTA has made significant progress in the last five years but as older rail systems begin to address their ADA compliance, FTA believes they will require more complex and costly modifications. Even so, FTA believes the other 147 stations, which were subject to Voluntary Compliance Agreements due to the extraordinarily expensive structural modifications will be compliant by 2020.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
Baseline	1996	19%	
2001	58%	67%	
2002	68%	77%	
2003	79%	82%	
2004	89%	82%	
2005	84%		
2006	86%		

**Measure:** Condition - Stabilize and improve the condition of bus fleet which is measured using a scale of 1 (poor), 2 (marginal), 3 (fair), 4 (good), and 5 (excellent).

**Additional Information:** This measure is aimed at improving the transportation infrastructure, which will improve service, ridership and other factors that determine mobility. Our primary goal is not to allow the condition of the bus fleet to slip below "fair" or 3 on the scale. We hope to achieve this by setting an annual goal that moves the condition up the •fair• range to 3.24. However, to reach the level of 4 (good), would require a substantial increase in the Federal investment.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
Baseline	1999	3.13	
2001	3.20	3.09	
2002	3.25	3.12	
2003	3.20		
2004	3.24		

## PART Performance Measurements

**Program:** Formula Programs - Section 5307 and 5309  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	84%	

2005                      3.24

**Measure:** Condition - Stabilize and improve the condition of rail fleet which is measured using a scale of 1 (poor), 2 (marginal), 3 (fair), 4 (good), and 5 (excellent).

**Additional Information:** This measure is aimed at improving the transportation infrastructure, which will improve service, ridership and other factors that determine mobility. Our primary goal is not to allow the condition of the rail fleet slip below "fair" or 3 on the scale. We hope to achieve this by setting an annual goal that moves the condition up to the "fair" range to 3.55. However, to reach the level of 4 (good) would require a substantial increase in the Federal investment.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
Baseline	1999	3.14	
2001	3.24	3.44	
2002	3.29	3.48	
2003	3.50		
2004	3.55		
2005	3.55		

**Measure:** Grants Processing - Percentage of transit grants obligated within 60 days after submission of a completed application.

**Additional Information:** This measure is aimed at reducing the time to obligate transit grants, so that they can spend the funds necessary to improve the condition and accessibility of the transit system, which helps improve ridership.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
Baseline	2001	51	
2002	60	67	
2003	80	83	
2004	80	91	
2005	80		

## PART Performance Measurements

**Program:** Hazardous Materials Transportation  
**Agency:** Department of Transportation  
**Bureau:** Research and Special Programs Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	88%	75%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight 20%

**Explanation:** The program purpose, as stated in the Federal Hazardous Materials Transportation authorizing legislation, is: Planning Grants: 'to make grants to States and Indian tribes-(A) to develop, improve, and carry out emergency plans under the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. 11001 et seq.), including ascertain if flow patterns of hazardous material on lands under the jurisdiction of the State or Indian tribe, and between lands under the jurisdiction of the State or Indian tribe and lands of another State or Indian tribe; and (B) to decide on the need for a regional hazardous material emergency response team.' Training Grants: to 'make grants to States and Indian tribes to train public sector employees to respond to accidents and incidents involving a hazardous material.'

**Evidence:** 49USC Chapter 51, Section 5116; 49 CFR Parts 101.1-110.130; 42 USC 11001 et seq.; North American Emergency Response Guide Book; Number of hazardous materials serious incidents (<http://hazmat.dot.gov/hmep/hmepcong.pdf>).

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight 20%

**Explanation:** Under Federal law, DOT has the exclusive right to regulate safety, including security, of the transportation of hazardous materials in commerce. When hazardous materials incidents occur, the responsibility to mitigate the incident falls on local first responders, many of whom are poorly funded volunteer fire fighters. The HMEP grant program funds planning and training activities to prepare first responders at the State and local level, and is the only Federal program that provides funds to assist communities in planning for and responding to hazardous materials incidents that may occur within their jurisdictions. Other programs provide more specific assistance to first responders. For instance, the recently expanded Firefighter Assistance Grant program is a discretionary program, where localities apply for grants for equipment (e.g., fire engines), and training related to operating the equipment.

**Evidence:** HMEP Report to Congress, 1998 (<http://hazmat.dot.gov/HMEP/hmepcong.pdf>). The number of local responders is approximately 2 million, all of whom require refresher training annually, at a minimum (<http://www.whitehouse.gov/homeland/firstresponders>).

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES

Question Weight 20%

**Explanation:** RSPA's HMEP grant program is unique in that it supplements hazmat planning and training at the local level, to reduce both the occurrence and the consequences of serious hazmat incidents. The section 5116 funds are the only Federal funds available to all 50 states, Puerto Rico, DC, the territories, and Indian tribes for these purposes.

**Evidence:** 49USC Chapter 51, Section 5116; 49 CFR Parts 101.1-110.130; GAO Report "Hazardous Materials Training: DOT and Private Sector Initiatives Generally Complement Each Other," July 2000.

## PART Performance Measurements

**Program:** Hazardous Materials Transportation  
**Agency:** Department of Transportation  
**Bureau:** Research and Special Programs Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	88%	75%	Effective

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**      Answer: YES      Question Weight: 20%

**Explanation:** Because all funding provided is allocated to grantees according to a risk-based formula, States, territories, and Indian tribes can be confident of funds availability. States may then distribute funds based on their perceived needs. RSPA believes that States are most knowledgeable in allocating Federal funds according to their needs and priorities. RSPA obligates funds during the last week of the fiscal year, so that funds are available to be reimbursed on the first day of the following fiscal year.

**Evidence:** 49USC Chapter 51, Section 5116; 49 CFR Parts 101.1-110.130 HMEP Report to Congress, 1998 (<http://hazmat.dot.gov/HMEP/hmepcong.pdf>)

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**      Answer: YES      Question Weight: 20%

**Explanation:** Funds allocated to States and Territories are then assigned to individual jurisdictions, at the discretion of the State or Territory. States are required by law to pass through at least 75% of the funds to local jurisdictions.

**Evidence:** 49USC Chapter 51, Section 5116; 49 CFR Parts 101.1-110.130 Grantees certify that at least 75% of all grant funds are passed on to local and regional authorities who are responsible for hazmat responder training, exercises and regional planning (outputs).

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**      Answer: YES      Question Weight: 12%

**Explanation:** The DOT Hazardous Materials Safety program has a specific, readily identifiable and understood, and measurable national goal which is directly focused on reducing the consequences caused by hazmat incidents on the nation's transportation system, as measured by the number of serious hazmat incidents per year. Our long-term goal is to reduce serious hazardous materials incidents to no more than 488 in FY 2008, a 15% reduction from FY 2000.

**Evidence:** DOT 2004 Performance Plan and RSPA FY 2004 Budget Submission to Congress. DOT FY 2005 Performance Plan will contain the long-term (2008) outcome goal contained in the 'measures' tab.

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?**      Answer: YES      Question Weight: 12%

**Explanation:** The long-term outcome goal covering DOT's entire hazmat safety program (including this grant program) is ambitious, especially since the funding for this program has been held level at \$14.3 million. The target is based on historic performance data, and the FY 2008 outcome target of 488 will be a stretch for RSPA.

**Evidence:** RSPA FY 2004 Congressional Justification.

## PART Performance Measurements

**Program:** Hazardous Materials Transportation  
**Agency:** Department of Transportation  
**Bureau:** Research and Special Programs Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	88%	75%	Effective

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight:12%

Explanation: RSPA's hazmat safety program, which is the Federal regulatory aspect of DOT's overall hazmat safety program, shares DOT's overall goal for 2008 of 488 incidents. The authorized purpose of these grants is to train local first responders to handle hazmat incidents safely, and thereby contribute to achieving the national serious incident goal. The HMEP grant program contributes to the serious hazmat incident goal by reducing the potential for an incident to become serious and/or reducing the severity of a serious incident. The program does not have an efficiency measure, as the small size of the program would result in few, if any, savings through such a measure.

Evidence: DOT FY 2004 Performance Plan and FY 2002 Performance and Accountability Report and all FY 2003--2005 RSPA budget submissions. RSPA performance plan is integrated with its Congressional Justification material.

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:12%

Explanation: While the overall DOT hazmat program's long-term outcome measure is ambitious, the four specific output targets for the HMEP grant program are being held constant because program funding has been held level at \$14.3 million. The four output targets are based on past historical performance at the \$14.3 million funding level. While actual outputs have fluctuated above and below the target levels, on average they have not deviated far, implying that the output performance targets are appropriate.

Evidence: DOT FY 2004 Performance Plan and FY 2002 Performance and Accountability Report and all FY 2003--2005 RSPA budget submissions. RSPA performance plan is integrated with its Congressional Justification material.

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: NO Question Weight:12%

Explanation: While RSPA's partners are committed to reducing the number and consequences of hazmat incidents on the roadways, states are not required to specifically address, nor are states required to track, their progress toward agency goals. In their application for HMEP grants, the States specify target audiences to be trained at the awareness, operations and specialist levels. Also, local emergency planning committees detail the tasks to be funded with HMEP grants. These plans are not directly tied to the agency's long-term hazmat incident goal.

Evidence: Local emergency response plans; commodity flow studies.

## PART Performance Measurements

**Program:** Hazardous Materials Transportation  
**Agency:** Department of Transportation  
**Bureau:** Research and Special Programs Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	88%	75%	Effective

**2.6**      **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**      Answer: NO      Question Weight:12%

Explanation: No independent evaluations of sufficient scope are conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness. Currently, the agency relies on achieving their performance goals to assess performance information. The agency does not have an independent evaluation to evaluate if the program could be improved or become more effective.

Evidence: Evaluations are not scheduled by independent, unbiased parties with no conflict of interest, such as every two to five years, on a periodic basis, or on a reasonable time schedule. GAO Report "Hazardous Materials Training: DOT and Private Sector Initiatives Generally Complement Each Other," July 2000; <http://www.lepcinfoexchange.com/docs/rc00190.pdf>

**2.7**      **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**      Answer: YES      Question Weight:12%

Explanation: RSPA's FY 2003-2005 budgets clearly tie and justify resource requests to the long-term outcome and output measures.

Evidence: FY 2003-2005 RSPA budget submissions.

**2.8**      **Has the program taken meaningful steps to correct its strategic planning deficiencies?**      Answer: YES      Question Weight:12%

Explanation: The HMEP grant program was created by Congress in the early 1990s, as a grant program with significant grantee discretion. However, information about its performance and effectiveness, plus support of the states, has allowed RSPA to take the grants through successive planning processes in order to make the program more effective in meeting Federal, state, and local needs, in the information required through the annual application process as well as the end-of-year performance reporting.

Evidence: 49USC Chapter 51, Section 5116; 49 CFR Parts 101.1-110.130; 42 USC 11001 et seq.; Hazardous Materials Emergency Preparedness Grant Program DRAFT: Application Kit

**3.1**      **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**      Answer: YES      Question Weight:12%

Explanation: Summary reports from states, territories, and Indian tribes communicate the progress of the programs at the local level. Information feeding the summary reports are submitted by the grantees.

Evidence: Form 269 Financial Status Reports, Form 270; Semi-annual grant workshops serve to share lessons learned and best practices among grantees.

## PART Performance Measurements

**Program:** Hazardous Materials Transportation  
**Agency:** Department of Transportation  
**Bureau:** Research and Special Programs Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	88%	75%	Effective

**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: NO Question Weight: 12%

**Explanation:** The HMEP program is required by authorizing legislation, annual appropriations, and anti-deficiency requirements to assure grants conform to cost limitations. Grantees are responsible for monitoring their sub-grantees, and may refuse funding to local agencies in future years for program inadequacies.

**Evidence:** 49 USC Chapter 51, Section 5116; 49 CFR Parts 101.1-110.130; 42 USC 11001 et seq. Form 269 Financial Status Reports, Form 270

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 12%

**Explanation:** Federal funds are obligated just before the beginning of the fiscal year, using funds collected in past years from the hazmat registration program. Any deficiencies found by the Single Audit Act audits or any other deficiencies identified in program reviews are required to be addressed along with any correction action that was taken.

**Evidence:** Audit Reports

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NA Question Weight: 0%

**Explanation:** The program distributes \$14.3 million, the largest proportion allocated among 70 grantees. The program does not utilize outside contractors, and automated records are confined to spreadsheets that justify disbursements in the accounting system. Thus there is little opportunity for such efficiencies.

**Evidence:** NA

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 12%

**Explanation:** The grant program conducts two workshops per year for the benefit of grantees. At these meetings, grantees can discuss successes and challenges within their jurisdictions. Grant staff also provide assistance with grant applications and suggest improvements via online telephone support.

**Evidence:** The program manager participates in monthly meetings of subcommittees on training of the National Response Team. The NRT is made up of 16 federal agencies, each with responsibilities and expertise in various aspects of emergency response to pollution incidents.

## PART Performance Measurements

**Program:** Hazardous Materials Transportation  
**Agency:** Department of Transportation  
**Bureau:** Research and Special Programs Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	88%	75%	Effective

- 
- 3.6 Does the program use strong financial management practices?** Answer: YES Question Weight: 12%
- Explanation: The grant program is included in the Single Audit of all grantees and no material internal weaknesses have been identified by the auditors. If any weaknesses are identified, they are immediately corrected.
- Evidence: The program uses adequate financial management practices in executing the grants awarded to each state, territory, and Native American tribe. Each payment request is scrutinized for errors, proper matching amounts and funding available. Each payment is subtracted from a summary sheet in the grants unit and then at the accounting office, providing a strong double check. Finally, the payment request with Automated Clearing House (ACH) sheet is forwarded to the Oklahoma City accounting office for payment.
- 3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 12%
- Explanation: As deficiencies are identified, they are immediately addressed and closed out when corrective measures are in place.
- Evidence: Internal controls instituted at the program's inception, such as the process described in 3.6, have evolved to highlight program deficiencies quickly and mitigate them upon discovery.
- 3.BF1 Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 12%
- Explanation: States are required to submit a HMEP grant application detailing proposed activities. Actual expenditures are tracked by headquarters staff. The HMEP staff holds regular technical assistance sessions to help grantees identify deficiencies and take corrective measures. These activities provide adequate oversight.
- Evidence: HMEP Grant Program Application Kit
- 3.BF2 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight: 12%
- Explanation: Each grantee is required to submit an annual report on the results of their program. These reports are then aggregated to form an annual output measure.
- Evidence: RSPA Hazardous Materials EP Grants Program Fact sheet (<http://hazmat.dot.gov/hmep/hmepfact.htm>).
- 4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight: 25%
- Explanation: The DOT-wide hazmat strategic goal of reducing the serious hazmat incident rate is close to being achieved. RSPA and the Department are continuing to work to continue to achieve that goal. The HMEP grant program supports that goal. Within limits set by legislation, the grant program has reached a steady state level of accomplishments---for example, completion of 3,700 emergency plans and 900 exercises. Accomplishment of this goal depends on the agency's partners ' states, local jurisdictions, private sector and safety organizations.
- Evidence: FY 2001 actual and FY 2002 preliminary actual number of serious hazardous material incidents.

## PART Performance Measurements

**Program:** Hazardous Materials Transportation  
**Agency:** Department of Transportation  
**Bureau:** Research and Special Programs Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	88%	75%	Effective

- 4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight 25%
- Explanation: While the program partners do not have to achieve annual performance goals to receive grants, the Department met or exceeded its annual performance targets for the number of serious incidents in 1999, 2000, and 2001. States and local communities are actively supporting this goal.
- Evidence: Key measures, such as the number of responders trained, are measured and reported on a regular basis. FY 1999-2001 actual and FY 2002 preliminary actual outcome data.
- 4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NA Question Weight: 0%
- Explanation: The grant program has continually improved its cost effectiveness since its inception. Starting with a staff of four professionals plus an administrative support contract, the program is now run by two staff members with only minor additional administrative support.
- Evidence: The hours of burden in processing grant data has been significantly decreased from \$525,000 to \$200,000 at an approximate cost saving of \$325,000 annually.
- 4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight 25%
- Explanation: The HMEP grant program is unique, in that it is the only Federal program that provides funds to assist communities in planning for and responding to hazardous materials incidents that may occur within their jurisdictions. Thus there is no other Federal program with similar purpose or goal. Other programs provide general assistance to first responders. For instance, the recently expanded Firefighter Assistance Grant program is a discretionary program, where localities apply for grants for equipment (e.g., fire engines), and training related to operating the equipment. The HMEP grant program deals exclusively in responding to hazmat incidents occurring during transportation.
- Evidence: HMEP Report to Congress, 1998; GAO Report "Hazardous Materials Training: DOT and Private Sector Initiatives Generally Complement Each Other," July 2000.
- 4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: SMALL EXTENT Question Weight 25%
- Explanation: Though independent evaluations of this program have not been conducted, RSPA completed a program review in 1998. The assessment concluded that the grants were a critical part of the national strategy to reduce the hazardous materials incident rate. The grants have assured that state and local program focused on key hazmat issues in a consistent manner. The program has achieved the intent of Congress, and has played a leadership role. The grants have not supplanted the much larger program share allocated by states, communities, and the private sector.
- Evidence: HMEP Report to Congress, 1998; GAO Report" Hazardous Materials Training: DOT and Private Sector Initiatives Generally Complement Each Other," July 2000.

## PART Performance Measurements

**Program:** Hazardous Materials Transportation  
**Agency:** Department of Transportation  
**Bureau:** Research and Special Programs Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	88%	75%	Effective

**Measure:** Number of serious hazardous materials incidents.

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001		585	
2002	523	411 (prelim.)	
2003	515		
2004	509		
2005	503		
2006	498		
2007	493		
2008	488		

**Measure:** Hazmat responders trained. This measure reflects one aspect of the universe of DOT activities conducted to achieve the DOT-wide goal of reducing serious hazardous materials incidents.

**Additional Information:** Standard classroom training.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001		166,921	
2002	184,000	209,035	
2003	184,000		
2004	184,000		

## PART Performance Measurements

**Program:** Hazardous Materials Transportation  
**Agency:** Department of Transportation  
**Bureau:** Research and Special Programs Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	88%	75%	Effective

2005	184,000
2006	184,000
2007	184,000
2008	184,000

**Measure:** Emergency plans completed. This measure reflects one aspect of the universe of DOT activities conducted to achieve the DOT-wide goal of reducing serious hazardous materials incidents.

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001		3,998	
2002	3,700	2,939	
2003	3,700		
2004	3,700		
2005	3,700		
2006	3,700		
2007	3,700		
2008	3,700		

**Measure:** Number of local emergency planning committees supported.

**Additional Information:** Committees assisted by funding and/or technical assistance.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001		1,538	
		<b>108</b>	

## PART Performance Measurements

**Program:** Hazardous Materials Transportation  
**Agency:** Department of Transportation  
**Bureau:** Research and Special Programs Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	88%	75%	Effective

2002	1,600	1,880
2003	1,600	
2004	1,600	
2005	1,600	
2006	1,600	
2007	1,600	
2008	1,600	

**Measure:** Exercises conducted.

**Additional Information:** Operational/field training for public sector employees to respond to accidents and incidents involving hazardous materials.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001		934	
2002	900	1,086	
2003	900		
2004	900		
2005	900		
2006	900		
2007	900		
2008	900		

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**1.1 Is the program purpose clear?**

Answer: YES                      Question Weight 20%

**Explanation:** Authorizing legislation dated October 1996 states: The Secretary of Transportation shall establish a fleet of active, militarily useful, privately-owned vessels to meet national defense and other security requirements and maintain a United States presence in international commercial shipping. Subtitle C of the Maritime Security Act of 2003 (the 2003 Act) reaffirmed the program purpose and added the phrase 'commercially viable'.

**Evidence:** 1. Maritime Security Act , P.L. 104-239 2. Maritime Security Act of 2003 (Subtitle C reauthorized the Maritime Security Program), P.L. 108-136

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES                      Question Weight 20%

**Explanation:** The MSP maintains a commercially viable and militarily useful U.S.-flag international commercial fleet which gives the United States access to important ports, the ability to negotiate bilateral maritime trading agreements, and standing to participate in international organizations such as the United Nations' International Maritime Organization, the United Nations' World Trade Organization, and the Organization for Economic Cooperation and Development. The presence of a U.S.-flag fleet in major markets (1) aids the U.S. economy, (2) creates jobs for trained seamen, (3) ensures that an open market for shipping goods will exist, and (4) guarantees the United States a seat in international maritime negotiations. Between 1993 and 1997, the U.S.-flag international fleet declined 34% and the previous Government aid program, operating-differential subsidy (ODS) was expiring. MSP has maintained a fleet of 47 vessels in the international trade of the United States. Without the MSP most of this fleet would likely have been reflagged foreign. Each billet on a U.S.-flag vessel supports approximately 2.3 seamen. The current 47-ship MSP fleet supports about 950 billets (2,200 jobs). If the MSP vessels were flagged foreign, these jobs would be lost to the U.S. economy. Lack of standing would make it more difficult for the United States to oppose unilateral shipping arrangements imposed by trading partners, thus affecting open markets. The MSP reauthorization legislation will increase the size of the MSP fleet to 60 vessels.

**Evidence:** 1. U.S.- flag Ships Engaged In Commercial Foreign Commerce of the United States or in Foreign to Foreign Commerce for the Years 1993 to 2002 shows decline in # of ships from 1993 through 1997 from 116 to 76 and increasing from 1997 as MSP was implemented - from 76 to 85 in 2002. -1993 - 116 ships; 1994 - 109 ships; 1995 - 88 ships; 1996 - 85 ships; 1997 - 76 ships; 1998 - 78 ships; 1999 - 86 ships; 2000 - 87 ships; 2001 - 92 ships; 2002 - 85 ships Liner operators in MSP often run a service of all U.S.-flag vessels. Quite often this requires more vessels than are enrolled in MSP. The desirability of an all-U.S.-flag service stems from the U.S. flag requirement for carriage of preference cargo, particularly military. 2. Maritime Security Program and Voluntary Intermodal Sealift Agreement Program Evaluation U.S. Department of Transportation Maritime Administration March 2002 (Program Evaluation) pp. 3-4; 8-9; 12-13 3. MTMC Liner Vessels supporting OIF January 1 ' June 1, 2003 shows list of 33 MSP ships supporting Operation Iraqi Freedom (OIF) for Military Traffic Management Command (MTMC) liner service 4. Ships used in Operation Iraqi Freedom January 1, 2003 ' May 1, 2003 shows two MSP ships chartered to the Military Sealift Command (MSC) in OIF 5. Letter dated May 12, 2003 from General John W. Handy, Commander, USTRANSCOM to the Honorable Duncan Hunter, Chairman House Armed Service Committee re: importance of MSP 6. Letter dated May 12, 2003 from General John W. Handy, Commander, USTRANSCOM to the Honorable Edward C. Aldridge, Jr. Under Secretary of Defense re: importance of MSP

## PART Performance Measurements

**Program:** Maritime Security Program

**Agency:** Department of Transportation

**Bureau:** Maritime Administration

**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight 20%

**Explanation:** MSP fills a unique role because there is no other program that addresses the need of maintaining a U.S.-flag commercial fleet of active, commercially viable, militarily useful, privately-owned vessels that serves the dual purposes of meeting national defense and other security requirements and maintaining a United States presence in international commercial shipping.

**Evidence:** 1. Maritime Security Act , P.L. 104-239 2. Maritime Security Act of 2003 (Subtitle C reauthorized the Maritime Security Program), P.L. 108-136

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight 20%

**Explanation:** MSP was designed to ensure a U.S. presence in foreign commerce in a less expensive manner and to avoid the major flaws of the preceding Government support program, Operating-Differential Subsidy (ODS). MSP is much less expensive, because MSP payments are capped by legislation, while ODS payments increased annually based on a complex daily rate calculation of the foreign competition. MSP operators have fewer operating restrictions and are paid a set amount per month as long as the vessel is operated in foreign commerce. Because it is so streamlined, a small staff administers MSP (3.5 FTE's) while, at the height of the ODS program, the staff to administer ODS was approximately 30 FTE's.

**Evidence:** 1. The Maritime Security Act, P.L. 104-239 authorizes 47 vessels at \$2.1 M per vessel per year. Under the ODS program, shipping operators could be paid for the following items of subsidy: (1) wages (including benefits), (2) maintenance and repairs not compensated by insurance, (3) protection and indemnity insurance, (4) protection and indemnity deductibles, (5) hull and machinery insurance, and (6) other items. ODS liner participants were required to trade in specific areas and make a minimum number of voyages. A U.S.-flag fleet in foreign commerce provides the United States with access to important ports, standing to participate in international organizations such as the United Nation's International Maritime Organization, the United Nation's World Trade Organization, and the Organization for Economic Cooperation and Development, and the ability to negotiate bilateral maritime trading agreements. The National Defense Transportation Association (NDTA), citing estimates prepared by the U.S. Transportation Command (USTRANSCOM), concluded that the cost to the U.S. Government to replicate the sealift capability in MSP would be approximately \$6.3 billion. 2. Comparison of Outlay for ODS and MSP 3. 46 CFR 252 - Operating-Differential Subsidy for Bulk Cargo Vessels Engaged in Worldwide Services; 46 CFR 281 - Informational Procedure Required Under Liner ODS Agreements; 46 CFR 282 - Operating-Differential Subsidy for Liner Vessels Engaged in Essential Services in the Foreign Commerce of the United States 4. 46 CFR 295 Maritime Security Program (MSP) 5. Memorandum dated December 23, 1997, from Director, Office of Financial and Rate Approvals to Associate Administrator for Financial Approvals and Cargo Preference re: American President Lines, Ltd. (APL) Final 1997 Daily ODS Wage Rates and supporting rate calculation data ' shows complexity of process to determine ODS payments 6. Letter dated January 8, 2001 from Deputy Director, Plans and Policy, USTRANSCOM, to Associate Administrator for National Security, Maritime Administration (MARAD) re: USTRANSCOM responses to questions for MARAD Program Evaluation pp. 4-5 question 13 7. Maritime Security Program and Commercial Shipping are Critical to Military Transport A Report By The National Defense Transportation Association's Military Sealift Committee February 2003 (NDTA study) pp.24-25

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**1.5**      **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**      Answer: YES      Question Weight 20%

**Explanation:** MSP contracts are entered into directly with each ship operator and provide a set payment for services provided. The authorizing legislation in October 1996 established a priority system to fill the slots available for the program. First priority consideration was given to: (1) U.S. citizens as who owned and operated U.S.-flag vessels that were (a) less than 15 years of age, or Lighter Aboard Ships (LASH) up to 25 years of age, or (2) foreign controlled corporations who (a) owned vessels less than 10 years of age that were eligible for U.S. registry and (b) were operating, managing, or chartering vessels for the Secretary of Defense. Fifty-nine vessels qualified under the first priority, but only 47 were selected because of the \$100 million annual funding limitation and the \$2.1 million annual payment per vessel. Vessels that did not meet the first priority were not selected for the program. The November 2003 reauthorization legislation established a priority system for the selection of 60 vessels within several categories of military capability. The thirteen additional slots are designed to address military requirements, as targeted by General John W. Handy, Commander, USTRANSCOM, in a May 12, 2003 letter to the Honorable Duncan Hunter, Chairman of the House Armed Services Committee.

**Evidence:** 1. Maritime Security Act, P.L. 104-239 pp. 4-5 Sec. 652(i) 2. Maritime Security Act of 2003 (Subtitle C reauthorized the Maritime Security Program), P.L. 108-136 pp. 34-35 Sec. 53103(c) 3. 46 CFR 295 Maritime Security Program (MSP) 4. Maritime Security Program Operating Agreement with American President Lines, Inc. (and successor American Ship Management, LLC) Contract No. MA/MSP-1 Vessel: APL KOREA including Amendments 1 & 2 5. Memorandum, dated December 12, 1996, from Director, Office of Sealift Support to Maritime Administrator re: Approval of Operating Agreements under the Maritime Security Program 6. Memorandum dated January 22, 1997, from Director, Office of Sealift Support to Maritime Administrator re: Denial of Applications for Operating Agreements under the Maritime Security Program 7. Letter dated May 12, 2003 from General John W. Handy, Commander, USTRANSCOM to the Honorable Duncan Hunter, Chairman House Armed Service Committee re: importance of MSP

## PART Performance Measurements

**Program:** Maritime Security Program

**Agency:** Department of Transportation

**Bureau:** Maritime Administration

**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**      Answer: YES      Question Weight: 6%

**Explanation:** MSP's long-term performance measure is to contribute, along with non-MSP participants in the Voluntary Intermodal Sealift Agreement program (VISA) and the Ready Reserve Force (RRF), to DOT's Strategic Mobility Goal to maintain availability of DOD required shipping capacity at 94 percent of that required through FY 2008. In order for MSP to contribute to reaching this target, it must maintain a fleet of 47 militarily useful vessels in MSP - the maximum that can be contracted within the parameters of the \$100 million annual funding and the \$2.1 million annual payment per vessel. MSP program managers' internal goal is to contract 100% of the 47 vessels it is authorized to contract. This target also contributes to MARAD's Security Strategic Outcome, which is to ensure: 'Sufficient . . . sustainment . . . capacity is available to support DOD deployment requirements'. MSP contributes approximately 70% of the capacity toward meeting MARAD's annual performance goal of 165,000 available TEUs in VISA to meet DOD's requirements for intermodal commercial sealift capacity. In FY 2006, MARAD's internal long-term measure of 47 vessels will be increased to 60 vessels to coincide with thereauthorizing legislation.

**Evidence:** 1. Maritime Administration Strategic Plan for Fiscal Years 2003-2008 pp. 12; 21 2. U.S. Department Of Transportation Strategic Plan 2003-2008 p. 66 3. Maritime Security Program (MSP) Participants ' Operating-Differential Subsidy (ODS) and MSP Contract Information 4. Maritime Security Program Number of Participants End of Fiscal Year 5. The long-term measures of the MSP are heavily influenced by two factors ' program legislation and DOD's requirements. The current number of vessels in MSP is limited to 47 by a combination of the annual funding (\$100 million) and the payment per vessel (\$2.1 million per year) in the authorizing legislation. The reauthorizing legislation raises that total to 60 vessels in FY 2006. DOD vessel requirements include not only modern containerships, which have large TEU capacity, but RO/RO's and geared containerships, which do not. The additional 13 vessels in MSP will be selected to meet specific DOD needs. Quality of the vessels as they pertain to DOD needs, not quantity of TEU's will be the guiding factor.

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?**      Answer: YES      Question Weight: 11%

**Explanation:** Maintaining 94% availability of the vessels in MSP, VISA and RRF is an ambitious target; it is not possible to have 100% of ship assets available at any given time. Ships require scheduled drydockings and periodic repairs and suffer downtime due to unexpected mechanical difficulties. For MSP keeping the program fully subscribed despite turnover in the vessels under contract in the program and mergers and acquisitions among several companies has been a challenge. MARAD, however, has done this in three of the last four years and used the replacement vessels as opportunities to improve the quality of the fleet mix through either age decreases, TEU increases, and/or better military capabilities.

**Evidence:** 1. Maritime Administration Strategic Plan for Fiscal Years 2003-2008 pp. 12; 21 2. U.S. Department of Transportation Strategic Plan 2003-2008 p. 66 3. 2005 Budget Security Performance Goal Strategic Mobility p. 39 4. Maritime Security Program (MSP) Participants ' Operating-Differential Subsidy (ODS) and MSP Contract Information 5. Maritime Security Program Number of Participants End of Fiscal Year

## PART Performance Measurements

**Program:** Maritime Security Program

**Agency:** Department of Transportation

**Bureau:** Maritime Administration

**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 11%

**Explanation:** MARAD has two annual performance measures (116,000 TEUs and 47 ships) and, beginning in the FY 2006 budget, an efficiency goal of 0.4 % administrative salary dollars to total MSP payments. MSP contributes approximately 70% of the capacity toward meeting MARAD's current annual performance goal of 165,000 available TEUs in VISA to meet DOD's requirements for intermodal commercial sealift capacity. Beginning with the 2006 budget, MARAD will be splitting that performance goal to reflect the individual contributions of the MSP vessels and the non-MSP VISA vessels. MARAD's annual performance goal for MSP alone will be to contribute a minimum of 116,000 available TEUs. MARAD has an internal annual program measure of maintaining the maximum number of MSP vessels that may be under contract, currently 47, rising to 60 in FY 2006.

**Evidence:** 1. 2005 Budget Security Performance Goal Strategic Mobility MARAD Supplementary Performance Measure for Commercial Sealift ' VISA TEUs (current) p. 40 2. Security Strategic Objective (DOT) National Security Strategic Objective (MARAD) MARAD Supplementary Performance Measure for Commercial Sealift ' MSP TEUs (proposed) 3. .Security Strategic Objective (DOT) National Security Strategic Objective (MARAD) MARAD Supplementary Performance Measure for MSP Program Efficiency (proposed)

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 11%

**Explanation:** The performance measures of providing 116,000 TEUs and maintaining 47 vessels in MSP have been met most but not all years since 2000. The fluctuation in the number of TEUs from year-to-year results from turnover of vessels within MSP. Since the MSP was initially fully subscribed in 2000, there have been changes in the industry. Despite these changes, MARAD has kept the program fully subscribed in three of the last four years and improved the quality of the fleet mix through the addition of newer ships, ships with greater capacity, and/or vessels with better military capability.

**Evidence:** 1. 2005 Budget Security Performance Goal Strategic Mobility MARAD Supplementary Performance Measure for Commercial Sealift ' VISA TEU's (current) 2. Security Strategic Objective (DOT) National Security Strategic Objective (MARAD) MARAD Supplementary Performance Measure for Commercial Sealift ' MSP TEUs (proposed) 3. Security Strategic Objective (DOT) National Security Strategic Objective (MARAD) MARAD Supplementary Performance Measure for MSP Program Efficiency (proposed)

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
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100%	100%	95%	83%	

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**      Answer: YES      Question Weight: 13%

**Explanation:** MARAD, DOD and MSP operators are committed to and work toward the annual and long-term goals of maintaining 47 vessels and a total capacity of 116,000 TEUs in MSP. MARAD monitors MSP contracts to determine the number of days vessels operate in foreign commerce, the number of days the vessels spend in repair status, whether preference bulk cargo was carried, and whether a vessel was under MSC charter. Each of these conditions could affect payments. Joint Planning Advisory Group (JPAG) and Executive Working Group (EWG) sessions, with participants from DOD, MARAD, and industry, are held, as needed, to test the ability and review the performance of the maritime industry to provide commercial sealift capability to meet DOD's peacetime and wartime requirements. MSP fosters a unique relationship between MARAD and DOD in that DOD is committed to goals it sets and MARAD is committed to part of the DOD goals relating to commercial vessel capacity available.

**Evidence:** 1. List of JPAG Meetings (to demonstrate frequency of meetings used for coordination of partners in meetings program's goals) 2. Synopsis & Timeline Joint Planning Advisory Group Meeting 19 April 2001 3. Joint Planning Advisory Group (JPAG) Meeting After-Action Report 03 April 2003 4. VISA Executive Working Group (EWG) Meeting Minutes, 20 November 2003 5. Maritime Security Program Operating Agreement with American President Lines, Inc. (and successor American Ship Management, LLC) Contract No. MA/MSP-1 Vessel: APL KOREA including Amendments 1 & 2

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**      Answer: YES      Question Weight: 12%

**Explanation:** Several reviews of MSP have been conducted, both internally and externally. These reports include a FY 2002 Program Evaluation by MARAD's Office of Policy and Plans, a National Defense Transportation Association (NDTA), a non-Governmental organization, report on Maritime Policy that specifically addresses MSP, and an AT&T Government Solutions, Inc. study on the optimum size of MSP. General Handy's May 12, 2003 letter to Armed Forces Committee Chairman Duncan Hunter (Chairman Hunter), stated his support for MSP, highlighted the benefits of MSP during Operation Iraqi Freedom, and noted that fleet composition needed to be examined. JPAG and EWG meetings also provide frequent feedback from DOD. There are no plans to hire a contractor to produce a report on MSP.

**Evidence:** 1. Program Evaluation 2. NDTA study 3. Report To The Chairman, Senate Committee On Commerce, Science And Transportation On The Issue Of Introducing Competitive Bidding To The Maritime Security Program (MSP) P.L. 104-239, DOT/MARAD, (June 1997) 4. Sizing The Maritime Security Fleet In Support A Renewed Maritime Security Program (MSP) William A. Macht AT&T Government Solutions, Inc.

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
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**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight:12%

**Explanation:** MARAD's performance with regard to its sealift capacity performance goal is a part of the justification for MSP in each year's budget. MSP is a separately identified account and program activity in MARAD's budget. Due to the wording of the MSP legislation, administrative costs are not included in the MSP account. In some years, MSP had instances where a small amount of carryover funding existed due to an MSP ship operator temporarily not qualifying for a monthly payment. On occasion when these circumstances occurred, MARAD requested and Congress reduced the MSP appropriation for the following year by the amount of the carryover.

**Evidence:** 1. 2005 Budget Security Performance Goal Strategic Mobility MARAD Supplementary Performance Measure for Commercial Sealift ' VISA TEU's (current) 2. Department of Transportation Maritime Administration Recent Appropriations History, 2004 Request

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:12%

**Explanation:** MARAD took care to address ODS deficiencies by making strategic planning an integral part of the program design as well as providing the opportunity for systematic feedback from DOD. ODS was strictly a differential cost program. There was no incentive for companies to reduce their costs under ODS. MSP has a fixed maximum dollar payout and operators can not pass along any costs to the Government. That provides a basic incentive for an operator to reduce costs. Planned meetings among the three partners (MARAD, DOD, and industry), JPAG meetings as necessary, and monthly EWG meetings, were an essential element of developing the MSP concept.

**Evidence:** 1. Program Evaluation pp. 2; 6 2. List of JPAG Meetings 3. Synopsis & Timeline Joint Planning Advisory Group Meeting 19 April 2001 4. Joint Planning Advisory Group (JPAG) Meeting After-Action Report 03 April 2003 5. VISA Executive Working Group (EWG) Meeting Minutes, 20 November 2003

**2.CA1 Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight:12%

**Explanation:** Reviews have been made by USTRANSCOM, in response a request by MARAD, stating that without MSP or VISA, that agency would either have to engage foreign flag carriers to provide sealift or it would have to build its own fleet. The NDTA, citing estimates prepared by USTRANSCOM in 2001, concluded that the cost to the U.S. Government to replicate the sealift capability in MSP would be approximately \$6.3 billion. USTRANSCOM also stated that DOD had comfort knowing it had assured access to the U.S.-flag commercial sealift, but the expanded use of foreign-flag carriers as an alternative would cause grave concerns about "assured access to their capacity and about security".

**Evidence:** 1. Letter dated January 8, 2001 from Deputy Director, Plans and Policy, USTRANSCOM, to Associate Administrator for National Security, Maritime Administration (MARAD) re: USTRANSCOM responses to questions for MARAD Program Evaluation pp. 4-5 question 13 2. NDTA study pp. 24-25 paragraph 4.1 3. Program Evaluation pp. 66-67 4. Maritime Security Fleet: Factors To Consider Before Deciding To Select Participants Competitively. U.S. General Accounting Office (September 1997 GAO-NSIAD-97-246)

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**      Answer: YES      Question Weight: 14%

**Explanation:** MARAD collects, on a monthly basis, vouchers from its program partners (MSP operators) that address the major requirements of MSP contracts ' operation of vessels in the foreign commerce of the U.S., limitation of time that vessels are in drydock or repair status, restriction against carriage of bulk preference cargo, and restriction of operation under MSC charter. The data is then corroborated against industry sources. If contract requirements are not met, MARAD may adjust payment to the MSP operators. As an example, in 1999, Waterman Steamship Corporation conducted extensive repairs after an accident to its vessel, the GREEN ISLAND. MARAD withheld payments to Waterman until the operator supplied the agency with a satisfactory explanation regarding the length of the repairs. Then MARAD made a determination as to how much of the withheld money Waterman was entitled to under the MSP regulations.

**Evidence:** 1. Maritime Security Program (MSP) Payment Process 2. Public Voucher For Purchases and Services Other Than Personal First Ocean Bulk Carrier, II, LLC Voucher No. 9-22-02 - example of a voucher with no problems 3. Public Voucher For Purchases and Services Other Than Personal American International Car Carriers, Inc. Voucher No. 7-14-15-03 ' example of a voucher where payment was withheld 4. Memoranda dated June 29, 1999, July 9, 1999, August 12, 1999, September 17, 1999, and October 18, 1999 from Director, Office of Sealift Support to File re: Withholding of MSP payments from Contract No. MA/MSP-44 VESSEL: GREEN ISLAND 5. Memorandum dated December 22, 1999 from Director, Office of Sealift Support to Associate Administrator for National Security re: Approval of MSP Payments for Waterman Steamship Corporation's vessel GREEN ISLAND 6. Memoranda dated December 9, 1999 and December 22, 1999 from Director, Office of Sealift Support to Associate Administrator for National Security re: FABC Contract No. 17 MSP Payments ' discussion of why MSP payments were withheld from FABC and resolution of matter, including repayment of some of funds withheld.

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
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**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight:14%

**Explanation:** Federal managers and program partners are held accountable, both internally and externally, by their customers. MARAD MSP managers have MSP targets as critical elements in their performance plans. JPAG and EWG meetings provide forums in which representatives of MARAD, DOD, and industry are able to assess industry capabilities against DOD requirements. Wide ranging discussions among the partners allow MARAD managers, DOD representatives, and industry to identify problems, seek solutions, and improve the overall system. MARAD monitors MSP carriers' operations to determine the level of payment each carrier should receive. To receive the current maximum retainer of \$2.1 million, an MSP carrier must operate at least 320 days each year in the U.S. foreign trade. The voyages are the means by which MSP ship operators are held accountable under DOD contracts ' were vessels available when needed, was cargo delivered in a timely fashion to the correct place.

**Evidence:** 1. Joint Planning Advisory Group (JPAG) Meeting Minutes 14 May 2003 pp. 1-2 2. Maritime Security Program Operating Agreement with American President Lines, Inc. (and successor American Ship Management, LLC) Contract No. MA/MSP-1 Vessel: APL KOREA including Amendments 1 & 2 3. Public Voucher For Purchases and Services Other Than Personal First Ocean Bulk Carrier, II, LLC Voucher No. 9-22-02 - example of a voucher with no problems 4. Public Voucher For Purchases and Services Other Than Personal American International Car Carriers, Inc. Voucher No. 7-14-15-03 ' example of a voucher where payment was withheld 5. 46 CFR 295 Maritime Security Program (MSP) 6. Memoranda dated December 9, 1999 and December 22, 1999 from Director, Office of Sealift Support to Associate Administrator for National Security re: FABC Contract No. 17 MSP Payments ' discussion of why MSP payments were withheld from FABC and resolution of matter, including repayment of some of funds withheld 7. Letter dated October 9, 1998 from Director, Office of Sealift Support to Director, Operations Accounting, Sea-Land Service, Inc. re: clarification of port call days 8. Letter dated July 31, 2002 from Associate Administrator for National Security to Counsel, U.S. Ship Management, Inc. re: extension of drydock and repair time

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:14%

**Explanation:** In accordance with prompt payment procedures, MARAD has a payment process to ensure timely payment of obligations. MSP operators usually submit their vouchers within the first week after the end of the month. Payments are based upon the number of days that vessels operate in the foreign commerce of the United States.

**Evidence:** 1. Maritime Security Program (MSP) Payment Process 2. Public Voucher For Purchases and Services Other Than Personal First Ocean Bulk Carrier, II, LLC Voucher No. 9-22-02 - example of a voucher with no problems 3. Public Voucher For Purchases and Services Other Than Personal American International Car Carriers, Inc. Voucher No. 7-14-15-03 ' example of a voucher where payment was withheld 4. FY 2003 Payment schedule for American Ship Management ' APL SINGAPORE ' MA/MSP-3 5. Annual MARAD Statement of MSP Funds Expended by Contract ' FY 1998-FY 2003 6. Memoranda dated December 9, 1999 and December 22, 1999 from Director, Office of Sealift Support to Associate Administrator for National Security re: FABC Contract No. 17 MSP Payments ' discussion of why MSP payments were withheld from FABC and resolution of matter, including repayment of some of funds withheld 7. Memoranda dated June 29,1999, July 9, 1999, August 12, 1999, September 17, 1999, and October 18, 1999 from Director, Office of Sealift Support to File re: Withholding of MSP payments from Contract No. MA/MSP-44 VESSEL: GREEN ISLAND

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**

Answer: NO

Question Weight: 6%

**Explanation:** MSP addressed ODS inefficiencies in budget projection, rate calculations, and fund disbursements by greatly streamlining the process to make it more efficient. A budget projection for MSP is essentially \$2.1 million times 47 ships or \$98.7 million. MSP operators are paid a set amount per month for vessels operating in foreign commerce, but adjustments are made for vessels not operating in foreign commerce. Payments are made a month in arrears. The ODS budget process was complicated and required time consuming reconciliation between actual and projected foreign-flag competition on each trade route for each operator. It was not unusual for payments to take years to complete. A small staff is required to administer MSP (3.5 FTE's) while the staff to administer ODS reached 30 FTE's at its peak. MARAD's efficiency goal, beginning in the FY 2006 budget, is to maintain a ratio of 0.4 percent administrative salary dollars to total MSP payments.

**Evidence:** 1. Security Strategic Objective (DOT) National Security Strategic Objective (MARAD) MARAD Supplementary Performance Measure for MSP Program Efficiency (proposed) 2. Maritime Security Act , P.L. 104-239 3. Memoranda dated June 29,1999, July 9, 1999, August 12, 1999, September 17, 1999, and October 18, 1999 from Director, Office of Sealift Support to File re: Withholding of MSP payments from Contract No. MA/MSP-44 VESSEL: GREEN ISLAND 4. Memorandum dated December 23, 1997, from Director, Office of Financial and Rate Approvals to Associate Administrator for Financial Approvals and Cargo Preference re: American President Lines, Ltd. (APL) Final 1997 Daily ODS Wage Rates and supporting rate calculation data ' shows complexity of process to determine ODS payments

**3.5 Does the program collaborate and coordinate effectively with related programs?**

Answer: YES

Question Weight:14%

**Explanation:** To meet DOD sealift capacity needs, MSP collaborates and coordinates effectively with related programs such as RRF. The DOD organic fleet, including the RRF, is designed to meet DOD's surge needs in a national emergency. The MSP fleet's principal purpose is to provide sustainment capability after surge needs have been met. Both MSP and RRF are MARAD programs located organizationally under the Associate Administrator for National Security. Based on experience gained during Operation Iraqi Freedom, General Handy wrote to Chairman Hunter that fleet composition within MSP needed to be addressed. The 2003 Act created five slots in MSP specifically for tankers and eight more slots for vessels that best meet DOD's requirements. The MRS-05, a classified DOD document, estimates DOD's military useful capacity requirements and includes MSP among the programs necessary for DOD to meet its needs. JPAG and EWG meetings, co-chaired by MARAD and USTRANSCOM, show coordination and collaboration.

**Evidence:** 1. Letter dated May 12, 2003 from General John W. Handy, Commander, USTRANSCOM to the Honorable Duncan Hunter, Chairman House Armed Service Committee re: importance of MSP 2. MTMC Liner Vessels supporting OIF January 1 ' June 1, 2003 shows list of 33 MSP ships supporting Operation Iraqi Freedom (OIF) for Military Traffic Management Command (MTMC) liner service 3. Ships used in Operation Iraqi Freedom January 1, 2003 ' May 1, 2003 shows two MSP ships chartered to the Military Sealift Command (MSC) in OIF 4. United States Transportation Command the National Defense Reserve Fleet and the Ready Reserve A Chronology James K. Matthews United States Transportation Command Research Center December 1999 5. MRS-05 is classified secret. You may come to our office to view it.

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**3.6 Does the program use strong financial management practices?** Answer: YES Question Weight:14%

**Explanation:** MSP uses internal control procedures and regular data collection from program partners (MSP operators) to insure that funds are being used appropriately. MARAD also complies with prompt payment procedures to ensure that program partners receive timely payments. A Department of Transportation Inspector General (IG) report on MSP issued September 26, 2000 found that MARAD had not finalized sufficient internal control procedures for the review of MSP vouchers and associated payments. MARAD concurred with the findings and, within ten days, instituted controls exceeding the recommendations. An IG report of June 12, 1998 found that MARAD had complied with the statutory requirements of the Maritime Security Act. MSP payments are made monthly in arrears. Each contract holder submits a monthly voucher detailing and certifying the parameters of their service in the foreign commerce. This information is corroborated by MARAD's Office of Sealift Support.

**Evidence:** 1. Maritime Security Program (MSP) Payment Process 2. FY 2003 Payment schedule for American Ship Management ' APL SINGAPORE ' MA/MSP-3 3. Annual MARAD Statement of MSP Funds Expended by Contract ' FY 1998-FY 2003 4. Office of Inspector General - Department of Transportation Inspector General ' Audit Report On The Maritime Security Program, MARAD Report No. MA-1998-156 5. Office of the Inspector General - Department of Transportation Inspector General - Follow-Up Audit Of Payments Under The Maritime Security Program Report No. MH-2000-123  
 Outline of the process Each contract holder submits a voucher for its vessel(s) on a monthly basis, usually within the first week of the month. The contract holder certifies that the vessel(s) under contract were in authorized U.S. foreign trade service for a specific number of days. MARAD's Office of Sealift Support corroborates that data against industry sources. The contract holder also certifies whether the vessel(s) were undergoing drydocking, survey, inspection or repair work and, if so, for how many days. That information is also independently confirmed. After verification by MARAD of the eligible number of days operated, payments are made in accordance with prompt payment procedures, usually on or about the first day of the next month. Further, the contract holder certifies whether any of its vessel(s) were engaged in transporting more than 7,500 tons of civilian bulk preference cargo on any day during the month. The Office of Sealift Support verifies that certification by comparing the MSP contract holders against a list that MARAD's Office of Cargo Preference prepares monthly of MSP vessels, if any, that transported more than 7,500 tons of civilian bulk preference cargo. MSC prepares a monthly list of its chartered vessels that the Office of Sealift Support checks for MSP contract vessels.

**3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight:14%

**Explanation:** MSP was designed to address ODS deficiencies including cumbersome rules and regulations and overly complicated rate calculations, and has responded quickly to IG findings. Rules and regulations concerning ship operations have been streamlined and rate calculations have been greatly simplified. An IG report on MSP issued on September 26, 2000 found that MARAD had not finalized sufficient internal control procedures for the review of MSP vouchers and associated payments. MARAD concurred with the findings and, within ten days, instituted controls exceeding the recommendations. An IG report of June 12, 1998 found that MARAD had complied with the statutory requirements of the Maritime Security Act.

**Evidence:** 1. Program Evaluation 2. ODS Accruals and Outlays ' January 1, 1937, to September 30, 2001 3. Comparison of Outlay for ODS and MSP 4. 46 CFR 252 - Operating-Differential Subsidy for Bulk Cargo Vessels Engaged in Worldwide Services 5. 46 CFR 282 - Operating-Differential Subsidy for Liner Vessels Engaged in Essential Services in the Foreign Commerce of the United States 6. Memorandum dated December 23, 1997, from Director, Office of Financial and Rate Approvals to Associate Administrator for Financial Approvals and Cargo Preference re: American President Lines, Ltd. (APL) Final 1997 Daily ODS Wage Rates and supporting rate calculation data 7. Office of Inspector General - Department of Transportation Inspector General ' Audit Report On The Maritime Security Program, MARAD Report No. MA-1998-156 8. Office of the Inspector General - Department of Transportation Inspector General - Follow-Up Audit Of Payments Under The Maritime Security Program Report No. MH-2000-123

## PART Performance Measurements

**Program:** Maritime Security Program

**Agency:** Department of Transportation

**Bureau:** Maritime Administration

**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**3.CA1**     **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?**     Answer: YES     Question Weight:14%

**Explanation:** Congress has clearly defined deliverables for MSP and MARAD has translated those requirements into operating agreements with ship operators. Individual contracts are signed for each vessel in the program and the MSP pays a set amount each month (\$175,000) for each contracted vessel that is engaged in the U.S. foreign trade. Each company is required to submit a voucher that certifies its service in U.S. foreign commerce. Congress established a priority system for the selection of the original 47 vessels in MSP. All 47 vessels qualified under the first priority. Replacement vessels have been selected to meet DOD tonnage and ship type requirements such as carriage of sustained cargo like ammunition and meals.

**Evidence:** 1. Maritime Security Act, P.L. 104-239 pp. 4-5 Sec. 652(i) 2. Maritime Security Act of 2003 (Subtitle C reauthorized the Maritime Security Program) p.l. 108-136 pp. 34-35 Sec. 53103(c) 3. Public Voucher For Purchases and Services Other Than Personal First Ocean Bulk Carrier, II, LLC Voucher No. 9-22-02 - example of a voucher with no problems

**4.1**     **Has the program demonstrated adequate progress in achieving its long-term performance goals?**     Answer: YES     Question Weight: 7%

**Explanation:** In the past two fiscal years, MARAD has met its performance measure of maintaining the availability of DOD required shipping capacity at 94 percent of that required through the contributions of MSP, VISA, and the RRF. In addition in three of the last four years, MARAD has met its internal annual program goal of maintaining 100% of the number of militarily useful, modern, efficient vessels that could legislatively be included in MSP.

**Evidence:** 1. 2005 Budget Security Performance Goal Strategic Mobility p. 39 2. 2005 Budget Security Performance Goal Strategic Mobility MARAD Supplementary Performance Measure for Commercial Sealift ' VISA TEUs (current) P. 40 3. Security Strategic Objective (DOT) National Security Strategic Objective (MARAD) MARAD Supplementary Performance Measure for Commercial Sealift ' MSP TEUs (proposed) 4. Security Strategic Objective (DOT) National Security Strategic Objective (MARAD) MARAD Supplementary Performance Measure for MSP Program Efficiency (proposed)

**4.2**     **Does the program (including program partners) achieve its annual performance goals?**     Answer: YES     Question Weight:17%

**Explanation:** MARAD's annual performance goal is to have 165,000 available TEUs in VISA to meet DOD's requirements for intermodal commercial sealift capacity. The agency has met that goal three of the past four years, including this year. In three of the last four years, MARAD has met its internal annual program goal of maintaining 100% of the number of militarily useful, modern, efficient vessels that could legislatively be included in MSP. Beginning with the 2006 budget, we are splitting the annual TEU performance goal to reflect the individual contributions of the MSP vessels and the non-MSP VISA vessels. Currently, MSP contributes approximately 70% of the capacity toward meeting the capacity goal of 165,000 TEUs. Therefore, beginning in FY 2006, MARAD's annual performance goal for MSP alone will be to contribute a minimum of 116,000 available TEUs, approximately 70% of the combined goal. MSP has been over the 116,000 TEU threshold since 1999.

**Evidence:** 1. 2005 Budget Security Performance Goal Strategic Mobility MARAD Supplementary Performance Measure for Commercial Sealift ' VISA TEUs (current) p. 40 2. Security Strategic Objective (DOT) National Security Strategic Objective (MARAD) MARAD Supplementary Performance Measure for Commercial Sealift ' MSP TEUs (proposed)

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight: 17%

**Explanation:** MSP has answered a national security need for commercial vessels in a more efficient way than ODS. With considerably less personnel and funds expended, MSP accomplishes more than ODS did, at a far smaller cost. A small staff is required to administer MSP (3.5 FTE's) while the staff to administer ODS was much larger. During its peak years, ODS staffing was approximately 30 FTE's. Since its inception in 1996, MSP has not developed an efficiency measure. However, beginning in the FY 2006 Budget MARAD's efficiency goal, will be to maintain a ratio of 0.4 percent administrative salary dollars to total MSP payments.

**Evidence:** 1. Security Strategic Objective (DOT) National Security Strategic Objective (MARAD) MARAD Supplementary Performance Measure for MSP Program Efficiency (proposed)

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight: 27%

**Explanation:** For \$661.8 million that MARAD has spent on MSP payments from its inception through March 2004, MSP has provided capacity that would have cost DOD \$6.3 billion to acquire. Although MSP is a unique program, it does compare favorably with other programs whose purpose and goals are similar or related. DOD relies on its organic fleet for surge, particularly 19 Large Medium Speed Roll-On/Roll-Off (LMSR) vessels. The cost to the U.S. Government to build these vessels was in excess of \$4.5 billion, and contracts for operation and maintenance of the vessels are about \$1 million per vessel per year. In contrast, the U.S. Government bore none of the ship-building costs for vessels in MSP. In general, the cost of delivering military cargoes by sea is approximately 1/10th the cost of delivering them by air. The cost of flying 2.4 million MRE's to Afghanistan was \$7.34 per meal. Had these MRE's been delivered by sea and land, the cost would have been 15 cents per meal.

**Evidence:** 1. GlobalSecurity.org T-AKR USNS Bob Hope Large, Medium-speed, roll-on/roll-off ships [LMSR] 2. NDTA study pp. 28-29

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight: 7%

**Explanation:** General Handy testified before the House Armed Forces Committee, Merchant Marine Panel on October 8, 2002, 'MSP is a cost effective program that assures guaranteed access to required commercial U.S. Flag shipping and U.S. Merchant Mariners, when needed. . . . While MSP offers guaranteed capability, it also provides the security we, as a nation, must have to 'go it alone.' MSP was designed to ensure a U.S. presence in foreign commerce in a less expensive manner and to avoid the major flaws of the preceding Government support program, ODS. MSP is much less expensive, because MSP payments are capped by legislation, while ODS payments were increased annually. The MSP has few operating restrictions and therefore requires a small staff to administer (3.5 FTE's). JPAG and EWG meetings provide immediate feedback on the effectiveness of MSP in meeting DOD needs. During Operation Iraqi Freedom, 33 MSP vessels carried cargo for MTMC and two MSP vessels were chartered to MSC.

**Evidence:** 1. MTMC Liner Vessels supporting OIF January 1 ' June 1, 2003 shows list of 33 MSP ships supporting Operation Iraqi Freedom (OIF) for Military Traffic Management Command (MTMC) liner service 2. Ships used in Operation Iraqi Freedom January 1, 2003 ' May 1, 2003 shows two MSP ships chartered to the Military Sealift Command (MSC) in OIF 3. Program Evaluation pp.2-4; 17 4. Statement of General John W. Handy, USAF Commander In Chief, U.S. Transportation Command, Before The House Armed Services Committee Marine Panel On The Maritime Security Program (MSP) October 8, 2002 5. Letter dated May 12, 2003 from General John W. Handy, Commander, USTRANSCOM to the Honorable Duncan Hunter, Chairman House Armed Service Committee re: importance of MSP

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**4.CA1**      **Were program goals achieved within budgeted costs and established schedules?**      Answer: YES      Question Weight 27%

**Explanation:** MARAD has always kept obligations within the appropriations available and the current performance measure has been met three of the past four years. The proposed annual performance measure of 116,000 TEUs in MSP has been met since 1999. In three of the last four years, MARAD has met its internal program goal of maintaining 47 vessels in MSP.

**Evidence:** 1. Annual MARAD Statement of MSP Funds Expended by Contract ' FY 1998-FY 2003 2. Maritime Security Program Number of Participants And TEU Commitments End of Fiscal Year 3. Security Strategic Objective (DOT) National Security Strategic Objective (MARAD) MARAD Supplementary Performance Measure for Commercial Sealift ' MSP TEUs (proposed) 4. 2005 Budget Security Performance Goal Strategic Mobility MARAD Supplementary Performance Measure for Commercial Sealift ' VISA TEUs (current) p. 40

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

**Measure:** Percentage of DOD-required shipping capacity (both commercial and government-owned) complete with crews available within mobilization timelines  
**Additional Information:** This measure tracks the ability of MARAD's Ready Reserve Force, VISA and MSP programs to meet DOD needs for sustainment capacity within mobilization timelines.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2003	94%	96%	
2004	94%	94%	
2005	94%	94%	
2006	94%		
2010	94%		

**Measure:** Ship capacity [in thousands of twenty-foot container equivalent units (TEUS)] enrolled in the Maritime Security Program available to meet DOD's requirements for intermodal, commercial sealift capacity  
**Additional Information:** This measure will track MSP's contribution to the total commercial sealift capacity requirement

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2004	116	129	
2005	116		
2006	130		

**Measure:** Maritime Security Program administrative costs expressed as a percentage of total MSP ship operator payments  
**Additional Information:** This measure tracks the efficiency of the MSP

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2004	0.4%	0.4%	
2005	0.4%		

## PART Performance Measurements

**Program:** Maritime Security Program  
**Agency:** Department of Transportation  
**Bureau:** Maritime Administration  
**Type(s):** Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
100%	100%	95%	83%	

2006                      0.4%

**Measure:** Number of vessels in the Maritime Security Program

**Additional Information:** This internal program measure tracks how well MSP is maximizing the number of vessles contractually enrolled and available for DOD use.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2004	47	47	
2005	47		
2006	47		

## OMB Program Assessment Rating Tool (PART)

### Block/Formula Grants

Name of Program: National Highway Traffic Safety Administration Grant Program

#### Section I: Program Purpose & Design (Yes, No, N/A)

Questions	Ans	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Is the program purpose clear?</i>	Yes	The Section 402 program was established "to reduce traffic accidents and deaths, injuries and property damage." Section 405: "The Secretary shall make grants under this section to States that adopt and implement effective programs to reduce highway deaths and injuries resulting from individuals riding unrestrained or improperly restrained in motor vehicles." Section 410: "The Secretary shall make grants to States that adopt and implement effective programs to reduce traffic safety problems resulting from individuals driving while under the influence of alcohol." Section 411: "The Secretary shall make grants to States that adopt and implement effective programs to improve the timeliness, accuracy, completeness, uniformity, and accessibility of the data of the State that is needed to identify priorities for national, State, and local highway and traffic safety programs."	23 USC Chapter 4, Revised June 9, 1998; 23 USC Chapter 4 Section 405; 23 CFR Part 1345; 23 USC Chapter 4 Section 410; 23 CFR Part 1313; 23 USC Chapter 4 Section 411; 23 CFR Part 1335	20%	0.2
2 <i>Does the program address a specific interest, problem or need?</i>	Yes	Motor vehicle crashes claimed the lives of 42,116 in 2001 and injured over 3 million. In 2001, 60% of passenger vehicle occupants killed in crashes were not restrained. There were 17,448 alcohol-related deaths. Adequate data systems are needed to capture highway safety data and track performance.	Press Release August 7, 2002. Fatal Accident Reporting System (FARS) Data 2001; FARS Reports	20%	0.2
3 <i>Is the program designed to have a significant impact in addressing the interest, problem or need?</i>	Yes	All Agency funding provided by formula to the States is designed to provide countermeasures for highway safety problems such as impaired driving and occupant protection issues. States prepare an annual highway safety plan that details programs and activities designed to address problems identified in their problem identification that will have an impact on fatality and injury reduction.	The fatality rate per 100 million vehicle miles traveled decreased to 1.52 in 2001, down from the 2000 rate of 1.53. [Uniform Procedures - Regulation 23 CFR, Part 1200; 23 USC Chapter 4 Section 405; 23 CFR Part 1345; 23 USC Chapter 4 Section 410; 23 CFR Part 1313; 23 USC Chapter 4 Section 411; 23 CFR Part 1335]	20%	0.2
4 <i>Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?</i>	Yes	The Agency's highway safety program is unique in that it covers the full range of highway safety activities designed to reduce traffic injuries and death among all populations. The Section 402 are the only Federal funds available to all 50 states, Puerto Rico, DC, the territories and the Native American tribes through the Bureau of Indian Affairs for the broad range of highway safety programs.	[23 CFR Part 1200; 23 USC Chapter 4, Sections 405, 410 and 411]. NHTSA "Budget in Brief" and DOT Performance Plan.	20%	0.2

Questions	Ans	Explanation	Evidence/Data	Weighting	Weighted Score
5 <i>Is the program optimally designed to address the interest, problem or need?</i>	No	While each state that submits an application consisting of a Performance Plan, listing objective and measurable highway safety goals, receives a grant, not all states benefit from targeted safety incentive grants. Only the states that have implemented certain safety laws receive incentive grants. Those states that do not implement the laws are not rewarded - or assisted - by receiving grants. All of these highway safety grants to States could be re-designed as a consolidated performance-based program to reduce administrative burden.	Current crash and injury data collection capabilities preclude an accurate assessment of program focus. There is not a study that shows that the NHTSA grant program is designed to optimally address the interest, problem or needs of states that are not receiving the incentive grants. [23 CFR Part 1200; 23 USC Chapter 4 Section 405; 23 CFR Part 1345; 23 USC Chapter 4 Section 410; 23 CFR Part 1313; 23 USC Chapter 4 Section 411; 23 CFR Part 1335]	20%	0.0
<b>Total Section Score</b>				<b>100%</b>	<b>80%</b>

**Section II: Strategic Planning (Yes, No, N/A)**

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?</i>	Yes	The major highway safety grant programs authorized by Congress to assist states and local communities, and managed by NHTSA, have a specific, readily identifiable and understood, and measurable meaningful national goal which is directly focused on reducing death and injury caused by motor vehicle crashes on the nation's roadways.	The agency's specific strategic goal is to reduce the highway fatality rate to 1.0 deaths per 100 million miles of vehicle travel (VMT) by the year 2008. [DOT 2003 Performance Plan/2001 Performance Report; Year 2000 Traffic Safety Facts]	14%	0.1
2 <i>Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?</i>	Yes	The various grants programs to support state and local highway safety have annual performance goals which inform states and NHTSA about progress toward the national goal. The national goal for 2001 was a rate of 1.5 deaths per 100 VMT, which was successfully achieved. The authorized purpose of these grants is to reduce the traffic safety toll annually in each state, and thereby contribute to achieving the national highway fatality rate goal.	[DOT FY 2003 Performance Plan/2001 Performance Report].	14%	0.1

Questions	Ans	Explanation	Evidence/Data	Weighting	Weighted Score
3 <i>Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?</i>	No	While NHTSA's partners are committed to reducing injuries and fatalities on the roadways, and the state-specific objectives all link logically to agency long-term goals, states are not required to specifically address, nor are states required to track their progress toward agency goals. In their application for safety grants, the States prepare an annual Highway Safety Plan and Performance Plan that describes activities using grant funds that they plan to implement as countermeasures designed to meet their own, state-specific, highway safety goals. These plans do not have to commit to the agency's long-term goals.	23 CFR Part 1200	14%	0.0
4 <i>Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?</i>	Yes	The highway safety grants which support state and local highway safety efforts are closely aligned and coordinated with other major highway safety work at all levels of government – Federal, state and local – plus the private sector and safety advocate organizations. NHTSA works closely on traffic safety problems with the Federal Highway Administration, Federal Motor Carriers Safety Administration and other DOT modes. NHTSA also works with other Federal organizations, including CPSC, NTSB, HHS, CDC and the Healthy People 2010 consortium. All of these efforts have the common purpose of reducing the motor vehicle crashes, death and injury, and the highway fatality rate.	Coordination of programs is achieved by requiring that all States reflect all highway safety grant funds in their Annual Highway Safety Plans. This assures funding from different sources can support important programs, while avoiding duplication of activities. [23 CFR Part 1345, Part 1313, and Part 1335]	14%	0.1
5 <i>Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?</i>	No	No independent evaluations of sufficient scope are conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness. Currently, the agency relies on achieving their performance goals to assess performance information. The agency does not have an independent evaluation (outside of the agency or states) to evaluate if the program could be improved or become more effective.	Evaluations are not scheduled by independent, non-biased parties with no conflict of interest, such as every two to five years, on a periodic basis or on a reasonable time schedule.	14%	0.0
6 <i>Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?</i>	Yes	NHTSA's annual budget is designed to indicate how agency program and grant resources are aligned, planned and programmed in the key areas of highway safety, including Section 403 programs, various highway safety performance and incentive grants, related research and development, and supporting safety data analysis. The budget is designed along the lines of the agency's major legislative authorities, and changes in funding, policy and legislation and impacts are analyzed and explained in relevant budget sections.	NHTSA FY 2003 Budget Request to Congress	14%	0.1

Questions	Ans	Explanation	Evidence/Data	Weighting	Weighted Score
7 <i>Has the program taken meaningful steps to address its strategic planning deficiencies?</i>	Yes	The agency has had time, performance information, and support of the states, to take the grant process through successive planning processes to reflect safety requirements and effectiveness in meeting state and local programmatic needs. The grant program has evolved into a more effective, performance-based initiative that allows states to plan and administer the grants in line with both their unique safety needs and overall safety priorities	Strategic plans published by NHTSA in the 1990s have guided the overall agency efforts. This includes the first strategic plan which articulated 11 outcome and performance goals, and the 1998 updated strategic plan. [NHTSA Strategic Plan, November 1994; NHTSA Strategic Plan Update, September 1998; DOT Strategic Plan, July 2000]	14%	0.1

<b>Total Section Score</b>				<b>100%</b>	<b>71%</b>
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**Section III: Program Management (Yes,No, N/A)**

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?</i>	Yes	This past May, many States joined in the Click It or Ticket (CIOT) campaign designed to increase seat belt use through high visibility enforcement and a media campaign. Part of the model CIOT campaign included telephone and Bureau of Motor Vehicle surveys designed to assess the timeliness and recognition of the campaign. In addition, States conduct an annual seat belt observation survey using NHTSA approved methodology to obtain their State's seat belt use rate. The Agency also conducts a National Occupant Protection Use Survey (NOPUS) to determine annual seat belt use rates. FARS data is collected from States and published each year.	NOPUS Report, State Seat Belt Use Rate Research Note, Evaluation of May 2002 Seat Belt Mobilization; Fatal Accident Reporting System (FARS) Reports	11%	0.1
2 <i>Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?</i>	No	The agency does not have incentives for managers and program partners that would encourage corrections in deficient programs. If the performance goals are not met, managers and program partners are not held accountable to the cost, schedule and performance results.		11%	0.0
3 <i>Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?</i>	Yes	Federal funds are obligated when they are received. Through the Grants Tracking System (GTS), the agency has immediate access to see when funds are obligated and expended, and to which highway safety program area.	23CFR Part 1200; Grant Tracking System	11%	0.1

Questions	Ans	Explanation	Evidence/Data	Weighting	Weighted Score
4 <i>Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?</i>	Yes	The Grants Tracking System (GTS) has helped maintain efficiencies, cost effectiveness. Expanded use of the Web to include the Highway Safety Program Grant Management Manual.	Grant Management Manual on the Web.	11%	0.1
5 <i>Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?</i>	Yes	The full cost of each annual grant program is known and fully reflected in the agency's budgets. The agency's annual budget submissions to the DOT Secretary, OMB and to the Appropriations Committees list the complete cost of the safety programs funded by the grants, including separately identifiable supporting costs borne by the agency. Congress has established a formula for allocating basic grants to each state, thus the full level of funding for each state is known. Changes in funding and programs are readily identifiable in the information provided by the states.	FY 2003 NHTSA Budget Submissions	11%	0.1
6 <i>Does the program use strong financial management practices?</i>	Yes	The Grant program is included in the Single Audit of all grantees and no material internal weaknesses have been identified by the auditors. Annually, the agency's Regional Offices review select transactions of the agency's grantees to ensure validity of the payments. In addition, each year, each of NHTSA's 10 Regional Offices do a management internal control review of their offices. If any weaknesses are identified, they are immediately corrected.	23 CFR Part 1200, GTS System	11%	0.1
7 <i>Has the program taken meaningful steps to address its management deficiencies?</i>	Yes	The Grants Tracking System (GTS) was designed to replace the manual accounting system with a computerized system that would expedite transmission of financial data and reduce entry errors, which were common in the manual system. The GTS was also designed to help streamline the States' fiscal management process and reduce the workload associated with meeting Federal reporting requirements.	23 CFR Part 1200	11%	0.1

Questions	Ans	Explanation	Evidence/Data	Weighting	Weighted Score
(B 1 <i>Does the program have oversight practices that provide sufficient knowledge of grantee activities?</i> )	Yes	States are required to submit an annual Highway Safety Plan detailing proposed activities. Actual expenditures are tracked through the GTS system. Regional Office staff perform management reviews, make on-site reviews to visit State offices and project sites. Competitive grant monies awarded to the States are incorporated into the Highway Safety Plan and expenditures are tracked through the GTS system.	23 CFR Part 1200; Regional Management Reviews	11%	0.1
(B 2 <i>Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?</i> )	Yes	Each grantee is required to submit an Annual Report on the results of their program. These are available to the public. Also, NHTSA publishes annual data from the Fatal Analysis Reporting System (FARS) that indicate a grantee's highway safety performance.	23 CFR Part 1200; Fatal Accident Reporting System (FARS) Reports	11%	0.1

<b>Total Section Score</b>	<b>100%</b>	<b>89%</b>
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**Section IV: Program Results (Yes, Large Extent, Small Extent, No)**

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1 <i>Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?</i>	Large Extent	The strategic goal of reducing the highway fatality rate currently stands at the rate of 1.5 deaths per 100 VMT, which was the goal for 2001. The long-term outcome goal is 1.0 fatalities per 100 million VMT by 2008. The progress toward achieving the goal is measurable, and is analyzed and reported each year. This rate has been coming down on a steady basis since the inception of the state and community safety grant program in the mid 1960s. Accomplishment of this goal depends in large part on the continued progress of the agency's partners – states, local jurisdictions, private sector and safety organizations – in addressing such crucial problems as alcohol impairment, non-use of safety belts, non-use and incorrect usage of appropriate child restraints, excessive vehicle speeds, failure to wear motorcycle helmets, pedestrian crashes and other key issues.	DOT FY 2003 Performance Plan/FY 2001 Performance Report	20%	0.1

<p>Long-Term Goal I: Reduce highway fatality rate to 1.0 per 100 million VMT by 2008  Target: For 2003, target is 1.4.  Actual Progress achieved Have met targets for 1999, 2000, and 2001.  toward goal:</p>
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Questions	Ans	Explanation	Evidence/Data	Weighting	Weighted Score
2 <i>Does the program (including program partners) achieve its annual performance goals?</i>	Large Extent	While the program partners do not have to achieve annual performance goals to receive grants, the Department met its annual performance targets for the highway fatality rate in 1999, 2000, and 2001. States and local communities are actively supporting achievement of the highway fatality reduction goal, yet they are not required to meet and often do not achieve NHTSA's performance goals. NHTSA's partners' programs are strictly performance and criteria based, and as such are assessed to measure their rate of	DOT FY 2003 Performance Plan/FY 2001 Performance Report	20%	0.1
<p>Key Goal I: Reduce highway fatality rate to 1.0 per 100 million VMT by 2008  Performance Target: For 2003, target is 1.4.  Actual Performance: Have met targets for 1999, 2000, and 2001.</p>					
3 <i>Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?</i>	Large Extent	There are some administrative difficulties in administering the grants and the agency needs to become more efficient and cost effective. Recent management improvements include the Grant Tracking System (GTS) - which converted a cumbersome and costly manual grant system to an electronic grant system. Since it interfaces with the DOT/DELPHI accounting system, it has significantly reduced manpower. In addition, this system was designed to meet Presidential initiatives, such as submission of grant documents electronically and to interface with the centralized E-Grant Application system currently being developed.	The hours of burden in processing grant data has been significantly decreased from 31,601 hours to 570 at an approximate cost saving of \$1,000,000 annually.	20%	0.1
4 <i>Does the performance of this program compare favorably to other programs with similar purpose and goals?</i>	Yes	Several agencies within the Federal government strive to reduce unintentional injuries. Within the Department, NHTSA, FHWA, and FMCSA share the highway fatality goal since each have a responsibility to improve safety on our nation's highways. FMCSA has an additional goal of reducing heavy truck fatalities by 50 percent by 2008. They are progressing with that goal. HHS works to reduce alcohol-related fatalities and other unintentional injuries. The Healthy People 2010 Consortium has established objectives for 2010. The agencies involved are working to achieve those objectives.	DOT FY 2003 Performance Plan/FY 2001 Performance Report	20%	0.2

Questions	Ans	Explanation	Evidence/Data	Weighting	Weighted Score
5 <i>Do independent and quality evaluations of this program indicate that the program is effective and achieving results?</i>	Large Extent	Though independent evaluation of this program have not been conducted, the agency has undertaken national evaluations of the impact of state and community grants in order to determine whether it is effective in addressing major national safety issues, and whether measurable results are being achieved. The assessment concluded that the grants were a critical part of the national strategy to reduce the highway fatality rate. The grants had assured that state and local program focused on key national issues. The grants had achieved the intent of Congress, and that grants played a leadership role, but did not supplant the much larger (98 percent) program share allocated by states, communities and the private sector. It also reported major progress in numerous crucial safety areas, such as alcohol safety, occupant protection, police enforcement, traffic records, emergency medical services, and safety for pedestrians, bicyclists and motorcycle riders. The agency conducts evaluations of specific traffic safety countermeasures through its Office of Research, Evaluation, and Traffic Records.	Highway Safety Assessment: A Summary of Findings in Ten States, June 1998; Development and Evaluation of a Comprehensive Program to Reduce Drinking and Impaired Driving Among College Students, February 2002; Identification and Referral of Impaired Drivers Through Emergency Department Protocols DOT HS 809 412, February 2002; Evaluation of Maryland, Oklahoma and the District of Columbia's Seat Belt Law Change to Primary Enforcement, DTNH-22-97-D-05018, January 2001. These are just a few examples. The agency has been conducting evaluations of safety countermeasures for over 20 years.	20%	0.1
<b>Total Section Score</b>				<b>100%</b>	<b>74%</b>

## PART Performance Measurements

**Program:** National Highway Traffic Safety Administration Grant Program  
**Agency:** Department of Transportation  
**Bureau:** National Highway Traffic Safety Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	71%	89%	74%	Effective

**Measure:** Fatalities per 100 million vehicle-miles of travel (VMT)

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
1999	1.6	1.6	
2000	1.5	1.5	
2001	1.5	1.5	
2002	1.4	1.5	
2005			
2006			

**Measure:** Injured persons per 100 million vehicle-miles of travel

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
1999	127	120	
2000	116	116	
2001	113	109	
2002	111	N/A	

## PART Performance Measurements

**Program:** National Highway Traffic Safety Administration Grant Program  
**Agency:** Department of Transportation  
**Bureau:** National Highway Traffic Safety Administration  
**Type(s):** Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	71%	89%	74%	Effective

**Measure:** Percentage of front occupants using seat belts

**Additional Information:**

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
1999	80%	67%	
2000	85%	71%	
2001	86%	73%	
2002	75%	75%	
2005			
2006			

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight 20%

**Explanation:** The Major Capital Investment Program (New Starts) is a competitive, discretionary grants program that allocates funds for public transit systems including light rail, commuter rail, subway and heavy rail, and rapid bus projects in an objective manner based on established criteria.

**Evidence:** The New Starts program is a requirement under Title 49, United States Code, Section 5309. Well established rating and ranking criteria is included in Major Capital Investment Projects; Final Rule published December 7, 2000. Section 5309(e) states: "the Secretary may approve a grant or loan for a capital project for a new fixed guideway system or extension of an existing fixed guideway system if the project is justified based on a review of its mobility improvements, environmental benefits, cost effectiveness, and operating efficiencies; and supported by an acceptable degree of local financial commitment."

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight 20%

**Explanation:** The New Starts Program provides funding to allow cities to construct transit projects. These projects are proposed to address transportation problems, improve access and mobility, promote economic development, alleviate congestion, improve air quality, and provide transportation alternatives. The 2002 Conditions and Performance Report estimates that an average of \$5.7 billion in 2000 dollars will be needed for transit asset expansion in order to maintain conditions and performance. These capital intensive projects require funding beyond the Federal formula resources. The discretionary nature of the New Starts program allows funding to be allocated only to the most meritorious projects and only when funds are necessary to construct them.

**Evidence:** There are 28 projects under construction and 60 in planning and project development. The demand for the Federal share of New Starts funds is increasing as cities nationwide determine that transit can address their mobility and congestion problems. Transit also helps address air quality issues and can be part of a State's plan to get back in attainment with EPA air standards. According to a study in St Louis, a Metro Link light rail train removes 125 cars from the roads representing and a commuter rail train removes 200 cars from the roadways.

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES

Question Weight 20%

**Explanation:** The NSP is a program that complements the efforts and responsibilities at the State and local level. NSP is the only federal program to provide guaranteed capital funds for new transit projects. The construction of new transit systems is a capital intensive investment that cannot be adequately supported by State and local funds only. If these federal funds were eliminated, States and local governments would be unlikely to be able to raise adequate resources to construct new construction project.

**Evidence:** States raise capital investment funds for transit through the issuance of bonds. Certificates of participation (COPs) are tax-exempt bonds issued by State entities that are generally secured with revenues that are expected to be earned from the equipment that the COP funds are used to purchase. Guaranteed funding levels and the Full Funding Grant Agreement (FFGA) mechanism in NSP have allowed public transportation agencies to borrow from the capital markets by issuing bonds. Under TEA-21 (1998-2003), the capital markets reflected clear willingness to underwrite bonds secured solely with an FFGA. Between 1999 and 2002, FFGAs have leveraged over \$1.5 billion in capital markets funding at very favorable ratings (A+ to A-). Without the federal involvement through NSP, it is unlikely that these investment grade rates could have been attained.

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight: 20%

**Explanation:** The New Starts program has evolved over three decades in the effort to reflect and improve. There is no strong evidence that a different approach would be more efficient or effective.

**Evidence:** The New Starts program has been building since the mid-1970's. The first Policy Statement was in 1976 that introduced a process-oriented approach. In each subsequent publication of policy changes (the latest being the Final Rule on New Starts in December 2000), requirements for project justification and adherence to and refinement of rating and ranking criteria have been incorporated. These criteria require more sophisticated planning techniques and measures of success of New Starts projects in the following areas: capital costs, operating costs, system utilization (including ridership levels, service levels, user characteristics, trip purpose, etc.) General Accounting Office (GAO) and Inspector General (OIG) reports and studies have supported the program design. The Final Rule, Major Capital Investment Projects was published December 7, 2000 includes a summary of the history from the early 1970's first policy statement through the 1980's Major Urban Mass Transportation Capital Investments to incorporation the direction of the authorizations of the transit assistance program in STURRA - 1987, ISTEA - 1992 and TEA-21 - 1999.

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

**Explanation:** The New Starts Program was designed to help cities and local jurisdictions design and construct transit projects. FTA relies on a multiple measure approach regarding the evaluation of projects before the federal funding commitment is ever considered. FTA provides the technical assistance and oversight of the New Starts Program; requiring New Starts grantees to engage in one of the most rigorous financial planning, project development, and engineering processes in government.

**Evidence:** The New Starts Program evaluation and rating process results in Congress supporting 91% of FTA's recommendations for proposed New Starts projects annually. The remaining funds are earmarked by Congress to address special interests. There is no evidence that there is another method that would provide a better outcome. However, FTA has identified 4 goals for refining the New Starts Program. The 4 goals are: Leverage the Federal dollar more effectively; sharpen the focus on project outcome; manage risk more explicitly; emphasize getting ahead of congestion.

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 12%

**Explanation:** FTA has three specific long term program measures: 1) Cost Containment of constructing New Starts projects. 2) Mobility Improvements, as measured by forecast user benefits (travel time savings) of New Starts projects under FFGAs. 3) Increasing Ridership, as measured by the demonstrated and sustained increase in corridor transit ridership after the implementation of New Starts projects. Because ridership data is gathered FTA-wide, FTA currently uses a linkage between a completed NSP project and ridership data in the region to assess the success of NSP in supporting the FTA-wide goal of increasing ridership.

**Evidence:** 1) FTA Executive Core Accountabilities; 2) Annual New Starts Report publishes the forecasted mobility benefits for each system 3) Before and After Study Requirement established in FTA's Final Rule on Major Capital Investments, published December 2000. The Before and After Studies will collect meaningful performance data, including ridership, service levels, etc. Further, program measures are aligned to FTA's overall long-term goals of increased ridership and mobility benefits, which are included in its Performance Plan.

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 12%

**Explanation:** FTA's long term targets are generally ambitious because they either exceed the Department of Transportation's targets or historical experience. For instance, both FTA's cost containment measure and target are more ambitious than DOT-wide long term target for cost containment. FTA's long-term target for its cost containment measure -- 100% of all NSP projects with Full Funding Grant Agreements that meet cost estimates within 5% of its original agreement. DOT's cost containment measure is percent of major federally-funded projects (\$1 billion or above) that meet cost estimates established in project agreements, or miss them by less than 10%. DOT's target is 95%. FTA's ridership goal in the DOT Strategic Plan and the FTA Executive Core Accountabilities is 2% increase in annual ridership for the largest 150 transit markets, normalized for changes in the economy, (notably employment levels). Since 1991, the ridership growth for the largest 150 transit markets has averaged 0.41%. While there is a cyclical nature of these trends, long term goal of maintaining a 2% increase in ridership is quite ambitious.

**Evidence:** DOT FY 2004 Performance Plan, National Transit Database, FTA's Executive Core Accountabilities for senior and SES managers.

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 12%

**Explanation:** FTA's annual performance measures and targets are inextricably linked to its long term goals for the NSP program. Further, these annual targets enable project and senior managers to assess whether long term goals can be met. 1) Cost containment: Progress reports on project adherence to cost estimates are provided quarterly to the Administrator and Executive Management Team 2) Mobility Improvements: Projected (normalized) increase in user benefits (travel time savings) among the FFGA projects will be analyzed in comparison to the FFGA projects in the previous year, 3) Demonstrated increase in corridor transit ridership after implementation of each New Starts project, based on the results of required Before and After Studies.

**Evidence:** Progress reports on the cost containment of New Starts FFGAs are submitted quarterly for review to the Administrator, Deputy and the Executive Management Team. Information on user benefits, and other measures of mobility are evaluated for each candidate project annually, and used in FTA's decision to award an FFGA. The results of the required Before and After Studies will improve the current ridership data by gathering actual ridership after project completion as compared to projected ridership during the planning stages of the project. Such information will enable FTA to better assess the direct impact of NSP projects.

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 20%

**Explanation:** FTA's annual targets for its measures are ambitious for the same reason its long-term goals are ambitious -- the targets either exceed DOT-wide targets for cost-containment or they exceed historical annual experience nationwide. (See explanation in Question 2.2 for specific reasons why these annual targets are ambitious). FTA is also working to develop better measures such as Cost effectiveness -- the incremental cost of the project divided by hours of travel-time savings (transportation system user benefits). Cost is defined as the estimated annualized capital cost (not including financing costs) plus annual operating and maintenance costs. Transportation system user benefit is defined as all annual travel-related benefits in terms of hours saved by all users of the transit system (both existing riders and new riders).

**Evidence:** FTA's Executive Core Accountabilities, DOT FY 2003 and FY 2004 Performance Plans.

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**      Answer: YES      Question Weight: 12%

**Explanation:** All partners commit to and work toward the long term goals of the program. Since the NSP is a competitive grant program, there is a minimum level of "buy-in" that must be ensured before there is a federal commitment of funds thru a Full Funding Grant Agreement (FFGA). 1) Cost Containment: The FFGA instrument establishes a ceiling for Federal participation in a New Starts project, meaning that any cost-overruns must be met with local resources. 2) Mobility Improvements: FTA rates most favorably those projects which demonstrate the largest mobility improvements, in terms of user benefits (travel time savings), per their annualized costs. 3) Increasing Ridership is the most basic measure of a project's success in meeting the transportation needs in a given corridor. Increasing ridership further results in larger farebox revenues to offset the cost of providing the service. Finally, in order for FTA to sign the full funding grant agreement, the grantee must also agree to pay for an independent study that compares ridership and transit user benefits before and after the project.

**Evidence:** The Annual Report on New Starts includes: New Starts Criteria Reporting Instructions. Project sponsors report and are projects are measured by their contribution to: 1) Mobility - Hours of Transportation System User Benefits Low-Income Households Served and Employment Near Stations; 2) Environment - Change in Pollutant Emissions Change in Energy Consumption; and 3) Cost-effectiveness - Incremental Cost per Hour of Transportation System User Benefit. Monthly project management oversight reports require FTA and its consultants to be in very close contact with these projects so that grantees long term goals are communicated.

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**      Answer: YES      Question Weight: 12%

**Explanation:** Both the General Accounting Office and the DOT Office of the Inspector General conduct reviews and assessments of the New Starts program. On an annual basis, GAO reports to Congress on the effectiveness of the ratings process as well as overall program implementation. As a result of these annual analyses, FTA has implemented improvements to the ratings process. In addition, the Inspector General has conducted periodic reviews of New Starts program management documentation. These reviews have applauded the strength of FTA's New Starts program oversight program, as noted in the Inspector General's testimony before the House Committee on Appropriations on March 13, 2003.

**Evidence:** By April 30 each year, the General Accounting Office is required, by statute, to review the New Starts processes and procedures for evaluating and rating projects and recommending projects; and the implementation of such processes and procedures. Also, at FTA's recommendation, the DOT Inspector General conducts spot reviews of the documentation developed by the New Start project management oversight contractors.

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight: 4%

**Explanation:** FTA's Congressional Budget Justification for FY 2004 was not aligned by performance. However, FTA's FY 2004 Budget submission to the Office of Management and Budget (OMB) reflected a demonstrated effort to link budget and performance and both OMB. However, DOT has submitted a FTA budget that is integrated with performance for FY 2005. FTA, in its FY 2004 proposal has also begun to streamline its account structure to better align with performance by making NSP its own account.

**Evidence:** FTA's FY 2004 Budget submission to OMB; FTA's FY 2005 Congressional Justification.

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 12%

**Explanation:** FTA continually strives to improve its evaluation of candidate New Starts projects so that we better understand project merits and fund only the most promising of fixed guideway investments. Working with the transit industry, which was generally dissatisfied with FTA's old cost effectiveness measure of "cost per new rider," FTA developed the more inclusive measure of "cost per hour of user (mobility) benefits" which captures travel time benefits to ALL transit riders, not just new riders. FTA's Final Rule on Major Capital Investment Projects (December 2000) reflects additional improvements to FTA's evaluation process, based on input from the transit community. FTA's New Starts and Construction Roundtable series and technical workshops provide additional opportunities to discuss evaluation procedures and technical methods for project planning. This has resulted in a number of important guidance documents aimed at improving the planning and development of major transit capital investment projects.

**Evidence:** Final Rule on Major Capital Investment Projects (December 2000). New Starts Criteria Reporting Instructions (June 2002); FY 2004 Annual Report on New Starts. Planning guidance documents. FTA also holds regular meetings with senior executives to address any deficiencies in the NSP projects. As a result of earlier strategic planning meetings, the FTA Core Accountabilities were established to increase the level of accountability for FTA's senior management. Two of the four Core Accountabilities, namely project planning and oversight and ridership, have direct applicability to the New Starts program.

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**      Answer: YES      Question Weight: 10%

**Explanation:** FTA regularly collects quality data that is used to assess program and program manager performance. FTA collects information on project merits (mobility, cost effectiveness, air quality (AQ) benefits, land use) and financial plans (New Starts criteria) in order to evaluate candidate projects and make resource allocation decisions. FTA also collects data from the National Transit Database to serve as baseline for FTA. Beginning February 2002, FTA will collect performance data and analysis from sponsors of all FFGA projects which compare travel conditions and costs before and after implementation of the project, as well as predicted vs actual impacts. FTA will then use this information to measure program performance and develop a research program for improving technical planning methods. During project development, FTA's Project Management Oversight (PMO) contractors perform site visits and submit monthly reports on grantees' progress. Financial Management Oversight (FMO) contractors also collect and analyze information on project and grantee finances.

**Evidence:** Annual New Starts project submissions, requests for project sponsors to enter to preliminary stages of planning or final design, and results of FTA evaluations, published in the Annual Report on New Starts; National Transit Database; Final Rule on Major Capital Investment Projects (December 2002); PMO guidance; PMO contractors perform site visits and submit monthly reports on grantees progress; New Starts Criteria Reporting Instructions; financial planning guidance; "Before and After Study" requirement from grantees and FTA guidance. FTA also plans to collect performance data and analysis from sponsors of all FFGA projects which compare travel conditions and costs before and after implementation of the project, as well as predicted vs actual impacts. FTA will then use this information to measure program performance and develop a research program for improving technical planning methods.

**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**      Answer: YES      Question Weight: 10%

**Explanation:** The program and FTA overall has set up an infrastructure that holds both Federal and non-federal partners accountable. Candidate grantees are held accountable for the development of good projects vis a vis FTA's evaluation process, which identifies and rates favorably only the best projects. Grantees are held accountable to costs and schedule according to the full funding grant agreement instrument. FTA manages an oversight program to ensure grantee accountability in implementing the project. FTA executive core accountabilities include cost estimation and oversight.

**Evidence:** FTA Circular 5200, Full Funding Grant Agreement Guidance; Monthly independent project management oversight reports, FTA's Executive Core Accountabilities.

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**      Answer: YES      Question Weight:10%

**Explanation:** New Starts funds are obligated in a timely manner due to the structure of our Full Funding Grant Agreements (FFGAs). The FFGA Attachment 6 includes yearly funding requirements to allow for orderly and timely completion of the project, and FTA requests the Attachment 6 amount in each year's budget request to Congress. Also, the funds appropriated are spent for their intended purpose because our network of Program Management Oversight (PMOs) and Financial Management Oversight (FMOs) contractors closely monitors grantees to ensure this.

**Evidence:** Based on FTA's analysis of the obligation rate of New Starts projects over the last 10-years, an average of 93% of New Starts funds are obligated within the first year following the appropriations year. Project management oversight contractors (PMOs) and financial management oversight contractors (FMOs) work with regional offices and headquarters staff through audits to ensure that grantees are spending the New Starts funds appropriated to them for their intended purpose. Reports are filed quarterly that contain this assessment. Monitoring of the Tren Urbano, Puerto Rico, project construction is an example where FTA withheld funding based on a questionable use of resources. In 2000, PMOs and FMOs noted serious problems with the reporting of actual expenditures on this project, and how actual expenditures compared to the intended use of resources. FTA promptly withheld funds and provided technical assistance to the grantee. The grantee has since filed acceptable financial plans, and the funds have been released.

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**      Answer: YES      Question Weight:10%

**Explanation:** FTA integrates cost effectiveness and efficiency throughout the execution of the New Starts program. First, cost effectiveness of candidate projects is a major evaluation factor; the better the cost effectiveness, generally the higher the rating. FTA also considers other project benefits (mobility, air quality, land use, etc.). FTA manages over \$45 million in oversight (FMO and PMO) program resources to ensure efficient program management and execution. FTA is currently awarding new PMO contracts with innovative performance based elements. FTA has implemented an advanced "Fast Track" database to help manage new starts program data. Second, because cost containment is a core executive accountability, there is an internal incentive to constantly improve.

**Evidence:** New Starts criteria reporting instructions; results of project evaluations (New Starts Report); PMO and FMO guidance and reports; performance-based contracts for project management oversight and financial management oversight; FTA's internal executive core accountabilities.

**3.5 Does the program collaborate and coordinate effectively with related programs?**      Answer: YES      Question Weight:10%

**Explanation:** New Starts program requires coordination with State and local entities as well as other federal programs due to the way the program is structured by law. FTA's evaluation process favorably considers State and local match of New Starts funds that exceed the minimum match as required by law, thus providing an incentive to project sponsors to leverage other Federal, local, and state funding. The average New Starts share of project costs (for projects with full funding grant agreements or proposed full funding grant agreements in FY 2004) is 48%. Project sponsors routinely include other federal and transit formula resources, which further requires collaboration.

**Evidence:** Annual Report on New Starts. The initial phases of New Starts projects are funded with other transit resources, usually the sec. 5307 Formula Grants funds. Based on current statistics, 16% of funding for New Starts projects is from Formula Grants.

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**3.6 Does the program use strong financial management practices?**

Answer: YES

Question Weight: 10%

**Explanation:** There are no material internal control weaknesses reported by auditors directly related to the New Starts program. In fact, both the General Accounting Office (GAO) and DOT Inspector General have been favorable in their assessment of FTA's project management and financial management oversight program. Further, FTA, which was on GAO's high risk list in the early 1990's, was removed on the list by early 2000. GAO attributed this primarily to the improvements FTA made in its grant oversight. OIG has called FTA's project and financial management of its grants "a sound approach".

**Evidence:** GAO report GAO-01-253 "Major Management Challenges and Program Risks", DOT Inspector General testimony (March 13, 2003)

**3.7 Has the program taken meaningful steps to address its management deficiencies?**

Answer: YES

Question Weight: 10%

**Explanation:** FTA is continually updating guidance on the reporting and evaluation of New Starts criteria, including the introduction of improved measures for cost effectiveness and mobility. The GAO has reviewed FTA's New Starts evaluation process every year during TEA-21, and consistently finds it to be an objective and meaningful process. The Inspector General has reviewed FTA's oversight program and has found it much improved. FTA also issues guidance and methods to develop better projects. Finally, FTA is getting more, and more experienced staff to provide technical assistance to project sponsors and to evaluate proposed projects.

**Evidence:** Various guidances, as previously described GAO Reports RCED-99-113; RCED-00-149; GAO -01-987; GAO-02-603, GAO-01-253;

**3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?**

Answer: YES

Question Weight: 10%

**Explanation:** All projects are evaluated for merit based on a rigorous evaluation process, and only recommended projects are proposed for funding. As noted, this process is high profile and is reviewed by GAO on an annual basis.

**Evidence:** FTA New Starts criteria reporting instructions; Annual New Starts Report.

**3.CO2 Does the program have oversight practices that provide sufficient knowledge of grantee activities?**

Answer: YES

Question Weight: 10%

**Explanation:** FTA has a project management oversight program to monitor the project development of ALL candidate New Starts sponsors. These PMO contractors perform site visits and submit monthly reports on progress. Both the PMO and Financial management contractors perform detailed reviews at critical milestones. At even earlier stages of development, FTA staff reviews plans and products of the planning process to ensure adherence to good planning practice, and FTA employs specialized contractors to review technical work such as travel forecasts.

**Evidence:** PMO and FMO guidance; PMO quarterly and monthly reports; FMO financial capacity reviews.

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**3.CO3 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight: 10%

**Explanation:** All FTA evaluations of candidate projects are published annually. FTA collects, compiles and disseminate the performance information in the Annual New Starts Report. FTA now requires each FFGA sponsor to conduct a Before and After Study to measure the impacts of New Starts investment on ridership, service level, and other information. This information will be collected and disseminated once each system has been built. Additional system-wide performance information is collected (e.g., the National Transit Database) on an annual basis and made available publicly and used by industry and universities for national transit analysis. New Starts project progress reports are provided to the House and Senate Appropriations Committees, the OIG, and GAO on a quarterly basis.

**Evidence:** The Annual Report on New Starts collects performance information annually as required by the New Starts Criteria Reporting Instructions. Project sponsors report and are projects are measured by their contribution to: 1) Mobility - Hours of Transportation System User Benefits Low-Income Households Served and Employment Near Stations; 2) Environment - Change in Pollutant Emissions Change in Energy Consumption; and 3) Cost-effectiveness - Incremental Cost per Hour of Transportation System User Benefit.

**4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: SMALL EXTENT Question Weight: 25%

**Explanation:** FTA has made significant improvements in the last two years in developing ambitious long term goals and the infrastructure to collect and to ensure that the data is meaningful and reliable. Although these improvements are relatively new and still under development, FTA has provided evidence to show that they are well underway to succeed. Specifically, 1) Cost Containment - since fall of 2002, FTA's executive core accountability has included annual cost containment target of 100% of all New Starts projects with a full funding grant agreement within 5% of total cost as delineated in the contract agreement. Since the development of this target, FTA has met the goal. Before 2002, FTA used the DOT-wide target of a more refined definition of ridership that controls for economic variables. However, FTA has provided historical data (1993-2001) on regional ridership trends of urban areas where a New Starts project was opened during that timeframe. Data shows increases in ridership (as defined by passenger miles traveled) increased an average of 10.3% a year after the project or segment was completed. The increased ridership trends continue years after the completion of the New Starts project for all ten of the urban areas. To validate the true impact of NSP on ridership, FTA now (beginning in 2001) requires each FFGA sponsor to conduct a Before and After Study to measure the impacts of the New Starts investment on, among other things, ridership.

**Evidence:** FTA's core accountabilities raises management focus on cost controls. The Executive Management Team's performance depends on bringing New Starts projects in on time and on budget. This approach: 1) creates a more disciplined approach to project costing from inception through construction, 2) improves the New Starts overall ratings, 3) emphasizes risk assessment practices, 4) incorporates innovative procurement practices, and 5) supports best practices and peer review. For mobility improvements, see New Starts final rule and annual report on New Starts for information about the new user benefits measure. The final rule also establishes the Before and After data collection and Study requirement; see also draft Before and After Study guidance. Internal FTA reports and National Transit Database.

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight 25%

**Explanation:** The New Starts program is integral in accomplishing FTA's performance goals. New Starts projects contribute to FTA reaching its performance goal of increasing transit ridership to improve urban and rural mobility by keeping the average yearly increase in ridership at least 2%, averaged across all transit markets, and adjusted for employment levels. For example, as noted in Question 4.1, regional ridership has increased an average of 10.3 % a year after a New Starts project has been completed in that locality. The increase ridership tapers off in the future years, but does not fall below the levels before the project was completed.

**Evidence:** FTA's core accountabilities raises management focus on cost controls. The Executive Management Team's performance depends on bringing New Starts projects in on time and on budget. This approach: 1) creates a more disciplined approach to project costing from inception through construction, 2) improves the New Starts overall ratings, 3) emphasizes risk assessment practices, 4) incorporates innovative procurement practices, and 5) supports best practices and peer review. Internal FTA reports and National Transit Database.

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight 25%

**Explanation:** FTA's long term efficiency measure of cost containment is relatively new. FTA's record on successfully completing FFGA's within 10% of budget (DOT-wide goal) has been good over the past five years. 85% of New Starts projects have been completed within 10% of the budget.

**Evidence:** FTA Executive Core Accountability, DOT Performance Plan, FTA Quarterly Performance reports. Project Management Oversight Monthly reports.

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NA Question Weight: 0%

**Explanation:** The New Starts Program is unique because it provides major capital investment in transit projects; thus, it addresses a broad set of transit needs from a national perspective. New Start projects are located in every geographic area of the country and in cities of all sizes. These projects include commuter rail, light rail, heavy rail, and bus rapid transit.

**Evidence:**

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight 25%

**Explanation:** The General Accounting Office reviews the New Starts program on an annual basis. The DOT OIG reviews the program periodically. Since 2000, the OIG has released an average of six reports annually. These reports are typically related to specific New Starts projects and/or project management. Further these reports have praised FTA's use of Program Management Oversight Consultants and Financial Management Oversight Consultants, calling this approach "essentially a sound approach that can provide early warnings of cost, schedule, and quality problems."

**Evidence:** <http://www.oig.dot.gov>; <http://www.gao.gov> OIG report RT-2000-063 "Transportation Investment Projects Management and Oversight" states that "FFGAs have effectively limited the Federal government's financial risks and promoted accountability." While recent GAO reports have been critical of the New Starts program, they have also recognized that FTA has addressed these issues, such as proposing to include bus rapid transit as an eligible project within New Starts.

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**Measure:** Percent of projects under Full Funding Grant Agreements that have current total cost estimates that do not exceed baseline cost by more than 5%. 25 projects are being tracked on a monthly basis. Historic data from 1997-2002 shows that of the 13 projects completed, two were over budget.

**Additional Information:** This measure is focused on cost containment to ensure that projects are completed on time and on budget. For illustrative purposes, we have included a target for 2002, and prior years, that previously did not exist.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual (Efficiency Measure)
1997-2002	85%	85%	
2002	85%	85%	
2003	100%	100%	
2004	100%		
2005			
2006			

**Measure:** Ridership: The percent change in transit passenger-miles traveled per transit market, adjusted for employment levels. (new measure of ridership established in FY 2003).

**Additional Information:** This measure is geared towards increasing transit ridership in every community, while recognizing the impact of economic conditions on ridership. In FY 2001 total passenger miles traveled was used. In FY 2002 the measure of "cumulative" average change in transit passenger miles traveled per transit market was used. However the data to support it did not exist. In 2001 we exceeded our annual target. If total passenger miles traveled was used for FY 2002 the target was 47.5 billion whereas the actual was 47.1 billion (unadjusted for impacts based on the economy). New Starts projects appear to have a significant impact on transit ridership, contributing to FTA's long-term goal of increased ridership. An analysis of the New Starts projects opening between 1994 and 2000 showed that, on average, ridership growth for UZAs in the year that they had a New Starts open was 10.3 percent.\*

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	44.8	46.3	
2002	3.5%		
2003	2.0%		
2004	2.0%		

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

2005

2006

**Measure:** Transportation System User Benefits (Travel Time Savings): Maintain increase normalized forecast user benefits attributable to all transit riders (and in the future, all transit and highway users) caused by the New Start investment, as measured by a comparison of executed FFGAs in one 6-year period and a previous 6-year period.

**Additional Information:** Because user benefits is a new measure implemented in FY 2003, the first period's baseline is only now being developed. The first opportunity to perform this measurement will be FY 2015.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2010-2015	increase		
2016-2022	increase		
2023-2028	increase		
2029-2034	increase		

**Measure:** Ridership: To maintain continual increase of 2 percent in transit passenger-miles traveled per transit market, adjusted for employment levels (This new measure of ridership was established in FY 2003. In 2002, the measure was not adjusted for employment levels and in 2001 the measure was passenger miles traveled (in billions) ). In 2001, the measure was "total passenger miles traveled".

**Additional Information:** This measure is geared towards increasing transit ridership in every community, while recognizing the impact of economic conditions on ridership. For illustrative purposes, we have included a target for 2002, and prior years, that did not exist until it was established in 2003.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	44.8	46.3	
2002	3.5%	2.9%	
2003	2.0%		
2004	2.0%		

## PART Performance Measurements

**Program:** New Starts  
**Agency:** Department of Transportation  
**Bureau:** Federal Transit Administration  
**Type(s):** Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
100%	95%	100%	67%	Effective

**Measure:** Ensure that all New Starts projects are completed within 5 percent of its total estimated capital cost as outlined in the full funding grant agreement. Therefore, the target for each given year reflects the New Starts projects that are completed for that year.

**Additional Information:** New Starts projects are multiyear projects that take anywhere from 5 to 10 years to complete. The purpose of the annual targets serves both ensure that FTA is on track to achieving this long-term target and also for executives to be held accountable for corrective action.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term (Efficiency Measure)
1997-2002	85%	85%	
2003	100%		
2004	100%		
2005	100%		
2006			

## PART Performance Measurements

**Program:** Operations and Programs  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight 20%

**Explanation:** The Federal Motor Carrier Safety Administration (FMCSA) is charged with reducing the number and severity of crashes involving large trucks as stated in its authorizing legislation, and has safety as its highest priority. The Motor Carrier Safety Improvement Act of 1999 (MCSIA) authorized and established FMCSA to reduce commercial motor vehicle (CMV) involved crashes, fatalities, and injuries. The Agency's mission closely aligns with the Department of Transportation (DOT) Highway Safety performance goal and the Department's Safety strategic objective.

**Evidence:** The Motor Carrier Safety Improvement Act of 1999 (MCSIA) authorized and established FMCSA to reduce commercial motor vehicle (CMV) crashes, fatalities, and injuries. The Agency's mission closely aligns with the Department of Transportation (DOT) Highway Safety performance goal and the Department's Safety strategic objectives as explained and reported on in: DOT Strategic Plan 2003-2008 (Pg 6,), found at [http://www.dot.gov/stratplan2008/strategic\\_plan.htm](http://www.dot.gov/stratplan2008/strategic_plan.htm) - \_Toc52257027, the DOT Performance and Accountability Report (PAR), found at <http://www.dot.gov/perfacc2003/safety.htm> and pages 1 to 4 of FMCSA's FY 2005 Integrated Performance Budget, submitted February, 2004. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight 20%

**Explanation:** Approximately 5,000 people die and more than 100,000 are injured on our nation's highways each year in crashes involving large trucks. In MCSIA, Congress stated that the current rate, number and severity of crashes involving large trucks were unacceptable. Additionally, the DOT Office of Inspector General (OIG) stated in 1999 that the motor carrier program (then the Office of Motor Carriers, FHWA) would be unlikely to be able to reverse the then-upward trend in large truck fatalities, and identified aspects of Large Truck Safety as management challenges. DOT OIG recommendations (TR-1999-01) are specifically addressed in sections 206, 208, 217, and 222 of MCSIA.

**Evidence:** In MCSIA, Congress stated that the current rate, number and severity of crashes involving large trucks were unacceptable. Additionally, FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004 (Pgs. 1-4) outlines the FMCSA's focus and objectives. Additionally, the DOT IG identified aspects of Large Truck Safety as management challenges (DOT IG TR-1999-091) and GAO/T-RCED-99-89 stated that FMCSA's activities to reduce fatalities are likely to have little short-term impact. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

## PART Performance Measurements

**Program:** Operations and Programs  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**      Answer: YES      Question Weight 20%

**Explanation:** FMCSA's authorization includes safety regulation of interstate (and foreign/border) commercial motor vehicle transportation. FMCSA is the only federal agency that addresses the causes of commercial motor vehicle crashes and resulting injuries and fatalities. FMCSA's central strategy for reducing fatalities, injuries and crashes involving large trucks is to ensure that commercial carriers, vehicles and drivers meet the highest possible safety standards. In executing this strategy, FMCSA regulates and carries out safety enforcement operations and partners with states by enlisting the efforts of State agencies. State involvement cascades enforcement to intrastate commerce. FHWA and NHTSA share aspects of highway safety with FMCSA, but are not duplicative. FHWA addresses highway safety through roadway design and operations; and, NHTSA's programs focus on educational traffic safety efforts directed to private passenger vehicles and on vehicle manufacturing standards (including large truck). FMCSA and NHTSA coordinate on large truck safety to avoid potential overlap and build upon agency synergy. MCSAP grants provide for direct state motor carrier enforcement activities; furthermore, regulation (see 49 CFR Part 350.301) ensures these federal funds do not supplant State funds for commercial vehicle safety efforts.

**Evidence:** FMCSA's authorization, as defined in MCSIA, includes safety regulation of interstate (and foreign/border) commercial motor vehicle transportation. FMCSA regulates and carries out safety enforcement operations and partners with states by enlisting the efforts of State agencies in maintaining a delicate balance between federal and state regulatory authority as addressed in GAO-02-495, found at <http://www.gao.gov/new.items/d02495.pdf> (Pgs. 1-4). State involvement within the limits of CFR Part 350.301 cascades enforcement to intrastate commerce. FHWA and NHTSA share aspects of highway safety with FMCSA, but are not duplicative as outlined in FMCSA's Integrated Performance Budget, submitted February 2004 (Pgs. 1-4). (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**      Answer: YES      Question Weight 20%

**Explanation:** While the FMCSA did not reach their annual/long term goal in FY2003 to decrease the large truck fatality rate from 2.32 to 2.19, the design of Motor Carrier Operations and Programs is free of major flaws. FMCSA restructured its budget accounts as part of the FY 2004 budget development process (consistent with surface transportation reauthorization and OST/OMB guidance) to better consolidate safety operational programs. FMCSA has harmonized its commercial motor vehicle (CMV) safety goal in a consolidated (DOT) highway safety performance goal with NHTSA and FHWA. Program initiatives aimed at improving the focus and effectiveness of FMCSA's programs are being considered in the context of surface transportation reauthorization.

**Evidence:** •  
 FMCSA restructured its budget accounts as part of the FY 2004 budget development process (consistent with surface transportation reauthorization and OST/OMB guidance) to better consolidate safety operational programs as reflected in FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004 (Pgs. 1-4) and in the DOT Performance and Accountability Report and in the SAFETEA Surface Transportation Reauthorization found at <http://www.dot.gov/perfacc2003/safety.htm> and <http://www.fhwa.dot.gov/reauthorization/> (Pgs. 9-10). (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

## PART Performance Measurements

**Program:** Operations and Programs  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**1.5**      **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**      Answer: YES      Question Weight: 20%

**Explanation:** : FMCSA coordinates a number of complementary and supporting strategies to reduce fatalities in crashes involving large trucks. Federal programs complement and support state-conducted motor carrier safety activities to ensure compliance with Federal Motor Carrier Safety Regulations (FMCSRs). Motor carrier operations and programs coalesce into an integrated safety strategy of partnership, outreach, information and research, education, rulemaking, compliance, and enforcement. FMCSA's balanced program of enforcement and compliance programs, together with State grants, has been a key contributor in significantly reversing the trend in CMV fatalities. Without this full compliment of strategies, it could be expected that fatalities would increase along with the increases in traffic and exposure. The program's impact is evidenced in the difference between potentially increasing fatalities and the actual reductions realized, the delta representing lives saved. At the operational level, program managers actively use the Safety Status Measurement System (SafeStat) to prioritize the deployment of enforcement and compliance resources to carriers posing the greatest safety risk.

**Evidence:** FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004 (Pgs. 1-4, 10-14) demonstrates how the Agency critically targets its resources to attain its stated performance goal. In addition, the Agency prioritizes its activities through SafeStat, found at [http://ai.volpe.dot.gov/SafeStat/SafeStatMain.asp\(Select: Summary Report\)](http://ai.volpe.dot.gov/SafeStat/SafeStatMain.asp(Select: Summary Report)). (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**2.1**      **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**      Answer: YES      Question Weight: 11%

**Explanation:** The program's long-term goal is to reduce the rate of fatalities in crashes involving large trucks. This long-term goal has been translated into specific annual performance targets and is directly tied to DOT's Safety strategic objective and Highway Safety performance goal. The program's ambitious long-term goal is to reduce the rate of large truck fatalities to 1.65 fatalities per 100 million Truck Vehicle Miles Traveled (TVMT) by 2008 and is commensurate with other DOT highway safety aims. Related to this overarching goal, the agency also tracks as indicators the number of fatalities and persons injured in crashes involving large trucks, and the rate of persons injured in crashes involving large trucks.

**Evidence:** FMCSA's long-term goal has been translated into specific annual performance targets as outlined in FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004 (Pgs. 10-15; 43-45; 64-65) and is directly linked to the DOT Strategic Plan 2003-2008, found at [http://www.dot.gov/stratplan2008/strategic\\_plan.htm#Toc52257027](http://www.dot.gov/stratplan2008/strategic_plan.htm#Toc52257027) and the DOT Performance and Accountability Report (PAR), found at <http://www.dot.gov/perfacc2003/safety.htm>

## PART Performance Measurements

**Program:** Operations and Programs  
**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight:11%

**Explanation:** FMCSA's long-term safety objective is to reduce the rate of truck-related fatalities to 1.65 per TVMT by the year 2008. This is a highly ambitious goal, equating to a 41% reduction in rate of fatalities from those experienced in 1996. FMCSA sets annual performance targets for achieving this reduction and is on track towards achieving the 1.65 long-term goal, because we have reduced the number and rate of truck-related fatalities every year for the past five years. The agency tracks and reports its progress in the annual DOT PAR and FMSCA integrated performance budget. Annual targets for reduction of the CMV fatality rate are referenced in question 4.1.

**Evidence:** FMCSA's outcome measures are included in the Agency's FY 2005 Integrated Performance Budget, submitted February 2004 (Pgs. 10-15; 43-45; 64-65) and results are reported in the DOT Performance and Accountability Report, found at <http://www.dot.gov/perfacc2003/index.html>. (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight:11%

**Explanation:** FMCSA's integrated performance budget documents agency outcome and efficiency measures for Federal programs. The agency measures and tracks key operational outputs and targets, utilizing a number of leading indicators and strategic measures to determine the program's progress in meeting its long-term goals. Progress on key outputs is tracked quarterly.

**Evidence:** FMCSA's outcome measures can be found in: FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004: (Pgs. 10-15; 43-45; 64-65, 74-76), 'Measuring the FMCSA's Safety Objectives from Year 2000 to 2002' found at [http://ai.volpe.dot.gov/CarrierResearchResults/HTML/SafetyMeasures/saf\\_meas0002.htm](http://ai.volpe.dot.gov/CarrierResearchResults/HTML/SafetyMeasures/saf_meas0002.htm) (Pgs. ii-ix), the Motor Carrier Safety Progress Report and Administrator's FY 2003 Accomplishments Report, found at [http://knowzone.fmcsa.dot.gov/news/freshinfo/MC-A\\_Accomplish\\_2003.htm](http://knowzone.fmcsa.dot.gov/news/freshinfo/MC-A_Accomplish_2003.htm) and quarterly progress reports are available at <http://www.fmcsa.dot.gov/factsfigs/mcspr/MCSPR-03-31-04.html>. (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:11%

**Explanation:** FMCSA has both baseline data and targets for its annual outcome and output measures. Annual baselines and targets for output measures are documented in the Agency's annual budget submission, as is the Agency's annual outcome target. The performance outcome target and results are reflected in questions 4.1 and 4.2.

**Evidence:** Baseline data and targets for the Agency's outcome and output measures can be found in FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004, (Pgs. 10-15; 43-45; 64-65), and in DOT Performance and Accountability Report located at <http://www.dot.gov/perfacc2003/safety.htm>. (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

## PART Performance Measurements

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**Agency:** Department of Transportation  
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**Type(s):** Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**      Answer: YES      Question Weight: 11%

**Explanation:** FMCSA partners at both the national and State level. At the national level, FMCSA, FHWA, and NHTSA work collaboratively and extensively with key safety partners. During 2003, the three operating administrations: 1) collaborated in the development of the safety elements of the proposed SAFETEA; 2) issued a special communiqué to new chief executive officers in 22 States, urging the use of strategic highway safety planning and providing State-specific highway safety data; and 3) coordinated and sponsored the 'National Highway Safety Leadership Forum' in June 2003. As a result of these and other collaborative efforts, the American Association of State Highway and Transportation Officials (AASHTO), and the Governor's Highway Safety Association (GHSA) adopted the DOT Highway Safety goal as their own in 2003, thus joining FMCSA, FHWA, and NHTSA in working toward achievement of this important Departmental goal. In addition, the goals of the Commercial Vehicle Safety Alliance (CVSA) to reduce fatalities and injuries align to the long term goals of FMCSA. At the program delivery level, States address five safety performance elements in their Commercial Vehicle Safety Plans (CVSPs), mandatory as part of their grant applications. In addition, in order to qualify for incentive funding, States agree to specific safety performance objectives that link to agency goals. FMCSA conducts reviews for compliance with program requirements and tracks the performance of each State with regard to its progress in achieving the outcome goal of reducing truck-related fatalities and crashes. In 2003, for the first time FMCSA Division Administrators (located in each State) developed and submitted annual division safety plans that include partnering with NHTSA, FHWA, and the applicable State on cross-modal safety initiatives at the State level. These annual plans strengthen the linkage between State CVSPs, FMCSA plans and national goals, and focus on achievement of specific truck safety initiatives unique to each State. The initiatives planned meld national goals with specific State truck safety issues. Plan priorities include concerted safety partnering efforts with FHWA field division and NHTSA regional partners.

**Evidence:** DOT's Strategic Plan 2003-2008 located at [http://www.dot.gov/stratplan2008/strategic\\_plan.htm](http://www.dot.gov/stratplan2008/strategic_plan.htm) - \_Toc52257027 and DOT's Performance and Accountability Report located at <http://www.dot.gov/perfacc2003/safety.htm>, together with a Secretarial Initiative to Reduce Highway Fatalities, AASHTO Policy Resolution PR 17-03, GHSA Press Release, located at [http://www.naghsr.org/html/media/press\\_releases/041304.html](http://www.naghsr.org/html/media/press_releases/041304.html), aMCSAP Planning memorandum, dated April 2004, State CVSPs and Division Safety Plans attest that all of the Agency's partners commit to and work toward the programs annual and long term goals. (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

## PART Performance Measurements

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**Agency:** Department of Transportation  
**Bureau:** Federal Motor Carrier Safety Administration  
**Type(s):** Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight:11%

**Explanation:** FMCSA's Strategic Planning and Program Evaluation Division conducts scheduled evaluations of key agency programs to determine safety impact. Additionally, the Volpe National Transportation Systems Center annually evaluates and issues reports on the effectiveness of safety mitigation strategies (FMCSA Safety Program Performance Measures - Compliance Review Impact Assessment Model, May 2003; FMCSA Safety Performance Program Performance Measures - Intervention Model: Roadside Inspection and Traffic Enforcement Effectiveness Assessment, September 2002). FMCSA programs are also the subjects of ad hoc evaluations. FMCSA is seeking to expand evaluative capabilities in FY 06 to include post-issuance regulatory evaluations and formal quality assurance reviews of key agency business processes.

**Evidence:** FMCSA's conducts Program Evaluations on a regular basis as listed in DOT's Strategic Plan 2003-2008 (Section 12; Program Evaluation), located [http://www.dot.gov/stratplan2008/strategic\\_plan.htm](http://www.dot.gov/stratplan2008/strategic_plan.htm). Additionally, the Agency just recently completed a CVISN Program Review in 2003 and contracts with Volpe Center in evaluating the Agency's Compliance Review and Roadside Inspection programs, located at <http://ai.volpe.dot.gov/ProgramMeasures/PM/PerfMeas.asp>. (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight:11%

**Explanation:** DOT/OST rates FMCSA 'Green' for Budget Performance and Integration plans and status; and FMCSA's integrated performance budget was highlighted in the Department's FY 2005 Budget in Brief. The FMCSA has developed a set of logic models, included in its annual integrated performance budget that details the alignment between funding for all programs and performance on agency strategic goals, including full program support costs. In the logic models contained in the agency's annual integrated performance budget, funding aligns with each of the agency's safety program objectives: enforcement, outreach, driver identification, technology deployment, and safety information capabilities. These then link to the performance goal "Save lives and reduce injuries by preventing truck and bus crashes," which links, in turn, to the DOT Highway Safety performance goal and ultimately to the Safety strategic goal. The impacts of funding, policy and legislative changes are reflected in the budget submission.

**Evidence:** FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004, (Pgs. 9, 45, 57, 65 and 75), DOT Budget in Brief: Policy, Performance and Program Outlook, April 9, 2002 and DOT's PMA Scorecard and PMA Success Stories located at [http://www.whitehouse.gov/omb/budintegration/scorecards/agency\\_scorecards.html](http://www.whitehouse.gov/omb/budintegration/scorecards/agency_scorecards.html) clearly distinguishes the Agency's linking of annual and long term goals to accomplishments in a clear and transparent manner. (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

## PART Performance Measurements

**Program:** Operations and Programs  
**Agency:** Department of Transportation  
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Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**2.8**      **Has the program taken meaningful steps to correct its strategic planning deficiencies?**      Answer: YES      Question Weight:11%

**Explanation:** The agency has integrated its performance planning and reporting with its budget process and has a strong strategic planning process. Effectiveness assessments of compliance and enforcement activities are conducted annually to inform the strategic planning process and to facilitate resource allocation for performance based budgeting. The agency tasks and receives from each FMCSA Division Administrator specific, performance-based annual plans for his/her Division. In 2003, FMCSA developed and delivered data and evaluation training for field Divisions to enhance goal setting, programming and evaluation. In 2004, this training will be extended to State personnel. FMCSA has also harmonized its CMV safety goal in a consolidated DOT highway safety performance goal with NHTSA and FHWA. Program initiatives aimed at improving the focus and effectiveness of FMCSA's programs are being considered in the context of surface transportation reauthorization.

**Evidence:** FMCSA's FY 2005 Performance Plan is included in the Agency's 2005 Integrated Performance Budget, submitted February 2004: (Pgs. 20, 21 and 25 for example). Program Evaluations are planned well in advance to inform the budgeting process as scheduled in DOT's Strategic Plan 2003-2008, (Section 12: Program Evaluation), located at [http://www.dot.gov/stratplan2008/strategic\\_plan.htm](http://www.dot.gov/stratplan2008/strategic_plan.htm). To further enhance and advance the Agency's efforts, Division Safety Plans, as in the case of North Carolina, are required to be submitted yearly with specific performance based goals aligned with the new safety provision of SEC 1402 of the TEA-21 Reauthorization. (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**2.RG1**      **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?**      Answer: YES      Question Weight:11%

**Explanation:** The majority of regulations issued by the agency are legislatively mandated; and when issued in the Federal Register, address how the regulation contributes to the agency's stated objective of reducing fatalities and injuries that result from the severity of crashes involving large trucks.

**Evidence:** FMCSA's proposed regulations as specified in MCSIA, include a specific explanation of how the proposed rule contributes to safety, are published in the Federal Register and in the publicly accessible DOT Docket at [http://dms.dot.gov/help/about\\_dms.asp](http://dms.dot.gov/help/about_dms.asp). (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

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1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**      Answer: YES      Question Weight: 9%

**Explanation:** The Motor Carrier Management Information System (MCMIS) provides a central repository of information on commercial vehicle safety data, as well as a national inventory of motor carriers and shippers. MCMIS is built to increase system reliability and customer satisfaction, improve data quality, reduce repetitive manual data entry, and provide a data warehouse of information needed by FMCSA employees and other safety professionals who strive to meet CMV safety goals. Algorithms such as the Safety Status Measurement System and the Inspection Selection System use MCMIS safety data to assess a motor carrier and to target carriers, vehicles, and/or drivers at the most risk of unsafe practices and to prioritize the deployment of enforcement resources. MCMIS data are used by: 1) FMCSA and State agencies for targeting safety enforcement and for developing safety programs; and, 2) FMCSA, States, and other safety organizations to evaluate safety trends, promote safety programs, and evaluate the effectiveness of existing and proposed safety guidelines, enforcement standards, and rules. FMCSA also draws on NHTSA's FARS data and FHWA's HPMS data on vehicle miles traveled in order to track the program's annual and long-term performance goals. The accuracy, timeliness and completeness of data entered by States continue to be a challenge. The agency has a broad spectrum of strategies to improve data quality including, incentive grants, Federal and State training, data systems improvements and targeted State initiatives.

**Evidence:** FMCSA regularly collects a broad array of timely and credible data, including data and Program Measures from key program partners. Management Information System (MCMIS) is the agency's decision-making backbone. MCMIS data are used by: 1) FMCSA and State agencies for targeting safety enforcement and for developing safety programs; and, 2) FMCSA, States, and other safety organizations to evaluate safety trends, promote safety programs, and evaluate the effectiveness of existing and proposed safety guidelines, enforcement standards, and rules. This information is available on the web located at <http://www.fmcsa.dot.gov/related.htm> <http://Program Measures,Introduction,About Program Measures,About Program Measures and SAFER Web>.

**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**      Answer: YES      Question Weight: 9%

**Explanation:** The FMCSA Administrator enters into an annual performance agreement with the Secretary in support of Departmental strategic and performance goals. Progress is reported annually in the Administrator's Accomplishment Report. Key performance aspects are then subsequently cascaded through a network of performance agreements to FMCSA SES members and their subordinate managerial and program staff. Performance is tracked and updated quarterly. The performance of program partners i.e., grantee States, is also tracked. The grant programs have been strategically designed to incorporate incentive grants for those grantees that demonstrate improvement in identified safety and program performance factors. When outside contractors are engaged for work supporting the program, the contracts include explicit performance requirements.

**Evidence:** FMCSA's managers together with program partners and contractors are held accountable for their performance through as evidenced by: the Administrator's FY 2003 Accomplishment Report, located at <http://knowzone.fmcsa.dot.gov/pma.asp?PMAItem=Budget,FMCSA SES and managerial performance agreements,GAO-02-495>: <http://www.gao.gov/new.items/d02495.pdf> A&I Online Program Measures,Introduction,About Program Measures,About Program Measures, Division Safety Plans (North Carolina), CVSPs (Previously provided) and Contract: DTFHY61-00-00069. (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

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Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**      Answer: YES      Question Weight: 9%

**Explanation:** Program managers and field units must provide quarterly budget plans. Procurements are checked for alignment with legislative mandates and receive budget element approval (Block 2) and are reconciled to maintain anti-deficiency status with monthly reports (SF-133) to provide information for resource reallocation. These SF-133s are submitted weekly during the fourth quarter to provide needed timely information. With respect to grant programs, funds are obligated by FMCSA State Division Administrators upon receipt of the allocation memo and an acceptable CVSP. Grant program managers monitor the obligation activity for timeliness on a regular basis, and State Division Administrators review all reimbursement vouchers to ensure that claimed expenses are in conformance with the approved CVSP. Any questionable expenditures are immediately resolved with State partners.

**Evidence:** Both Federal and partners funds are obligated and tracked in a timely manner as evidenced by, Quarterly Budget Plans, Procurement Request Policy Memo dated April 5, 2004 and CVSP reimbursement and compliance documentation. (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or tom.lawler@fmcsa.dot.gov.)

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**      Answer: YES      Question Weight: 9%

**Explanation:** Because of the importance of timely, quality safety data to the Agency, FMCSA has developed an efficiency measure for the timeliness of the data upload. In addition, FMCSA has high-level efficiency annual index which serves as the focus for organizational excellence. A competitive sourcing coordinator has been appointed; and, two functions are currently being evaluated for competitive sourcing. Plans are underway to implement Managerial Cost Accounting for a large share of agency resources. In addition, the agency looks to increasingly capitalize on information technology (e-Gov) initiatives to streamline internal processes and to increase public accessibility to programs and information. Our e-Gov initiatives include advances in processing operating authority, greater accessibility to safety data, and biennial carrier census. FMCSA is a leader within DOT for Do-It-Yourself initiatives.

**Evidence:** FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004 (Pgs. 82-83, TBD) establishes two efficiency measures to gauge and measure the effectiveness of the Agency's operations. To improve efficiency of agency operations, FMCSA aims to work with States to improve timeliness of crash and inspection data, reducing the number of days to upload State data to MCMIS. Additionally, a high-level efficiency measure, lives saved, serves as the Agency's focus for organizational excellence. FMCSA's Competitive Sourcing policy and strategies are located at <http://knowzone.fmcsa.dot.gov/pma.asp?PMAItem=Competitive>. These initiatives have significantly contributed to the Agency's recent achievements as outlined in PMA Benefits and Success Stories. (To obtain copies of FMSCA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or tom.lawler@fmcsa.dot.gov.)

## PART Performance Measurements

**Program:** Operations and Programs  
**Agency:** Department of Transportation  
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Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 9%

**Explanation:** FMCSA collaborates with the highway and transportation safety programs of DOT, FHWA, NHTSA, RSPA, and State partners. In addition, FMCSA coordinates its border safety inspection operations with the activities of DHS and border agencies, border State enforcement authorities, and Canadian and Mexican counterparts.

**Evidence:** The Agency's recent collaborations include, initiatives outlined in an Information Memorandum to the Deputy Secretary, dated March 31, 2003 and at AASHTO Subcommittee on Highway Transport ANNUAL MEETING JUNE 9-10, 2003 Holiday Inn, Riverwalk San Antonio, Texas. Additionally, DOT's Strategic Plan 2003-2008 located at [http://www.dot.gov/stratplan2008/strategic\\_plan.htm](http://www.dot.gov/stratplan2008/strategic_plan.htm) - \_Toc52257027 and FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004 (Pgs. 21-26), provide additional information on collaborative and coordinated initiatives. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**3.6 Does the program use strong financial management practices?** Answer: YES Question Weight: 9%

**Explanation:** FMCSA exhibits strong financial management practices in administering program funds. As of FY 2004, FMCSA has contracted with a third party accounting service provider, Federal Aviation Administration (FAA) Office of Financial Operations, who in conjunction with agency program offices ensure the proper use of funds, along with prompt, accurate payments and accurate financial reporting. FMCSA and FAA's management systems and the DELPHI accounting systems meet all statutory requirements. The agency is currently standing up an integrated financial and performance-based cost accounting system which will support daily operations. This cost accounting system will be operational by summer 2004. FMCSA received a clean audit opinion for its FY 2003 Highway Trust Fund Audit performed by Independent Auditors Clifton Gunderson. As a result of this audit, FMCSA's Corrective Action Plan addresses identified reportable practices, and details the agency's plans to resolve reported weaknesses.

**Evidence:** FMCSA's programs are reviewed each year and is 'Green' on the DOT PMA Scorecard for Financial Performance, located at [http://www.whitehouse.gov/omb/budintegration/scorecards/exec\\_branch02.pdf](http://www.whitehouse.gov/omb/budintegration/scorecards/exec_branch02.pdf). and has identified measure to address audit recommendations in FMCSA's Corrective Action Plan. Additionally, FMCSA is standing up an integrated financial and performance-based cost accounting system as demonstrated in the Agency's Managerial Cost Accounting documentation. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

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**3.7**      **Has the program taken meaningful steps to address its management deficiencies?**      Answer: YES      Question Weight: 9%

**Explanation:** FMCSA conducts program evaluations and process reviews to identify program and management deficiencies. Several process reviews of key business programs are currently underway. FMCSA has developed and begun implementation of a Human Capital Plan and a companion Workforce Plan. These Plans address succession planning, competencies and skill gaps, competitive sourcing and other important Human Capital issues and trends. In May 2004, key FMCSA managers received FMFIA training to ensure compliance with fiscal controls. FMCSA is also increasingly integrating findings and recommendations of General Accounting Office (GAO), DOT Office of Inspector General (OIG), and National Transportation Safety Board (NTSB) as integral components of the agency's safety strategy and operational guidance. In 2003, FMCSA successfully addressed all aspects of the GAO's large truck safety management challenge. FMCSA also successfully closed 7 open safety recommendations issued by the NTSB, as well as 20 audit recommendations issued by the DOT/OIG.

**Evidence:** FMCSA continually reviews and evaluates its programs to improve their effectiveness as evidenced by the Agency's Human Capital Plan, its Workforce Plan, the Enforcement Process Review memo, the Driver, Vehicle and Roadside Strategies Program and its 'Concept of Operations for R&T Project Exit Strategies.' FMCSA's conducts Program Evaluations on a regular basis as listed in DOT's Strategic Plan 2003-2008 (Section 12; Program Evaluation), located at: [http://www.dot.gov/stratplan2008/strategic\\_plan.htm](http://www.dot.gov/stratplan2008/strategic_plan.htm). Additionally, the Agency has made significant progress in implementing DOT-OIG/NTSB and GAO recommendations as referenced in FMCSA's input to the DOT 2003 Performance and Accountability Report (MEMO: Performance Input to DOT 2003 Performance and Accountability Report, dated October 23, 2003). (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**3.RG1**      **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?**      Answer: YES      Question Weight: 9%

**Explanation:** FMCSA solicits public comments in the rulemaking process. Final rules reflect the input of proponents and opponents and describe the manner in which public comments were taken into consideration. FMCSA has implemented an internal rulemaking order which includes requirements related to soliciting the opinions of affected parties prior to and during the NPRM process. FMCSA's Regulatory Agenda is published in the Federal Register, inviting the public to comment. Agency websites post significant rulemakings.

**Evidence:** FMCSA continually solicits comment on all rulemakings on its website, Rulemakings and Notices, located at <http://www.fmcsa.dot.gov/rulesregs/fmcsrhome.htm>. Through press releases; as in a recent press release extending the period for public comment on HOS, June 2000, located at <http://www.fmcsa.dot.gov/contactus/press/2000/060900.htm> and through the DOT Docket Management System, located at <http://dms.dot.gov/search/searchResultsSimple.cfm?searchType=docket&numberValue=2979>, <http://dms.dot.gov/search/searchResultsSimple.cfm> and [http://www.fmcsa.dot.gov/rulesregs/mexican/new\\_mexrule.htm](http://www.fmcsa.dot.gov/rulesregs/mexican/new_mexrule.htm) to mention a few. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

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**3.RG2**      **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R**      Answer: YES      Question Weight: 9%

**Explanation:** All new significant regulations are subjected to rigorous and thorough Regulatory Impact Analyses (RIAs), conducted in accordance with OMB guidelines. These RIAs are intended to ensure that the expected value of the rule's safety and other benefits, properly monetized, exceeds the incremental costs of compliance. In addition to complying with Executive Order 12866, the Regulatory Flexibility Act and SBREFA, the FMCSA rulemaking process also requires that all proposed rules be evaluated with respect to the Unfunded Mandates Reform Act, Paperwork Reduction Act, National Environmental Policy Act and Executive Orders 13045, 12630, 13132, 12988, 12372, and 13211. OST is advised of the major points of all FMCSA rules. Most then go to OST and OMB for approval, if they meet the significance threshold of Executive Order 12866. When a significant rule is being developed, OMB is briefed at the NPRM stage. Every rulemaking includes a regulatory support paper that explores options, including no regulation. These are vetted across the agency so the resources required by the rules are considered.

**Evidence:** FMCSA regularly prepares various regulatory analysis in accordance with its own procedures as outlined in FMCSA Order 2100.1 and in accordance with DOT's Policies for Public Contact in Rule Makings, located at <http://isddc.dot.gov/OLPFiles/OST/010521.pdf> as evidenced with the recently completed Regulatory Impact Analysis (RIA), RIA, Small Business Analysis for Hours of Service. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**3.RG3**      **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?**      Answer: NO      Question Weight: 9%

**Explanation:** FMCSA makes every effort to ensure that the body of FMCSRs and FHMRs are consistent among themselves and are not contradictory or redundant. The agency conducts regulatory evaluations as required by Section 610 of the Regulatory Flexibility Act of 1980. Additionally, FMCSA's schedule for Section 610 reviews is published in our Regulatory Agenda. FMCSA is seeking to expand evaluative capabilities in FY 06 to include post-issuance regulatory evaluations and formal quality assurance reviews of key agency business processes.

**Evidence:** FMCSA's schedule for Section 610 reviews is published in our Regulatory Agenda. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

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100%	100%	91%	50%	Effective

**3.RG4**     **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?**     Answer: YES     Question Weight: 9%

**Explanation:** The program's rulemaking process ensures all new rules have a positive benefit-cost ratio (see 3.RG2) and contribute to the achievement of the agency's long-term goal of saving lives and reducing injuries by preventing truck and bus crashes. For significant new rules, additional analysis is conducted to ensure that net social benefits are maximized. For example, the Regulatory Impact Analysis for the Hours of Service regulation employed an Options Analysis methodology, examining multiple regulatory options in order to find the approach that would achieve the desired level of safety benefits at the lowest possible cost. FMCSA attempts to maximize net benefits of its regulatory activity by reducing the burden on the industry subject to regulations. In particular, FMCSA has developed alternative reporting methods, including electronic means and reducing the number of interactions required with the agency.

**Evidence:** FMCSA's rulemakings are mandated by Congress, as in the recently completed Hours of Service rule making, and, as such are critically analyzed to ensure they achieve program goals in accordance with the Agency's Rulemaking Process Order: FMCSA Order 2100.1. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or tom.lawler@fmcsa.dot.gov.)

**4.1**     **Has the program demonstrated adequate progress in achieving its long-term performance goals?**     Answer: LARGE EXTENT     Question Weight: 17%

**Explanation:** As stated in the responses to 2.1 and 2.2, the program's long-term performance goal is to reduce the large truck fatality rate 41% from 1996 to 2008, to a rate of 1.65 large truck fatalities per 100 million truck vehicle miles traveled. The program has achieved reductions in the large truck fatality rate in each of the past five years and is on track to achieve this ambitious long-term goal. Although the 2003 target was missed, it was not missed by a large margin and the program has maintained a downward trend in the large truck fatality rate. The number of large truck injuries and the large truck injury rate ' two leading indicators tracked by the program ' have also shown improvement over the past three years. If the crash rate had remained at the 1996 fatality rate level of 2.81 per 100 million TVMT, there would have been an estimated 6,035 lives lost in 2002 in crashes involving large trucks. FMCSA interventions, then, have contributed to 1,138 lives saved in 2002.

**Evidence:** FMCSA's progress in achieving long-term goals is documented in DOT Performance and Accountability Report, located at <http://www.dot.gov/perfacc2003/index.html>, the Administrator's FY 2003 Accomplishments Report, located at <http://knowzone.fmcsa.dot.gov/pma.asp?PMAItem=Budget> and in FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004: (Pgs. 10-15). (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or tom.lawler@fmcsa.dot.gov.)

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Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: **LARGE EXTENT** Question Weight: **17%**

**Explanation:** In addition to making progress toward its long-term performance goal of reducing CMV fatality rate, the program is progressing in its annual performance goals. The program has met or exceeded its annual targets for its large truck fatality rate measure in each year except 2003. In addition, the program exceeded its 2003 target for number of roadside inspections conducted annually and nearly achieved its 2003 target for number of Federal compliance reviews conducted annually.

**Evidence:** FMCSA's annual Program Performance Goals, including partners, are documented in DOT's Performance and Accountability Report located at <http://www.dot.gov/perfacc2003/index.html>, the Administrator's FY 2003 Accomplishments Report, located at <http://knowzone.fmcsa.dot.gov/pma.asp?PMAItem=Budget> and in FMCSA's FY 2005 Integrated Performance Budget, submitted February 2004, (Pgs. 10-15). DOT Performance and Accountability Report: <http://www.dot.gov/perfacc2003/index.html>. FMCSA's FY 2005 Integrated Performance Budget: (Pgs. 10-15). Administrator's FY 2003 Accomplishments Report <http://knowzone.fmcsa.dot.gov/pma.asp?PMAItem=Budget>. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: **LARGE EXTENT** Question Weight: **17%**

**Explanation:** Even though the program did not achieve its annual performance target in 2003 to improve efficiency of agency operations, FMCSA aims to work with States to improve timeliness of crash and inspection data, reducing the number of days to upload State data to MCMIS. As recently as 2002, it took nearly 50 days, on average, for inspection data to be uploaded, and more than 150 days for the upload of crash data. Since 2002, FMCSA has worked with State partners to emphasize the importance of improved upload efficiency, reducing the cycle times for inspection data 53% and crash data 34%, respectively. The agency has established outyear targets for improving the efficiency of State data processing. In addition, efficiency of agency operations at saving lives is a high-level index of agency efficiency and organizational excellence. The agency's efficiency measure compares annual lives saved in large truck-related crashes on the nation's highways with the FMCSA overall budget. Overall, the trend since 1997 is positive, with the agency's efficiency improving each year except 2001, when increased agency resources slightly lagged improvements in highway safety. Otherwise, resource increases have yielded compounded safety benefits. Agency efficiency improved more than 20% in 2002, owing to a 57% increase in lives saved as compared with a 29% budget increase.

**Evidence:** · FMCSA FY 2006 Integrate Performance Budget

## PART Performance Measurements

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Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	50%	Effective

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: LARGE  
EXTENT

Question Weight: 17%

**Explanation:** FMCSA's program compares favorably to programs with similar purposes and goals, such as NHTSA. FMCSA's performance has exceeded that of similar programs, an achievement considering a backdrop of a static highway fatality rate and increasing passenger and commercial vehicle miles traveled. FMCSA works in concert with NHTSA, FHWA, and other DOT operating administrations to achieve the DOT highway safety goal. Safety organizations such as GHSA, AASHTO, and others have adopted the DOT highway safety goal and contribute to FMCSA's efforts to decrease the large truck fatality rate.

**Evidence:** Support for and adoption of FMCSA's safety goal can be viewed at DOT's Strategic Plan 2003-2008, located at [http://www.dot.gov/stratplan2008/strategic\\_plan.htm](http://www.dot.gov/stratplan2008/strategic_plan.htm), DOT's Performance and Accountability Report, located at <http://www.dot.gov/perfacc2003/index.html>, [http://www.naghsr.org/html/media/press\\_releases/041304.html](http://www.naghsr.org/html/media/press_releases/041304.html), in a memo; Secretarial Initiative to Reduce Highway Fatalities, dated 3/31/03, and in AASHTO Policy Resolution PR-17-03. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: SMALL  
EXTENT

Question Weight: 17%

**Explanation:** While rigorous program effectiveness evaluations of the program's major operational compliance and enforcement activities are conducted annually by the Volpe National Transportation Systems Center, evaluations do not show that FMCSA can achieve its goals and results through these safety interventions alone. These evaluations focus on the program's impact and effectiveness of the efforts that FMCSA gives toward truck safety. Specifically, the effectiveness of compliance reviews, roadside inspections, and traffic enforcement in reducing crashes, fatalities, and injuries is evaluated using the (1) Intervention Model and (2) Compliance Review Impact Assessment Model. These evaluation models yield annual estimates of crashes avoided, injuries avoided, and lives saved attributable to these interventions. FMCSA is seeking to expand evaluative capabilities in FY 2006 to include post-issuance regulatory evaluations and formal quality assurance reviews of key agency business processes.

**Evidence:** FMCSA's Program Effectiveness can be viewed at <http://ai.volpe.dot.gov/ProgramMeasures/PM/PM.asp>

**4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?**

Answer: NO

Question Weight: 17%

**Explanation:** The FMCSA did not meet its 2003 goals in the most efficient way possible and did not demonstrate how the regulations assisted in meeting their goals. (see 3.RG3) New regulations are subjected to Regulatory Impact Analyses to ensure a positive benefit-cost ratio (see 3.RG2), and analyses of major new regulations employ Options Analysis or other approaches designed to identify the regulatory options that maximize net social benefits (see 3.RG4). Yet, FMCSA's regulations are largely mandated by Congress and did not assist FMCSA in meeting their large truck fatality rate goal.

**Evidence:** RIA, Small Business Analysis for Hours of Service is representative of FMCSA's approach to ensuring that programs maximize net benefits. (To obtain copies of FMCSA's budget related material please contact either the House Appropriations Committee at (202) 225-2771 or the Senate Appropriations Committee at (202) 224-7363. To obtain copies of material not available on the web please contact Tom Lawler at 202-366-0072 or [tom.lawler@fmcsa.dot.gov](mailto:tom.lawler@fmcsa.dot.gov).)

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Section Scores				Rating
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100%	100%	91%	50%	Effective

**Measure:** Large Truck Fatalities per 100 million per Commercial Vehicle Miles Traveled (CVMT)

**Additional Information:** Reduce the rate of large truck-related fatalities per 100 million truck vehicle miles traveled (TVMT) 41% from 1996 to 2008, resulting in a rate of 1.65.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
1996	Baseline	2.81	
1997	NA	2.82	
1998	NA	2.75	
1999	NA	2.65	
2000	2.57	2.57	
2001	2.45	2.45	
2002	2.32	2.28	
2003	2.19	2.23	
2008	1.65		
2007	1.75		
2006	1.85		
2005	1.96		
2004	2.07	2.29	

## PART Performance Measurements

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Section Scores				Rating
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100%	100%	91%	50%	Effective

**Measure:** Number of Federal Compliance Reviews conducted annually.  
**Additional Information:** Number of Federal Compliance Reviews conducted annually.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	NA	7,577	
2003	10,650	9,070	
2004	7,000		
2005	8,000		
2006	10,000		

**Measure:** Number of Roadside Inspections conducted annually (Truck and Bus, in thousands)  
**Additional Information:** Number of Roadside Inspections conducted annually (Truck and Bus)

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	NA	2943	
2003	3000	3035	
2004	2400		
2005	2000		
2006	2000		

**Measure:** Number of HAZMAT Incidents involving commercial motor vehicles  
**Additional Information:** Reduce serious reportable truck-related hazardous incidents 20 percent by 2010 using a 2000 baseline

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2000	Baseline	463	
		165	

## PART Performance Measurements

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100%	100%	91%	50%	Effective

2001	452	503
2002	441	382
2003	430	376
2004	419	
2005	409	
2006	399	
2007	392	
2010	370	
2009	377	
2008	385	

**Measure:** Number of days to upload crashdata

**Additional Information:** The number of days to upload State inspection data and crash data into the Motor Carrier Management Information System. Reduce the number of days to upload State inspection data and crash data annually by 10% and 5% respectively.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	NA	35/221	
2002	NA	49/157	
2003	NA	24/104	
2004	23/95		
2005	21/90		
2006	19/85		

## PART Performance Measurements

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100%	100%	91%	50%	Effective

2007 17/81

2008 15/77

**Measure:** Lives Saved

**Additional Information:** The efficiency measure compares annual lives saved in large truck-related crashes as compared with a 1996 baseline (5,142 fatalities). The efficiency compares annual lives saved in large truck crashes with FMCSA's budget

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
1996	NA	-.13	
1997	NA	.88	
1998	NA	1.99	
1999	NA	2.73	
2001	NA	2.70	
2002	NA	3.29	
2003	3.30	3.53	



## PART Performance Measurements

**Program:** Operations and Research  
**Agency:** Department of Transportation  
**Bureau:** National Highway Traffic Safety Administration  
**Type(s):** Regulatory Based                                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	50%	Effective

**1.5**      **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**      Answer: YES      Question Weight: 20%

Explanation: NHTSA's Operations and Research program targets funding to advance: research of vehicle and safety countermeasure technologies; research of behavioral countermeasures; regulatory decisions; defects investigations; compliance testing; and evaluations of regulations and countermeasure programs.

Evidence: NHTSA FY 2005 Budget Submission to Congress (February 2004)

**2.1**      **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**      Answer: YES      Question Weight: 9%

Explanation: DOT has established an ambitious highway safety performance goal of reducing highway fatalities to 1.0 per 100 million vehicle miles traveled (VMT) by 2008. NHTSA's outcome measures support the overall DOT goal. NHTSA's outcome measures are to reduce the passenger vehicle occupant fatality rate, reduce the rate of increase in the motorcycle rider highway fatality rate, and reduce the non-occupant fatality rate.

Evidence: NHTSA FY 2005 Budget Submission to Congress (February 2004)

**2.2**      **Does the program have ambitious targets and timeframes for its long-term measures?**      Answer: YES      Question Weight: 9%

Explanation: Reaching the DOT goal of 1.0 fatalities per 100 million VMT by 2008 is highly ambitious. If current trends continue, the rate in 2004 will be well above 1.0. NHTSA's outcome measures also will be difficult to achieve if current trends continue. NHTSA has ongoing programs to address its priorities, including programs to increase safety belt use, reduce alcohol-related crashes, improve compatibility between vehicles, enhance side impact prevention and protection, and mitigate rollover crashes.

Evidence: NHTSA FY 2005 Budget Submission to Congress (February 2004). Motor Vehicle and Highway Safety Priorities (December 2003). NHTSA Integrated Project Team (IPT) reports on Alcohol, Safety Belts, Rollover, and Vehicle Compatibility are available on the website (<http://www.nhtsa.dot.gov/IPTRreports.html>).

**2.3**      **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?**      Answer: YES      Question Weight: 9%

Explanation: NHTSA's performance plan includes intermediate outcome measures of reducing the rate of alcohol-related fatalities per 100 million VMT, increase safety belt use, and increasing restraint use among 0-7-year-olds. The agency has also created an efficiency measure for rulemaking: reduce the time it takes to complete significant rulemaking actions. The agency also reviews all of its vehicle safety standards on a seven-year cycle to ensure that they are current, account for the latest technologies, address newly appearing problems, and most effectively address NHTSA's safety priorities.

Evidence: NHTSA FY 2005 Budget Submission to Congress (February 2004)









## PART Performance Measurements

**Program:** Operations and Research  
**Agency:** Department of Transportation  
**Bureau:** National Highway Traffic Safety Administration  
**Type(s):** Regulatory Based                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	50%	Effective

**3.6 Does the program use strong financial management practices?**                      Answer: YES                      Question Weight: 8%

Explanation: The program offices have several tracking systems in place to ensure that sound financial management practices are followed.  
 Evidence: NHTSA's FY 2005 Budget Submission to Congress. Delphi (DOT accounting system). Contract Coordinator Management Information System (CCMIS)

**3.7 Has the program taken meaningful steps to address its management deficiencies?**                      Answer: YES                      Question Weight: 8%

Explanation: NHTSA's programs are reviewed each year to assess management deficiencies as required by the Federal Managers Financial Integrity Act (FMFIA). If any deficiencies are found they are addressed through the process established by the FMFIA. NHTSA's current program priorities were established in 2002 by Administrator Runge. In 2003, NHTSA published plans for addressing four of the priorities. In 2004, NHTSA will publish an additional plan. The emphasis placed on the Administrator's priorities has helped minimize management deficiencies for the last two years. Program managers are held accountable for achieving the initiatives included in the plans.  
 Evidence: Federal Managers Financial Integrity Act (FMFIA). NHTSA Integrated Project Team (IPT) reports on Alcohol, Safety Belts, Rollover, and Vehicle Compatibility are available on the website (<http://www.nhtsa.dot.gov/IPTRReports.html>).

**3.RD1 For R&D programs other than competitive grants programs, does the program allocate funds and use management processes that maintain program quality?**                      Answer: YES                      Question Weight: 8%

Explanation: NHTSA's research project contract awards are competitive and geared toward engaging the most qualified contractors at the best price. Contracts have specific, set deadlines and deliverables, and are closely monitored by contract officers and contracting officer's technical representatives. NHTSA advertises the availability of all competitive solicitations for simplified acquisitions over \$25,000.00 and contract actions in the Commerce Business Daily (CBD). NHTSA also announces in the CBD all contract awards where subcontracting opportunities exist. In addition, NHTSA participates in the Electronic Posting System currently operated by the General Services Administration.  
 Evidence: The CBD can be found on the Internet at <http://cbdnet.access.gpo.gov/>. The Electronic Posting System can be found at <http://www.eps.gov/>.

**3.RG1 Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?**                      Answer: YES                      Question Weight: 8%

Explanation: The program engages both internal and external stakeholders to provide input and assessment of the program on a regular basis. NHTSA uses notice and comment rulemaking to fully include the public, including industry and public interest organizations, in the regulatory process. The Agency has held semi-annual meetings with the regulated industries to brief them and answer their questions on the status and direction of current and anticipated rulemaking and supporting research activities. When NHTSA developed its rulemaking priority planning document, the NHTSA Vehicle Safety Priority Rulemaking and Supporting Research Plan, it solicited input from the public, industry, public interest organizations, and other federal agencies whose jurisdictions or interests could overlap with NHTSA's for the areas covered by the plan.  
 Evidence: NHTSA Vehicle Safety Priority Rulemaking and Supporting Research Plan is available on NHTSA's website (<http://www.nhtsa.dot.gov/cars/rules/rulings/PriorityPlan/FinalVeh/Index.html>) and in the DOT Docket. Regulatory analyses and evaluations are accessible on NHTSA's website (<http://www.nhtsa.dot.gov/cars/rules/rulings/>) and the DOT Docket. Minutes of the regularly scheduled government-industry meetings are available on the DOT Docket ([http://dmses.dot.gov/docimages/pdf84/210542\\_web.pdf](http://dmses.dot.gov/docimages/pdf84/210542_web.pdf)).









## PART Performance Measurements

**Program:** Operations and Research  
**Agency:** Department of Transportation  
**Bureau:** National Highway Traffic Safety Administration  
**Type(s):** Regulatory Based                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	50%	Effective

2005	1.15
2006	1.12
2007	1.10
2008	1.00

**Measure:** Non-occupant highway fatality rate per 100 million vehicle miles of travel  
**Additional Information:** (pedestrians, pedalcyclists and occupants of motor vehicles not in transport•and of non-motor vehicle transport devices)

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	Baseline	0.21	
2002	NA	0.20	
2003	NA	.19 (est.)	
2004	NA		
2005	0.16		
2006	0.16		

**Measure:** Rate of increase in motorcycle rider highway fatalities per 100 million motorcycle VMT.  
**Additional Information:** NHTSA has set a target rate of 46.00 fatalities per 100 million motorcycle miles traveled for 2006. This is a very ambitious target considering agency projections show an increase to 55.00 in 2006.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	Baseline	33.17	
2002	NA	33.96	
2003	NA	37.10	

## PART Performance Measurements

**Program:** Operations and Research  
**Agency:** Department of Transportation  
**Bureau:** National Highway Traffic Safety Administration  
**Type(s):** Regulatory Based                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	50%	Effective

2004	NA
2005	37.00
2006	46.00

**Measure:** Percent of vehicle occupants using safety belts.

**Additional Information:** 2005 & 2006 targets depend on States enacting and enforcing primary safety belt use laws

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	Baseline	73%	
2002	75%	75%	
2003	78%	79%	
2004	79%	80%	
2005	80%-85%		
2006	82%		

**Measure:** Restraint use among 0 to 7 year olds.

**Additional Information:** The agency changed its prior goal of reducing the number of child occupant fatalities, 0-4 years old, because the goal of 465 was surpassed in 2002, three years prior to the 2005 goal. NHTSA chose a new goal of increasing restraint use among 0 through 7

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	Baseline	88%	
2003	NA	Not Available	
2004	NA		
2005	91%		

## PART Performance Measurements

**Program:** Operations and Research  
**Agency:** Department of Transportation  
**Bureau:** National Highway Traffic Safety Administration  
**Type(s):** Regulatory Based                                  Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	50%	Effective

2006                                  92%

**Measure:** Fatality rate in high blood alcohol content (0.08+) crashes per 100 million Vehicle Miles Traveled

**Additional Information:** \*2003-2005 targets included all alcohol-related fatalities(0.01+BAC); \*\*2006 target was revised to reflect that these drivers (.08 and above BAC) make up 85 percent of the alcohol problem.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	Baseline	0.53	
2003	0.53	.51	
2004	0.53	.51	
2005	0.53		
2006	0.51		

**Measure:** Time it takes NHTSA to complete significant rulemaking actions.

**Additional Information:** Measure is restricted to time within the agency and does not include OST and/or OMB review periods

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2003	Baseline	18 Months	
2004	17 Months		
2005	15 Months		
2006	12 Months		



## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
**Bureau:** Pipeline and Hazardous Materials Safety Administration  
**Type(s):** Regulatory Based                      Block/Formula Grant                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**1.1 Is the program purpose clear?**

Answer: YES                      Question Weight 20%

**Explanation:** The purpose of the pipeline safety program, which is administered by DOT's Research and Special Programs Administration's (RSPA's) Office of Pipeline Safety (OPS), is to ensure the safe, reliable, and environmentally sound operation of the Nation's pipeline transportation system. The mission of the program is to: (1) develop, issue, and enforce minimum pipeline safety standards through consensus and regulations; (2) inspect pipelines and enforce regulations on interstate and intrastate pipelines with State support; (3) collect, compile, and analyze pipeline safety and operating data; (4) conduct training; and (5) conduct research and development (R&D).

**Evidence:** The peer-developed mission statement, based on the pipeline safety activities authorized in statute, is posted on OPS website <http://ops.dot.gov>. Title 49 merged and codified the Natural Gas Pipeline Safety Act of 1968 (P.L. 90-481) and the Hazardous Liquid Pipeline Safety Act of 1979 (P.L. 96-129), which authorized activities regarding the regulation of natural gas and hazardous liquid pipeline industries. Section 60102 of Title 49 identifies objectives regarding the establishment of minimum safety standards for pipeline transportation and for pipeline facilities. The Pipeline Safety Act of 1992 (P.L. 102-508), the Accountable Pipeline Safety and Partnership Act of 1996 (P.L. 104-304), and the Pipeline Safety Improvement Act of 2002 (P.L. 107-355) were enacted to enhance the delivery of hazardous liquid and natural gas in a safe and environmentally feasible manner.

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES                      Question Weight 20%

**Explanation:** There is clear need for national safety standards to create a uniform and efficient regulatory system for interstate and intrastate pipelines. Despite relatively safe operations of pipeline systems, incidents can result in severe environmental damages as well as loss of human life, as evidenced by at least two recent incidents, one in a hazardous liquid line in Bellingham, WA and another in a natural gas transmission line near Carlsbad, NM. RSPA's pipeline safety program addresses the need for national safety standards by developing and enforcing uniform regulations, which cannot be accomplished by individual states and local governments. By developing a uniform system of regulation, the cost of regulation is decreased, efficiencies are achieved, and safety is increased. In addition, strong Federal enforcement of nationally uniform standards increases public confidence in the Nation's pipeline system.

**Evidence:** The need for national pipeline safety standards is evidenced by the miles of pipelines that are regulated and by the continued occurrence of pipeline incidents. OPS regulates 2.2 million miles of natural gas and petroleum pipelines. In 2003, there were 124 incidents (including 5 injuries) in hazardous liquid pipelines. There were 96 incidents in natural gas transmission lines with 1 death and 8 injuries and resulting property damages translated into \$39.5 million. There were also 143 incidents in natural gas distribution lines with 11 fatalities, 58 injuries and \$22.3 million in property damages in 2003. There was a net loss of 50,000 Bbls. of hazardous liquid in 2003 (accident/incident summary statistics available at <http://ops.dot.gov/stats.htm>). In addition, there is demand for uniform and national, rather than local, regulation of interstate pipeline to increase efficiency and safety.

## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
**Bureau:** Pipeline and Hazardous Materials Safety Administration  
**Type(s):** Regulatory Based                      Block/Formula Grant                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**1.3      Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**      Answer: YES      Question Weight 20%

**Explanation:** OPS leadership of the pipeline safety program is well defined at all levels of government and provides for a division of labor in monitoring pipeline operations that is prescribed through administrative agreements. To avoid duplication of efforts at the Federal level, OPS has developed a number of MOUs with other Federal agencies that have overlapping responsibilities to clearly define their respective operating authorities. Federal statutes provide for complementary Federal and state roles for inspection, regulation of intrastate facilities, and emergency response. OPS also coordinates pipeline safety activities with the private pipeline industry to prevent redundancy. OPS coordinates R&D efforts with other Federal, state, and local agencies, and with industry through a number of annual and periodic activities. Additionally, the Technical Pipeline Safety Standards Committee (TPSSC) and the Technical Hazardous Liquid Pipeline Safety Standards Committee (THLPSSC) ensure there is no duplication of efforts at the state and local level.

**Evidence:** (1) OPS has signed MOUs with several Federal agencies, including the Minerals Management Service, Maritime Administration, Environmental Protection Agency, Coast Guard, Transportation Security Agency, and Federal Energy Regulatory Commission, to define respective operating authorities. (2) In 2004, OPS published an overview of state participation in the Federal pipeline safety program. (3) To see how OPS coordinates R&D efforts with states, local government, and industry through a number of annual and periodic activities, see R&D Draft Strategic Plan, Sections IV, V, and VI. See also the NAPSRS document illustrating specific state coordination. (4) Under 49 USC section 60115, TPSSC and THLPSSC review and report on technical feasibility, reasonableness, cost-effectiveness, and practicability of new rules and amendments to existing rules and ensure there is no duplication in OPS efforts at the Federal, state, or local level.

**1.4      Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**      Answer: YES      Question Weight 20%

**Explanation:** The pipeline safety regulatory and non-regulatory (grant, training, outreach, and R&D) programs are designed using a risk-based approach to maximize the benefits and impact of the programs in a cost-effective way. Using a risk-based approach, OPS, with the input of Federal, state, and local stakeholders, identifies priorities and allocates resources through various mechanisms in order to address priorities in the most effective and efficient manner. There is no evidence that another approach would be more efficient or effective to achieve the intended purpose.

**Evidence:** (1) OPS utilizes the national consensus standards and participates in voluntary standards bodies in compliance with OMB Circular A-119 ([www.whitehouse.gov/omb/circulars/a119/a119.html](http://www.whitehouse.gov/omb/circulars/a119/a119.html)). (2) A list of appropriate industry standards that have been included by references in regulations (pending Federal Register Notice). (3) Per 49 USC section 60115, the Technical Committees (TPSSC and THLPSSC) serve as peer review committees for OPS programs and advise on program design. (4) For a list of Federal, state and industry OPS partners, see <http://ops.dot.gov/partners.htm>.

## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
**Bureau:** Pipeline and Hazardous Materials Safety Administration  
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Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**1.5      Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**      Answer: YES      Question Weight: 20%

**Explanation:** The pipeline safety program is designed to effectively target resources to meet the program purposes. In order to reach the ultimate intended beneficiary -- the American public -- funds are directed to various beneficiaries to address different elements of the pipeline safety program. Program funds are directed to Federal, state, and local inspectors and emergency responders through training and community outreach. Training and outreach are fundamental to ensure a thorough understanding of regulations and to educate inspectors in compliance requirements, inspection techniques, and enforcement procedures. Inspectors help create and enforce a uniform national regulation of pipelines, which enables efficiency in pipeline operations. As a result, the American public benefits from safe and reliable energy delivery from a system that minimizes energy supply disruption. In addition, funds are directed toward R&D activities, which provide the technical and analytical foundation necessary to plan, evaluate, and implement the pipeline safety program.

**Evidence:** (1) RSPA's FY 2005 budget submission shows how resources are directed to program beneficiaries to achieve program purposes and goals (pages 58-72). (2) A brief description of the Federal/state partnership program and how the program intends to reach its beneficiaries through grants, training, and outreach activities and a list of current state partners can be found at <http://ops.dot.gov/partnership.htm>. (3) Information on OPS sponsored trainings is available at [www.tsi.dot.gov/dti60/](http://www.tsi.dot.gov/dti60/). (4) OPS research initiatives can be found at <http://primis.rspa.dot.gov/rd/index.htm>.

**2.1      Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**      Answer: YES      Question Weight: 9%

**Explanation:** The pipeline safety program has two meaningful long-term outcome measures that directly support RSPA's strategic goals on safety and environment. These, in turn, support DOT's strategic plans for safety and environmental stewardship. The strategic goal for pipeline safety is to reduce deaths, injuries, property damage and economic disruptions from pipeline accidents (final outcome). The associated intermediate outcome and long-term measure is to reduce the total number of natural gas incidents and hazardous liquid accidents. To achieve RSPA's goal on environment, which supports DOT's strategic goal of environmental stewardship, OPS's strategic goal and long-term measure is to reduce the amount of oil and other hazardous liquids spilled from pipelines (intermediate outcome).

**Evidence:** (1) RSPA FY 05 Budget submission to Congress lists long-term performance measures that illustrate the purpose of the OPS program and ties the budget requests with the outcomes. (2) DOT Performance Plan Safety Goal - [http://www.dot.gov/PerfPlan2004/safety\\_pipeline.html](http://www.dot.gov/PerfPlan2004/safety_pipeline.html). (3) DOT Performance Plan Environmental Goal; <http://www.dot.gov/PerfPlan2004/humanperf.html>. (4) DOT has developed a logic model that illustrates the relationship between DOT strategic goals, RSPA/OPS final and intermediate outcomes, and annual outputs.

**2.2      Does the program have ambitious targets and timeframes for its long-term measures?**      Answer: YES      Question Weight: 9%

**Explanation:** Improving life safety and reducing pollution from pipes are ambitious goals, given the increased risk of pipelines being damaged in construction of encroaching housing and business development. OPS has specific quantified targets for the measures described in 2.1. Reduce all pipeline incidents by 5% per year from 381 in 2000 to 280 in 2006. Reduce the volume of hazardous liquid spilled from pipelines by 6% per year, from 0.0131 tons per million ton-miles shipped in 2000 to 0.0110 ton per million ton-miles shipped in 2006.

**Evidence:** (1) RSPA FY 05 Budget submission to Congress lists long-term performance measures that illustrate the purpose of the OPS program and ties the budget requests with the outcomes. (2) DOT Performance Plan Safety Goal - [http://www.dot.gov/PerfPlan2004/safety\\_pipeline.html](http://www.dot.gov/PerfPlan2004/safety_pipeline.html). (3) DOT Performance Plan Environmental Goal; <http://www.dot.gov/PerfPlan2004/humanperf.html>.

## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
**Bureau:** Pipeline and Hazardous Materials Safety Administration  
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Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?**                      Answer: YES                      Question Weight: 9%

**Explanation:** The program has annual performance measures that can demonstrate progress toward achieving the program's long-term goals. Progress towards these goals is measured annually. OPS is in the process of collecting and analyzing baseline data to develop efficiency measures that can meaningfully track the progress of the program. The efficiency measures will be ready to be tracked in FY05.

**Evidence:** (1) RSPA FY 05 Budget submission to Congress lists long-term performance measures that illustrate the purpose of the OPS program and ties the budget requests with the outcomes. (2) In addition to the performance measures in the budget document, OPS also uses other performance measures internally to measure annual performance (e.g., SES Performance Plan for OPS Associate Administrator submitted to RSPA Administrator).

**2.4 Does the program have baselines and ambitious targets for its annual measures?**                      Answer: YES                      Question Weight: 9%

**Explanation:** OPS develops baselines and ambitious targets for all of its annual measures. · Number of pipeline incidents caused by excavation damage: The baseline for reducing incidents was 118 in 2000 and the target is 87 in 2006. · Number of pipeline incidents caused by corrosion: The baseline for reducing incidents was 69 in 2000 and the target is 51 in 2006. · Efficiency measures are under development regarding unrecovered oil spill costs per costs for implementing the Integrity Management Program in high consequence areas and time required to issue a Corrective Action Order after a safety sensitive incident.

**Evidence:** (1) RSPA FY 05 Budget submission to Congress lists long-term performance measures that illustrate the purpose of the OPS program and ties the budget requests with the outcomes. (2) In addition to the performance measures in the budget document, OPS also uses other performance measures internally to measure annual performance (e.g., SES Performance Plan for OPS Associate Administrator submitted to RSPA Administrator).

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**                      Answer: NO                      Question Weight: 9%

**Explanation:** While partners submit performance data to OPS, there often is not a clear linkage between the data submitted and the program's long-term and annual goals. For example, while state grant contracts require performance agreements, these agreements focus on tracking the leading causes of incidents, with no specific mention of buy-in of long-term outcome goals. Federal partners more explicitly commit to the program's goals through MOUs, such as the recent MOU signed on environmental streamlining, which is an example of Federal partners committing to shared goals related to pipeline safety. Also, R&D partners share OPS goals as indicated in program solicitations.

**Evidence:** MOUs and cooperative agreements reference goals of the OPS program or require certain performance standards that support achievement of the goals. States have annual performance agreements as a part of their grant contracts, and OPS audits programs to ensure that they are following policies. · (1) Overview of State participation in federal pipeline safety program (2004) lists performance factors used by OPS to allocate grant funds to a State Agency (2) Letter from the Associate Administrator to the State Pipeline Safety Managers (April 9, 2004) - numeric points are attached for achieving specific levels of performance (3) State Interagency Agreement and Certification applications include performance requirements (4) Cooperative agreement with Common Ground Alliance (5) MOUs with FERC, EPA, and Coast Guard (6) Draft Environmental Streamlining MOU.

## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
**Bureau:** Pipeline and Hazardous Materials Safety Administration  
**Type(s):** Regulatory Based                      Block/Formula Grant                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**2.6      Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**      Answer: YES      Question Weight: 9%

**Explanation:** Independent evaluations of the pipeline safety program have been conducted frequently since 2000, including seven GAO reports. These evaluations have been of sufficient scope, quality, and independence and have examined how well the program is accomplishing its mission and meeting its long-term goals. The PSIA 2002 requires the DOT IG to periodically report to Congress on OPS's progress in implementing recommendations (most recently in June 2004). GAO also periodically reviews portions of the program, most recently reviewing the enforcement program (July 2004). Regular and ad-hoc reviews of the program include: (1) quarterly reviews by each Technical Pipeline Safety Standards committees on technical feasibility, cost-effectiveness, and practicability of new and amendments to existing gas and liquid rules; (2) DOT IG's periodic reviews on OPS's progress in implementing recommendations; (3) seven recent GAO reports providing independent assessments; (4) addressing the critical issues raised by both Congressional oversight and public advocacy groups, OPS is re-examining its enforcement process.

**Evidence:** (1) The Technical Safety Standards committees charters are given in 49 USC section 60115. Sub-section (e) states the quarterly meeting requirements. (2) DOT IG Report No. SC-2004-064, "Actions Taken and Needed for Improving Pipeline Safety," ([www.oig.dot.gov/item\\_details.php?item=1344](http://www.oig.dot.gov/item_details.php?item=1344)). (3) Examples of GAO reports are available at [www.gao.gov/new.items/d04801.pdf](http://www.gao.gov/new.items/d04801.pdf), [www.gao.gov/decisions/majrule/d04351r.pdf](http://www.gao.gov/decisions/majrule/d04351r.pdf) and [www.gao.gov/new.items/d02785.pdf](http://www.gao.gov/new.items/d02785.pdf). It should be noted that some GAO reports suggest program improvements but do not address the effectiveness or relevance of the program. (4) OPS internal document titled "New OPS Enforcement, Program Performance and Evaluation Organizational Structure and Implementation Plan."

**2.7      Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**      Answer: YES      Question Weight: 9%

**Explanation:** OPS's budget goals are linked to RSPA's FY 2005 Budget request to Congress and show the relationship between DOT strategic goals for safety and environment and resource requests, including FTE and positions. The budget requests are broken down into three major categories - operations, research and development, and grants for the safety and environmental performance goals individually. The explanations in the budget request also reflect the relationship between resource allocation decisions and performance measures. DOT does not yet have a full cost accounting system, so there are no marginal cost comparisons, but OPS has developed sub-goals, which in later years will have budget requests tied to them as well.

**Evidence:** (1) FY 05 Budget, pages 58, 62, 81, 83, related budget request to safety and environmental goals. FY05 Budget, pages 63-66, discusses sub-goals.

**2.8      Has the program taken meaningful steps to correct its strategic planning deficiencies?**      Answer: YES      Question Weight: 9%

**Explanation:** OPS has taken actions to address deficiencies that have been identified, such as improved workforce planning, communication, and data quality to implement the program's integrity management approach within an ambitious schedule. OPS is also in the process of drafting a strategic planning document that will allow OPS to review progress toward goals and identify any gaps.

**Evidence:** (1) GAO report titled Pipeline Safety and Security (GAO-02-785) examined the Integrity Management Plan and recommended improved workforce planning and communication. (2) In response, OPS is evaluating its workforce planning (draft SOW for workforce plan) for an up-to-date assessment of current and future staffing and training needs and an examination of workforce deployment; (3) Draft OPS Strategic Plan.

## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
**Bureau:** Pipeline and Hazardous Materials Safety Administration  
**Type(s):** Regulatory Based                      Block/Formula Grant                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**2.CA1**      **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?**      Answer: NA      Question Weight: 0%

Explanation:

Evidence:

**2.RD1**      **If applicable, does the program assess and compare the potential benefits of efforts within the program to other efforts that have similar goals?**      Answer: YES      Question Weight: 9%

Explanation: Bench-marking and peer review techniques have often been used by OPS to consider strategic approaches to planning the delivery of training and execution of enforcement. OPS assesses and compares the potential benefits of R&D activities within the program using several external reviews, safety advisory committees, and program/project peer reviews. OPS conducts external program reviews through Blue Ribbon Panel meetings with representatives from other government agencies, research funding organizations, the pipeline industry and its associations, and standards development organizations. R&D project results are reviewed both internally and externally by the Technical Advisory Committees (TPSSC and THLPSSC). OPS also compares its R&D activities to other similar Federal efforts through a MOU with DOE and its National Energy Technology Laboratories, DOI/MMS, DOC's NIST.

Evidence: (1) Blue Ribbon Committee Meetings; [http://primis.rspa.dot.gov/rd/mtg\\_61003.htm](http://primis.rspa.dot.gov/rd/mtg_61003.htm) (2) To identify technological gaps, a joint government/industry R&D forum was held in December 2003; [http://primis.rspa.dot.gov/rd/mtg\\_121103.htm](http://primis.rspa.dot.gov/rd/mtg_121103.htm) (3) Draft 5-year R&D Plan. (4) MOU between RSPA/OPS, DOE/NETL, and DOT/NIST; (5) Draft OPS R&D Program Logic Model with attached documents; (6) For internal assessments, please see OPS Draft R&D Program Strategic Plan section VI. Strategy and Implementation - Assessing and comparing benefits (page 26). (6) For evidence of analysis comparing proposed approaches with alternative strategies please see OPS R&D Program Strategic Plan section VI. Strategy and Implementation - Assessing and comparing benefits (page 26).

**2.RD2**      **Does the program use a prioritization process to guide budget requests and funding decisions?**      Answer: YES      Question Weight: 9%

Explanation: Risk-based prioritization has been a cornerstone of OPS strategies for the past 10 years. The prioritization of R&D expenditures is based on analyses of the pipeline failure statistics database and is revised annually in consultation with a Blue Ribbon Panel, the Technical Advisory Committees (TPSSC and THLPSSC) and OPS's Federal R&D partners. The R&D priorities are used to guide the budget requests as reflected in the PSIA 2002. R&D priorities are published in a series of four Broad Agency Announcements (BAAs) issued in 2002 through 2004 to solicit project proposals. There is a documented process (OPS Draft R&D Program Strategic Plan) of how OPS takes the different approaches and determines the final priorities .

Evidence: (1) OPS R&D website; [http://primis.rspa.dot.gov/rd/mtg\\_121103.htm](http://primis.rspa.dot.gov/rd/mtg_121103.htm) (2) Technical Advisory Committee (TPSSC and THLPSSC) Meeting Minutes; <http://www.cycla.com/opsiswc/wc.dll?webmtg~QueryPage~&sub=13&lp=7&u=lp> (3) BAAs in the OPS announcements <http://primis.rspa.dot.gov/rd/announcements.htm> (4) Please see OPS R&D Program Strategic Plan section VI. Strategy and Implementation - Establishing Priorities for funding R&D (page 23). This outlines how OPS takes the different approaches and determines the final priorities.

## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
**Bureau:** Pipeline and Hazardous Materials Safety Administration  
**Type(s):** Regulatory Based                      Block/Formula Grant                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**2.RG1**      **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?**      Answer: YES      Question Weight: 9%

**Explanation:** To ensure the pipeline safety regulations meet the goals of the program and are valuable, the program designs are based on a risk-based management approach, combined with legislative mandates, as well as third-party independent recommendations from NTSB, DOT IG, and GAO. For regulations that are not specifically required by law, OPS uses risk assessment and technical advisory committees to guide development. OPS utilizes the national consensus standards and participates in voluntary standards bodies in compliance with OMB Circular A-119. Through risk assessments and Technical Standards Committees standards and policy development recommendations, OPS makes sure that regulations are justified. Industry's support of OPS regulations helps indicate their value.

**Evidence:** (1) RAPP documentation; (2) Risk Management Demonstration Program; <http://www.cyclac.com/opsiswc/wc.dll?PRIMIS~TopPage~&sub=01&lp=55&u=lp>. (3) Technical Advisory committee meeting minutes <http://www.cyclac.com/opsiswc/wc.dll?webdoc~Details~&id=002051&sub=13&lp=13&u=lp>. (4) Preambles to program regulations indicating how the rule contributes to the achievement of specific program goals. Regs:RSPA 98-4957, 99-5455 and 6355, 00-7408 and 7666, 01-9832, 02-11457, 03-15852 Although the preambles of the regulations do not explicitly show how the regulations would support the OPS program goals, all regulations include benefit-cost analyses, in accordance with OMB Circular A-94, to show the justification of the regulation.

**3.1**      **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**      Answer: YES      Question Weight: 7%

**Explanation:** Data are used to focus inspection resources, evaluate effectiveness of changes in equipment and practices, monitor operator performance trends, and support decisions about customized operator approaches to address performance issues. Data systems include the Pipeline Information Processing Enforcement System (PIPES), Integrated Operator Compliance System (IOCS) and Online Data Entry System (ODES). These systems collect and distribute information on hazardous materials spills, pipeline annual and incident reporting data, and regulatory activities. The data are used to respond to inquiries by personnel from RSPA, DOT, other Federal, state and local government agencies, members of Congress, the news media and the private sector. OPS also regularly collects State performance data through FedSTAR, a web based program.

**Evidence:** (1) Exhibit 300 submitted to OMB; (2) OPS Pipeline Accident Data Improvement Plans; (3) State programs through FedSTAR; (4) PIPES, IOCS and ODES are in the OPS internal system currently, however OPS is converting the system to be web-based by June 04; (5) Performance Tracking & Monitoring, and Data Initiatives presentation by Stacey Gerard, Jan. 29, 2003 ([http://primis.rspa.dot.gov/comm/Bellevue2003/Bellevue06\\_Perf\\_Msrs\\_012903.pdf](http://primis.rspa.dot.gov/comm/Bellevue2003/Bellevue06_Perf_Msrs_012903.pdf)).

## PART Performance Measurements

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Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**3.2      Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**                      Answer: YES                      Question Weight: 7%

**Explanation:** Performance based grant managements used for over a decade. In the Federal/State partnership program, a grantee is rated based on performance measures identified as part of that grantee's program. · States are held accountable for performance and funds can be withheld in cases where performance is unacceptable.· Performance plans for managers include outcome goals. R&D managers are held accountable and provide oversight for program cost, schedule, and performance though several measures such as maintaining qualified COTRs, annual management/COTR meetings, and an Internet-based R&D Management Information System, which will alert management of contractor or COTR non-performance. These items ultimately tie to R&D Manager Performance Reviews required annually.

**Evidence:** (1) Attachment 8 of the State Certification Document; (2) SES Performance Plans for this year; (3) Draft R&D Strategic Plan (Section 4.1 Effective and Efficient Program Management & Section 6 under Managing for Results); (4) Annual Management/COTR Meeting; (5) Internet based R&D Management Information System (under development), Current system is PRIMIS Document Log. RSPA Procurement tracks COTR Qualification Period.

**3.3      Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**                      Answer: YES                      Question Weight: 7%

**Explanation:** Funds are obligated and spent for the intended purpose in a timely manner. Grantees are subject to a single state audit if required under Circular A-133 (2 states in liquid program, approximately 22 in gas program). There have been no findings under these audits. An internal audit of RSPA accounting, a required by Congress, found adequate procedures in place for reporting obligations and expenditures. The IG has not audited RSPA's use and payment of funds. End of fiscal year unobligated balances are from state grants distributed in the next fiscal year based on calendar year performance. R&D funds are obligated according to guidance in the BAAs and FARs, which is consistent with the appropriation language. Contractor expenditures are under contracts consistent with the FAR. COTRs monitor contractor performance through monthly/quarterly reports and the R&D Management Information System. Invoices are not paid unless in accord with contract terms and controlled through the DOT MarkView Invoicing System. No Anti-Deficiency Act violations have been identified.

**Evidence:** (1) End of year fund status report shows limited unobligated balances; (2) Copy of the State audit; (3) DOT MarkView Invoicing System; (4) BAA 1-4 Language, Federal Acquisition Regulations; (5) Internet based R&D Management Information System (under development), Current system is PRIMIS Document Log. RSPA Procurement tracks COTR Qualification Period. (6) IG Report SC-2004-064, 'Actions Taken & Needed for Improving Pipeline Safety' ([http://www.oig.dot.gov/item\\_details.php?item=1344](http://www.oig.dot.gov/item_details.php?item=1344)).

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**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**                      Answer: YES                      Question Weight: 7%

**Explanation:** OPS and RSPA have established procedures for measuring and achieving efficiencies and cost effectiveness, including competitive sourcing efforts and IT investments. RSPA/OPS conducted a FAIR Act inventory for the President's Management Agenda competitive sourcing initiative, and compares costs and considers alternatives as specified in FAR. Almost 90% of OPS' contractual actions are competitive. OPS also incentivizes performance contracts. OPS used an audit of a professional service company in contract negotiations to ensure competitive rates. OPS uses web-based IT improvements, designing and developing information systems to allow appropriate access to the public, States and OPS staff. As new topics are added to the web site, OPS reuses the design to save costs. OPS develops performance metrics, tracks expenditures, and considers alternatives for IT improvements that meet OMB Exhibit 300 requirements, mapping to the Federal Enterprise Architecture Business Reference Model. Data collection is in progress for to establish a baseline for an efficiency measure regarding unrecovered oil spilled in high consequence areas per IMP investment.

**Evidence:** (1) Fair Act Inventory (<http://www.dot.gov/ost/m60/fairact/index.html#inventory1>); (2) Exhibit 300; (3) Exhibit 52; (4) Common Ground Alliance contract; (5) Contract that includes incentives; (6) Summary of competitive vs. non-competitive contractual actions (4/27/04 e-mail from Warren Osterberg).

**3.5 Does the program collaborate and coordinate effectively with related programs?**                      Answer: YES                      Question Weight: 7%

**Explanation:** Building and using alliances is key to OPS's ability to lead change in safety practices, an approach on which the program depends heavily. Collaboration and coordination achieves efficiencies in areas such as environmental streamlining, which brings many agencies together to develop more efficient, timely review processes. Collaboration with states through the grant program allows OPS to use states as agents to accomplish program goals, such as field inspections. OPS also coordinates with industry associations on activities such as public outreach during rulemaking. OPS also works with safety organizations, such as the Common Ground Alliance (CGA), on issues such as the creation of industry standard practices. Cooperation with other programs that has lead to improved management decisions includes joint benchmarking and identifying security issues after 9/11. The R&D program cooperates with other Federal R&D programs on joint research projects.

**Evidence:** (1) List of MOUs with agencies including FERC, MMS, OSHA, NTSB, and EPA; (2) Cooperative agreements with CGA and other organizations; (3) Enhanced Method For Prioritizing Risk-Base Standard Inspections Conducted by the Office of Pipeline Safety, Oak Ridge National Laboratory, 1997 (Final Report); (4) External organization, AOPL; <http://www.aopl.org/safety/standards.html>; (5) External organization, INGAA; <http://www.ingaa.org/safety/index.php?page=main> critique OPS programs and offer solution; (6) Draft Environmental streamlining MOU.

**3.6 Does the program use strong financial management practices?**                      Answer: YES                      Question Weight: 7%

**Explanation:** The DOT and RSPA use DELPHI for its accounting system, which incorporates strong financial controls. In addition, RSPA uses RAMIS for internal tracking of programmatic expenditures. Data is downloaded monthly from DELPHI and RAMIS and reconciled. When obligating funds for OPS programs, including R&D, procurement requests and contractual documents are created and tracked with the PRISM acquisition system. RAMIS also captures these program expenditures and performs a second level check for greater accountability. OPS also has a process to review budgets internally through a spreadsheet program, Spend Plan. RSPA does not have any material weaknesses or erroneous payments related to this program.

**Evidence:** (1) RSPA Audit Report; (2) Report to Congress, June 2004, documenting RSPA accounting processes; (3) Spend Plan documentation.

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**3.7      Has the program taken meaningful steps to address its management deficiencies?**                      Answer: YES                      Question Weight: 7%

**Explanation:** OPS is addressing management deficiencies by developing a strategic plan, reorganizing to better focus enforcement, and addressing workforce planning. OPS has developed a draft strategic plan that will align OPS goals and performance measures with RSPA and DOT, which will provide a framework for better strategic management of resources. Deficiencies in the enforcement program have been identified by OPS and GAO, and OPS has taken steps to correct these deficiencies, such as revising enforcement policies and creating the position of Enforcement Chief to enforce, audit, research, and train inspectors. Management reviews uncovered that the distribution of workload across the organization was causing bottlenecks, so OPS reorganized to distribute the workload more broadly. OPS continues to use workforce planning to improve management of the program. A workforce planning and analysis study is expected to be completed by summer 2004 that will examine optimal regional configurations, staffing, and inspection methods.

**Evidence:** (1) OPS Draft Strategic Plan. (2) GAO Report GAO-04-801, "Management of the Office of Pipeline Safety's Enforcement Program Needs Further Strengthening," July 2004 ([www.gao.gov/new.items/d04801.pdf](http://www.gao.gov/new.items/d04801.pdf)). (3) Position description for Enforcement Chief. (4) SOW for workforce planning study. (5) New OPS Enforcement, Program Performance and Evaluation Organizational Structure and Implementation Plan. (6) OPS organizational chart.

**3.BF1      Does the program have oversight practices that provide sufficient knowledge of grantee activities?**                      Answer: YES                      Question Weight: 7%

**Explanation:** Both electronic monitoring and peer review groups are used to monitor grantees, and these activities are supported by regular regional conferences to report results. OPS uses the FedStar reporting system to track expenditures by grantees. Grantees submit information on a 270 Form through FedStar, and the form is also kept in hardcopy. OPS reviews and monitors the performance of the State agencies participating in the pipeline safety program through its regional offices. OPS conducts site visits to all grantees. In the FY04 Budget, OPS received an additional position to provide additional oversight of State grants. OPS is authorized to reimburse a state agency up to 50 percent of the actual cost for carrying out its pipeline safety program, including the cost of personnel and equipment. The formula used to allocate funds includes performance factors such as the extent to which the State asserts safety jurisdiction over pipeline operators, whether the state has adopted all Federal requirements, and number and qualifications of State pipeline safety inspectors.

**Evidence:** (1) Overview of State participation in Federal pipeline safety program (2004) lists performance factors used by OPS to allocate grant funds to a State agency; (2) Letter from the Associate Administrator to the State Pipeline Safety Managers regarding levels of performance, April 9, 2004; (3) 2003 Guidelines for States participating in Pipeline Safety Program; (4) Model agreements: Pipeline Safety Evaluation Forms; (5) Form 270 in FedStar tracks grantee expenditures.

## PART Performance Measurements

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**3.BF2**      **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?**      Answer: NO      Question Weight: 7%

Explanation: OPS collects grantee performance data annually, as each grantee is required to submit an annual report on the results of their program. These reports are then aggregated to form an annual output measure. Results are reported to Congress and performance data is released to other grantees within the program. However, the performance data is not made publicly available in a useful and transparent manner. A State profile project is in progress to post summary data on the web for the public. The templates are complete and some information in that format has been posted in response to an incident, but information for all states is not yet available.

Evidence: (1) RSPA/OPS State Grants Program Fact sheet; (2) 2003 Guidelines for States participating in Pipeline Safety Program; (3) Form 270 in FedStar tracks grantee expenditures.

**3.CA1**      **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?**      Answer: NA      Question Weight: 0%

Explanation:  
 Evidence:

**3.CO1**      **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?**      Answer: YES      Question Weight: 0%

Explanation: All contracts, cooperative agreements, other transactional authorizations (OTAs) and grants for R&D are awarded on a clear competitive process that includes a qualified assessment of merit. RSPA/OPS issues Broad Agency Announcements (BAAs) to solicit ideas for research in the form of white papers. Each BAA defines the evaluation factors which are accorded equal importance, including proposers' understanding of the state-of-the-art, scientific and technical merit, adequacy and feasibility of the technical approach and cost, technical experience and capability, time line for application, and team capabilities. The white papers are reviewed and rank-ordered by a BAA Merit Review Panel with representatives from Federal and State agencies and industry representatives. Proposals are invited from organizations whose white papers ranked high according to the evaluation factors. All awards are consistent with the Federal Acquisition Regulations.

Evidence: Research ideas, in white papers and proposals, were solicited in four Broad Agency Announcements (BAAs). Each BAA describes the competitive process and evaluation factors used by the BAA Merit Review Panel. In each BAA the evaluation factors and their weighting are described. All awards have requirements consistent with the Federal Acquisition Regulations. (1) Various announcements from past BAAs at <http://primis.rspa.dot.gov/rd/announcements.htm> (2) Figure 7 Pie Chart ' R&D Draft Strategic Plan Section 6.

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1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**3.CO2      Does the program have oversight practices that provide sufficient knowledge of grantee activities?**      Answer: YES      Question Weight: 0%

**Explanation:** OPS manages the activities of its contractors and grantees through a carefully planned and implemented program of oversight. At completion of the competitive procurement process, each project is assigned to a certified Contracting Officer's Technical Representative (COTR). Each COTR oversees contractor reporting, progress toward goals, spending, schedules, and implementation in accordance with the Federal Acquisition Regulations. Project information is entered into internet based R&D database. COTRs report on activities periodically to the OPS R&D management team through written reports, internet based meetings, onsite contractor visits and additions to the internet based R&D database and management information system. Additional oversight is provided through a process of internal and external reviews by the Blue Ribbon Panel, interagency coordination and technical conferences with DOE/NETL, DOC/NIST, and reviews by the DOT's pipeline safety committees.

**Evidence:** (1) Selected information (project description and results) is publicly available at <http://primis.rspa.dot.gov/rd/>; (2) Information on the projects, contractors, and performance, has been presented to the Blue Ribbon Panel and DOT pipeline safety advisory committees. (3) Five-Year Interagency Research and Development Program Plan with attached documents. (4) Pipeline Research Memorandum of Understanding is signed with DOT, DOE and NIST can be viewed at <http://primis.rspa.dot.gov/rd/mou.htm>. (5) In-development internet-based R&D Management Information System can be viewed at <http://primis.rspa.dot.gov/matrix/Rfp1.rdm>. (6) R&D Strategic Plan Sections 4.1 and 6. (7) PRIMIS Document Log.

**3.CO3      Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?**      Answer: YES      Question Weight: 0%

**Explanation:** OPS compiles and disseminates information on projects and the R&D program using a web-based database and related public website on an ongoing basis, a process which the GAO has reviewed favorably. The website includes contract information, funding, cofunding, project status, and description. It is searchable by key word or links to topics. R&D workshops, Blue Ribbon Panel meetings, Interagency R&D agreements, public meetings, and safety advisory committees are summarized and accessible on the R&D website. COTRs compile data and document performance on a COTR Close-Out Statement. A new Pre & Post Award Management Information System is being implemented specifically for procurement and tracking of project performance. In the R&D Strategic and Performance Plans, an R&D Logic Model is used to guide performance in terms of outputs, outcomes, and impacts. Performance goals and measures are tracked. Results from COTR close-outs are documented for each completed project and stored with RSPA Procurement. Information is available upon request.

**Evidence:** (1) OPS R&D Website <http://primis.rspa.dot.gov/matrix>. (2) Pipeline Safety Research & Development Workshop on R&D website [http://primis.rspa.dot.gov/rd/mtg\\_112701.htm](http://primis.rspa.dot.gov/rd/mtg_112701.htm). (3) Government/Industry R&D Forums on R&D website <http://primis.rspa.dot.gov/rd/> under meetings. (4) Blue Ribbon Panel on R&D Website [http://primis.rspa.dot.gov/rd/mtg\\_61003.htm](http://primis.rspa.dot.gov/rd/mtg_61003.htm). (5) Five-Year Interagency Research and Development Program Plan with attached documents. (6) Pipeline Research MOU is signed with DOT, DOE, and NIST and can be viewed at <http://primis.rspa.dot.gov/rd/mou.htm>. (7) Draft OPS R&D Program Strategic Plan with attached documents. (8) Draft OPS R&D Performance Plan with attached documents. (9) Draft OPS R&D Program Logic Model with attached documents. (10) COTR Close-Out Report with attached documents. (11) Internet-based Pre and Post Award Management Information System (in development) <http://primis.rspa.dot.gov/matrix/Rfp1.rdm>.

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1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**3.RD1      For R&D programs other than competitive grants programs, does the program allocate funds and use management processes that maintain program quality?**      Answer: YES      Question Weight: 7%

**Explanation:** Nearly 100% of R&D contracts, cooperative agreements, other transactional authorizations, interagency agreements, and grants are awarded on a clear competitive process that includes a qualified assessment of merit, a process recently reviewed by both the DOT IG and the GAO. In some cases, OPS funds research through Interagency Agreements (IA) with other Federal programs that are not competitively awarded. These IAs are developed with contractual milestones and deliverables which maintain program quality, require results delivered, and are consistent with the FAR. Examples are IA with NIST and a planned IA with DOE's National Energy Technology Laboratory, where OPS is funding research aligned with directives from PSIA 2002. The agencies named in PSIA 2002 meet quarterly to collaborate and coordinate efforts while providing oversight for interagency research activities.

**Evidence:** 1) Federal Acquisition Regulations. (2) Interagency Agreement with NIST. (3) Meeting notes from Quarterly PSIA 2002 Group Meetings; <http://primis.rspa.dot.gov/rd/> under meetings. (4) Five-Year Interagency Research and Development Program Plan. (5) Pipeline Research MOU is signed with the DOT, DOE, and the NIST (<http://primis.rspa.dot.gov/rd/mou.htm>). (6) Draft OPS R&D Program Strategic Plan. (7) Draft OPS R&D Performance Plan. (8) Draft OPS R&D Program Logic Model. (9) Interagency agreement with NIST.

**3.RG1      Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?**      Answer: YES      Question Weight: 7%

**Explanation:** OPS conducts extensive outreach to obtain input from affected parties, including web-based technology and extensive use of public meetings at locations around the country. In addition to using the Federal Register, outreach includes posting information on the OPS website, invitational travel to bring in affected populations, work with tribal governments, industry meetings, workshops, and public meetings. In addition, an advisory committee reviews all rulemakings. All significant rulemakings were reviewed by OMB and included appropriate analyses. Since 1999, OPS has followed the guidelines developed in 'A collaborative framework for OPS's cost-benefit analysis,' a document developed by the joint OPS stakeholder workgroup with economic efficiency as a focal point for all OPS regulations.

**Evidence:** (1) Integrity Management Notices (2) Integrity Management Industry comments (3) Integrity Management Technical Advisory Committee Meetings 1-3; (<http://primis.rspa.dot.gov/iim>) OPS prepares all regulatory impact assessments in accordance with OMB guidelines and the final IMP rules include analysis required for Regulatory Flexibility Act. OPS also prepares its cost-benefit analyses in accordance with a document developed through stakeholder committees in accordance with OMB Circular A-94. A Collaborative Framework for OPS's Cost-Benefit Analysis: [http://ops.dot.gov/document/cba\\_rpt.pdf](http://ops.dot.gov/document/cba_rpt.pdf) (4) Examples from final regulations (gas and liquid IMP rules).

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- 3.RG2      Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R**                      Answer: YES                      Question Weight: 7%
- Explanation: OPS rules were prepared using sound analyses and all OPS regulation comply with OMB guidelines to prepare regulatory impact analysis, regulatory flexibility analysis, and analysis based on the Unfunded Mandates Reform Act. OPS also follows guidance prepared by stakeholder committees regarding preparation of cost-benefit analyses. In addition, the Technical Advisory Committees review OPS cost-benefit analyses as part of their charter to ensure proper documentation and analysis.
- Evidence: (1) Federal Register Notices posted by OPS: <http://primis.rspa.dot.gov/gasimp/documents.htm>. (2) Industry comments and actions taken: <http://primis.rspa.dot.gov/gasimp/documents.htm>. (3) Discussion of the Proposed Gas IM Rule: Comparison of Costs and Discussion of Benefits Draft, July 22, 2003, TPSSC: [http://www.cycla.com/opsiswc/docs/s8/p0057/TPSSC\\_073103Mtg\\_Summary\\_of\\_Gas\\_IM\\_Benefits\\_072203.pdf](http://www.cycla.com/opsiswc/docs/s8/p0057/TPSSC_073103Mtg_Summary_of_Gas_IM_Benefits_072203.pdf). (4) A Collaborative Framework for OPS Cost-Benefit Analyses, September 1999: [http://ops.dot.gov/document/cba\\_rpt.pdf](http://ops.dot.gov/document/cba_rpt.pdf).
- 3.RG3      Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?**                      Answer: YES                      Question Weight: 7%
- Explanation: OPS reviews portions of its program periodically and has recently revamped its regulatory regime to incorporate significant new regulations. Industry groups and State programs provided OPS with a list of suggested items to fix in the regulations, and OPS is working on reviewing and making changes as appropriate. A periodic update of required standards is posted in the docket. In the past few years, OPS has issued a number of new regulations which in turn forced a review of the existing regulations to ensure consistency among all regulations issued by OPS. The Technical Advisory Committees (TPSSC and THLPSSC) also review current regulations to ensure consistency among all regulations. OPS meets four times a year with the National Association of Safety Representatives to obtain input on regulations. OPS posts notices in the Federal Register asking for suggested revisions.
- Evidence: (1) The recent update of standards incorporated by reference (keep up to date with ASME and other technical standards) will be posted soon in the Federal Register. (2) Federal Register notices to solicit suggested revisions.
- 3.RG4      Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?**                      Answer: YES                      Question Weight: 7%
- Explanation: OPS regulations are designed to achieve program goals and maximize net benefits by identifying minimum standards for pipeline design, construction, inspection, testing, operation, and maintenance for operators. Rules are designed to allow companies the flexibility to achieve goals at the lowest cost possible by requiring the companies to achieve a goal without telling them how. OPS is required to conduct cost benefit analyses on regulations and obtain a favorable vote on the results by its Technical Advisory Committees. Programs are periodically evaluated and revised on the basis of external stakeholder input and internal operational needs, including TPSSC and THLPSSC reviews.
- Evidence: (1) OPS conducts cost-benefit analyses for all of its regulations in accordance with OMB Circular A-94 and guidelines developed by stakeholders titled "A Collaborative Framework for OPS's Cost-Benefit Analysis" ([http://ops.dot.gov/document/cba\\_rpt.pdf](http://ops.dot.gov/document/cba_rpt.pdf)). (2) Cost benefit analysis of IMP rules. (3) Minutes from the Technical Advisory Committee meetings.

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1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**4.1      Has the program demonstrated adequate progress in achieving its long-term performance goals?**      Answer: **LARGE EXTENT**      Question Weight: **17%**

**Explanation:** To a large extent, the program has demonstrated progress in achieving the long-term DOT-wide strategic goal of reducing the number of pipeline incident rate. Over the past 10 years, the total number of pipeline incidents has decreased from 467 in 1994 to 368 in 2003. However, while the program has achieved its goals for hazardous liquid pipeline incidents, it has not achieved its goals for gas transmission and distribution pipeline incidents. Since 1994, OPS has shown progress toward the strategic goal of downward trends in both number of incidents and rate of hazardous liquid released. While the year to year performance related to this goal has varied, it is expected that the downward trend of incidents will continue in a more smooth curve as the full effects of the IMP are realized. State partners commit to long-term outcome targets when signing interagency agreements.

**Evidence:** (1) Accident Summary Statistics for hazardous liquid operators by cause, 2003 ([http://ops.dot.gov/stats/LQ03\\_CS.HTM](http://ops.dot.gov/stats/LQ03_CS.HTM)). (2) Incident Summary statistics for natural gas transmission lines by cause, 2003 (<http://ops.dot.gov/stats/NGTRAN03.HTM>). (3) Incident summary statistics for natural gas distribution lines by cause, 2003 (<http://ops.dot.gov/stats/NGDIST03.HTM>). (4) FY 2005 RSPA budget justification, pages 61-63. (5) DOT IG Report No. SC-2004-064, "Actions Taken and Needed for Improving Pipeline Safety," ([www.oig.dot.gov/item\\_details.php?item=1344](http://www.oig.dot.gov/item_details.php?item=1344)). (6) Op-Ed Letter from NTSB ex-chairman, Jim Hall ([www.tucsoncitizen.com/index.php?page=opinion&story\\_id=040804b5\\_guestpipeline](http://www.tucsoncitizen.com/index.php?page=opinion&story_id=040804b5_guestpipeline)). (7) State interagency agreement.

**4.2      Does the program (including program partners) achieve its annual performance goals?**      Answer: **LARGE EXTENT**      Question Weight: **17%**

**Explanation:** The program has achieved its annual performance goals to a large extent. Annual targets for the number of pipeline incidents caused by corrosion have been met and exceeded, and targets for the number of incidents caused by excavation damage have been narrowly missed. OPS is in the process of collecting and analyzing baseline data to develop annual efficiency measures, including a measure of the time required to issue a Corrective Action Order after a safety sensitive incident and a measure of unrecovered oil spill costs per costs for implementing the IMP in HCAs.

**Evidence:** (1) Accident Summary Statistics (<http://ops.dot.gov/stats.htm>). (2) FY 2005 RSPA budget justification pages 63-66.

## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
**Bureau:** Pipeline and Hazardous Materials Safety Administration  
**Type(s):** Regulatory Based                      Block/Formula Grant                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**4.3**      **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**      Answer: LARGE EXTENT      Question Weight: 17%

**Explanation:** The OPS program has demonstrated improved efficiency and cost effectiveness by using a risk-based approach to achieve the greatest possible safety and environmental benefits. The risk-based program focuses its effort on high consequence areas (HCAs), which maximizes available resources. OPS is developing a new web-based knowledge management tool called the Safety Monitoring and Reporting Tool (SMART) that will enable better management decisions and achieve efficiencies by integrating geospatial data in the National Pipeline Mapping System with pipeline incident, compliance, system information and other pipeline safety information. RSPA/OPS has submitted a competitive sourcing plan in accordance with OMB revised Circular A-76. For improved efficiency, OPS is undertaking a comprehensive workforce planning effort. In addition, OPS is developing baseline data for efficiency measures that will assess program efficiency gains.

**Evidence:** (1) Exhibit 300 documents SMART, which is a business modernization of current steady-state systems that furthers E-Gov and supports CPIC planning process by creating an easy-to-find single point of access to pipeline information and OPS services for individuals. This will reduce the reporting burden on businesses by ensuring that OPS appropriately integrates data collection to meet needs, fully implement electronic data collection where possible via the Internet, and share information with State and other Federal agencies. (2) Concept of Operations document (how enforcement would link to PIPES, etc.). (3) SOW for Enforcement Tracking System. (4) DOT Performance Plan ([www.dot.gov/PerfPlan2004/index.html](http://www.dot.gov/PerfPlan2004/index.html)). (5) For A-76 competition, OPS participates in agency-wide initiative that follows OMB Circular and DOT's competitive sourcing policy in implementing the plan ([www.rspa.dot.gov/competitive.html](http://www.rspa.dot.gov/competitive.html)). (6) SOW for Workforce Planning Initiative.

**4.4**      **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**      Answer: LARGE EXTENT      Question Weight: 17%

**Explanation:** GAO has stated that pipelines are inherently safer to the public than other modes of freight transportation, indicating that the program compares favorably to similar programs. DOT's Performance Plan reviews individual modal organizations' performance and contribution towards the Department's overall strategic goals. Additionally, OPS internally (through Oakridge National Laboratory) reviewed inspection and compliance programs of other federal agencies (FHWA, FRA, FAA, USCG, EPA, NRC, and OSHA) and the review indicated that the program performs comparably to other compliance programs. OPS also conducted an internal review of the study entitled "The U.S. Pipeline Industry's Safety Performance." The review compares the environmental and safety records for pipelines to the record for other modes - trucks, tankers and barges, and railroads - of oil transportation, and the records for pipelines exceed the other modes.

**Evidence:** (1) GAO Report GAO-04-801, "Management of the Office of Pipeline Safety's Enforcement Program Needs Further Strengthening," July 2004 ([www.gao.gov/new.items/d04801.pdf](http://www.gao.gov/new.items/d04801.pdf)). (2) Pipeline Security: Industry and Federal Efforts and Associated Legislation, CRS RL31391, April 2002 ([www.ncseonline.org/NLE/CRS/NLE/CRSreports/RL31391.pdf](http://www.ncseonline.org/NLE/CRS/NLE/CRSreports/RL31391.pdf)). (3) "Compliance, Inspection, and Pipeline Inspection Priority Program Review by Oak Ridge National Laboratory, Chapter 5, 1997. (4) Review of the Report "The U.S. Oil Pipeline Industry's Safety Performance" 2003 by Volpe Center. (5) Op-Ed Letter from NTSB ex-chairman, Jim Hall ([www.tucsoncitizen.com/index.php?page=opinion&story\\_id=040804b5\\_guestpipeline](http://www.tucsoncitizen.com/index.php?page=opinion&story_id=040804b5_guestpipeline)).

## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
**Bureau:** Pipeline and Hazardous Materials Safety Administration  
**Type(s):** Regulatory Based                      Block/Formula Grant                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**                      Answer: LARGE EXTENT                      Question Weight: 17%

**Explanation:** PSIA 2002 requires the DOT Inspector General and the GAO to periodically report to Congress on OPS' progress in implementing the requirements of the legislation. Recent IG, GAO, and NTSB reports and testimonies have indicated that the program is improving its effectiveness and achieving better results than in the past. However, these reports and testimonies have indicated that the program needs to continue working to improve its performance. Specifically, an NTSB official testified that OPS has significantly improved its safety record but advised OPS to continue working on projects to reduce excavation damage, a leading cause of pipeline accidents. The DOT IG recognized improved overall performance but noted that gas transmission pipelines are not meeting the program's strategic safety goal. GAO reported that the program is enhancing its enforcement but lacks effective management to ensure that civil penalties are collected.

**Evidence:** (1) DOT IG Report No. SC-2004-064, "Actions Taken and Needed for Improving Pipeline Safety," (www.oig.dot.gov/item\_details.php?item=1344). (2) GAO Report GAO-04-801, "Management of the Office of Pipeline Safety's Enforcement Program Needs Further Strengthening," July 2004 (www.gao.gov/new.items/d04801.pdf). (3) June 2004 testimony by NTSB, GAO, and IG officials (www.house.gov/transportation). (4) Pipeline Safety: Systematic Process Needed to Evaluate Outcomes of Research and Development Program, GAO-03-746 June 30, 2003; (www.gao.gov/new.items/d03746.pdf).

**4.CA1 Were program goals achieved within budgeted costs and established schedules?**                      Answer: NA                      Question Weight: 0%

**Explanation:**

**Evidence:**

**4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?**                      Answer: LARGE EXTENT                      Question Weight: 17%

**Explanation:** The program has maximized net benefits through implementation of its regulatory actions, as indicated in the Regulatory Impact Analyses conducted for significant rules. Since 1999, OPS has followed the guidelines in 'A Collaborative Framework for OPS's Cost-Benefit Analysis,' developed by a joint OPS stakeholder workgroup to achieve economic efficiency for all OPS regulations. The Integrity Management Program (IMP) is an example where repeated consultation with industry and stakeholders groups, along with the Technical Advisory Committees, resulted in a more cost effective and performance based rulemaking than the initial proposal.

**Evidence:** (1) A Collaborative Framework for OPS's Cost-Benefit Analysis (http://ops.dot.gov/document/cba\_rpt.pdf). (2) INGAA letter to OMB stating benefits exceeding costs of IMP rule. (3) RIAs for gas and liquid IMP show costs and benefits of rules.

## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
**Bureau:** Pipeline and Hazardous Materials Safety Administration  
**Type(s):** Regulatory Based                      Block/Formula Grant                      Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	91%	93%	67%	Effective

**Measure:** Number of pipeline natural gas incidents and hazardous liquid accidents.

**Additional Information:** Directly supports DOT and RSPA strategic goals on Safety Performance to reduce deaths, injuries, property damage and economic disruptions from pipeline incidents. Goal is to reduce all pipeline incidents by 5% per year from 381 in 2000 to 280 in 2006.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2000	N/A	381	
2001	N/A	338	
2002	344	323	
2003	327	369	
2004	310	393	
2005	295		
2006	280		

**Measure:** Unrecovered oil spill costs per costs for implementing IMP in HCAs

**Additional Information:** Methodology would be to calculate net loss for spills in high consequence areas and potentially use a moving average to normalize the spill variability over time. OPS collected 5-year data on HCA spills and is in the process of analyzing the data to capture an effective efficiency measure.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
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**Measure:** Tons of oil and hazardous liquid materials spilled per million ton-miles shipped by pipelines (including highly volatile liquids).

**Additional Information:** Directly supports DOT and RSPA strategic goals on Environmental Performance to reduce the amount of oil and other hazardous liquids spilled from pipelines. Goal is to reduce the volume of hazardous liquid spilled from pipelines by 6% per year, from 0.0131 tons per million ton-miles shipped in 2000 to 0.0110 ton per million ton-miles shipped in 2006.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2000	0.0160	0.0131	
2001	0.0151	0.0201	
2002	0.0142	0.0202	
		200	

## PART Performance Measurements

**Program:** Pipeline Safety  
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**Bureau:** Pipeline and Hazardous Materials Safety Administration  
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Section Scores				Rating
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2003	0.0134	.0129
2004	0.0126	.0102
2005	0.0118	
2006	0.0110	

**Measure:** Number of all pipeline incidents caused by excavation damage.

**Additional Information:** Goal is to reduce incidents by 5% per year, from 119 in 2000 to 87 in 2006. Excavation damage is the leading cause of all pipeline incidents/accidents.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2000	119	118	
2001	113	122	
2002	107	75	
2003	102	106	
2004	97	89	
2005	92		
2006	87		

**Measure:** Number of pipeline incidents caused by corrosion.

**Additional Information:** Corrosion is the second leading cause of incidents.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2000	N/A	69	
2001	66	59	

## PART Performance Measurements

**Program:** Pipeline Safety  
**Agency:** Department of Transportation  
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Section Scores				Rating
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	2002	62	59
	2003	59	52
	2004	56	
	2005	53	
	2006	51	

**Measure:** Reduce the number of natural gas transmission leaks.

**Additional Information:** This is an internal measure.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	4301	2667	
2003	4228	1775	
2004	4156		
2005	4085		
2006	4016		

**Measure:** Rate of hazardous liquid materials released by pipeline to the environment per million ton-mile shipped.

**Additional Information:** This is an internal measure where OPS excludes the highly volatile liquids since Non-HVLs posed threat to the ground water.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	0.0142	0.0050	
2003	0.0072	0.0071	
2004	0.0068		

## PART Performance Measurements

**Program:** Pipeline Safety  
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Section Scores				Rating
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2005                      0.0064  
 2006                      0.0060

**Measure:** Number of outstanding NTSB recommendations at the beginning of the year.

**Additional Information:** This is an internal measure where OPS tracks the number of NTSB recommendations that are successfully closed.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001		44	
2002		43	
2003		32	
2004		10 (p)	
2005			

**Measure:** Time required to issue a Corrective Action Order after a safety sensitive incident.

**Additional Information:** OPS is in the process of developing this efficiency measure, which will measure the efficiency of the response to incidents.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
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## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight 20%

**Explanation:** The Railroad Safety Program (RSP) promulgates, administers, and enforces the Federal laws and regulations designed to promote safety on the Nation's railroads. FRA's oversight focuses on five safety "disciplines" -- track, equipment, operating practices, signals, and hazardous materials.

**Evidence:** FRA's authorizing statutes include: Title 49 USC Chs. 201-213 (railroad safety program); Title 49 USC Ch. 51 (transporting of hazardous materials); and 49 CFR Sec 1.49 delegates authority to the Federal Railroad Administration (FRA).

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight 20%

**Explanation:** The hazards posed by trains are very real, with thousands of rail-related injuries and fatalities occurring annually to railroad employees, car and truck passengers, and rail trespassers.

**Evidence:** 1) FRA's "Railroad Safety Statistics." See FRA Safety Website at [www.fra.dot.gov/safety](http://www.fra.dot.gov/safety).

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES

Question Weight 20%

**Explanation:** The program is the only Federal regulator of railroad safety nationwide, though FRA works regularly with other relevant Federal transportation agencies, including the Federal Highway Administration, Transportation Security Administration, and the Occupational Health and Safety Administration. FRA works closely with the private sector since the RSP ensures safety of the rail system by overseeing the safety programs of individual private railroads. Additionally, FRA collaborates with States by certifying their rail safety inspectors for those States with safety programs (30 States have rail safety programs).

**Evidence:**

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**

Answer: YES

Question Weight 20%

**Explanation:** The program is designed to encourage regulatory compliance by the railroads and promote safety improvements. Through inspections, railroad audits, and enforcement tools that include civil penalties, the program balances enforcement action with cooperative approaches. The program also supports educational outreach efforts through its highway-rail grade crossing program. FRA's primary challenge in managing the safety program is to give the appropriate weighting to its cooperative efforts with the railroads and to its regulatory enforcement work.

**Evidence:** 1) FRA's Safety Assurance and Compliance Program (SACP). See FRA website at [www.fra.dot.gov/safety/sacp.htm](http://www.fra.dot.gov/safety/sacp.htm). 2) DOT IG Follow-up Audit of Safety Assurance and Compliance Program (2-8-02 and 4-18-02). 3) FRA's Railroad Safety Advisory Committee (RSAC). See FRA website at [www.fra.dot.gov/safety](http://www.fra.dot.gov/safety). Click on RSAC. 4) Compliance Agreements. 5) Focused Enforcement, e.g., FRA's Switching Operations Fatality Analysis. See FRA website at [www.fra.dot.gov/safety/sofa/index.htm](http://www.fra.dot.gov/safety/sofa/index.htm).

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
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100%	89%	91%	67%	Effective

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**      Answer: YES      Question Weight: 20%

**Explanation:** Through focused inspections, safety audits, and a variety of enforcement tools, RSP resources directly target serious safety problems. FRA uses its Accident/Incident data along with its inspection findings to plan inspections as specified in its focused enforcement guidance document. FRA's main resource management challenge is to monitor the condition of the nation's entire rail system with a limited number of rail inspectors. Another challenge is to effectively target highway-rail grade crossing resources, including collecting better data on how States currently spend their Federal grade crossing dollars.

**Evidence:** 1) IG Memorandum, Follow-up audit of safety and assurance and compliance program, April 18, 2002. 2) For SACP, see FRA website at [www.fra.dot.gov/safety/sacp](http://www.fra.dot.gov/safety/sacp). 3) For grade crossing, see FRA website at [www.fra.dot.gov/safety/90hrc.htm](http://www.fra.dot.gov/safety/90hrc.htm). 4) For OLI, see FRA website at [www.fra.dot.gov/safety/oli](http://www.fra.dot.gov/safety/oli). 5) For RSAC, see FRA website at [www.fra.dot.gov/safety/rsac](http://www.fra.dot.gov/safety/rsac). 6) For safety data, see FRA website at [www.fra.dot.gov/safety/safetydata](http://www.fra.dot.gov/safety/safetydata).

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**      Answer: YES      Question Weight: 11%

**Explanation:** The RSP has five specific long-term performance measures that reflect its mission and support the critical outcome goals established by DOT to improve transportation safety nationwide. These measures concern reducing rail-related fatalities, injuries, train accidents, highway-rail grade crossing accidents, and rail hazmat releases.

**Evidence:** 1) DOT Strategic Plan 2003-2008. See website <http://Stratplan.dot.gov>. 2) DOT FY 2002 Performance & Accountability Report. See website [www.dot.gov](http://www.dot.gov). 3) DOT Performance Plan - FY 2004. See website [www.dot.gov/perfplan2004/index.htm](http://www.dot.gov/perfplan2004/index.htm). 4) FRA FY 2004 Budget. 5) FRA Strategic Plan 2000-2003. See FRA website at [www.fra.dot.gov/about/FRAstrategic\\_plan\\_.htm](http://www.fra.dot.gov/about/FRAstrategic_plan_.htm).

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?**      Answer: YES      Question Weight: 11%

**Explanation:** FRA adjusts its targets annually based on past performance, projected program resources, and the expectation of being able to meet targets.

**Evidence:** 1) DOT FY 2004 Performance Plan. 2) DOT FY 2002 Performance & Accountability Report. 3) FRA Strategic Plan 2000-2003.

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?**      Answer: YES      Question Weight: 11%

**Explanation:** The RSP has five distinct, quantifiable, annual performance measures that demonstrate its progress toward achieving the long-range goals set by DOT, as noted above.

**Evidence:** 1) DOT Strategic Plan 2003-2008. 2) DOT FY 2004 Performance Plan. 3) DOT FY 2002 Performance & Accountability Report. 4) FRA FY 2004 Budget. 5) FRA Strategic Plan 2000-2003.

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 11%

Explanation: FRA adjusts its targets annually based on past performance, projected program resources, and the expectation of being able to meet targets.

Evidence: 1) FRA FY 2003 and 2004 Budgets. 2) DOT FY 2002 Performance & Accountability Report. 3) FRA Strategic Plan 2000-2003.

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight: 11%

Explanation: FRA partners with several stakeholders in the public and private sectors. States work with the FRA to enforce Federal rail safety regulations (30 States with rail safety programs employ 160 safety inspectors). Operation Lifesaver, a national, nonprofit education and awareness program, receives FRA funds for rail crossing safety and railroad rights-of-ways campaigns. At the Federal level, FRA and FHWA cooperatively manage the highway rail-grade crossing program, which is funded from FHWA resources. Further, the freight railroads and labor unions help evaluate private companies' safety programs and develop strategies for system-wide improvements through SACP and RSAC.

Evidence: 1) Before participation can begin, each State agency must enter into an agreement with FRA for the exercise of specified authority. This agreement may delegate investigative and surveillance authority regarding all or any part of Federal railroad safety laws. 2) Operation Lifesaver, Inc., Contract/Agreement.

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: NO Question Weight: 11%

Explanation: FRA has not arranged for independent evaluations of the safety program's design and effectiveness. However, FRA has some mechanisms for receiving feedback on its performance such as RSAC, which reviews major regulatory programs in collaboration with industry stakeholders. FRA has also hired an independent contractor to perform human capital analysis of FRA's five railroad safety inspection disciplines.

Evidence: 1) RSAC minutes. See: [http://rsac.fra.dot.gov/rsac\\_doc.htm](http://rsac.fra.dot.gov/rsac_doc.htm). 2) DOT Human Capital Plan. See: [http://dothr.ost.dot.gov/About\\_Us/Human\\_Capital\\_Plan/human\\_capital\\_plan.html](http://dothr.ost.dot.gov/About_Us/Human_Capital_Plan/human_capital_plan.html).

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight: 11%

Explanation: The FRA FY 2004 Budget request to Congress directly linked its five annual performance goals to budget data. FRA could improve the transparency of the budget request by distinguishing funding for the rail safety program including SACP, RSAC, the rail crossing program, and rail inspectors.

Evidence: 1) FRA FY 2004 Budget. See: <http://www.dot.gov/bib2004/fra.html>

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
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100%	89%	91%	67%	Effective

**2.8**      **Has the program taken meaningful steps to correct its strategic planning deficiencies?**      Answer: YES      Question Weight: 11%

Explanation: The RSP annually reviews and adjusts or updates its performance goals and measures. It is currently assessing the effects of reducing its long-range and annual goals from five to three to more meaningfully support the DOT Safety Strategic Goal.

Evidence: 1) FRA Strategic Plan 2000-2003. See [www.fra.dot.gov/about/fra\\_strategic\\_plan.htm](http://www.fra.dot.gov/about/fra_strategic_plan.htm). 2) DOT Strategic Plan 2000-2005. 3) DOT Strategic Plan 2003-2008. See <http://stratplan.dot.gov>.

**2.RG1**      **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?**      Answer: YES      Question Weight: 11%

Explanation: Each regulation clearly articulates a problem statement for a specific safety issue and explains how the rule elements will solve the stated problem. When feasible, each of the rule's elements are priced separately and its benefits identified. The consensus process within the Railroad Safety Advisory Committee (RSAC) also ensures a sharp focus on results. Individual working groups within RSAC are assigned to certain regulatory tasks. Each working group is comprised of knowledgeable representatives of stakeholder organizations and FRA, and the products of their deliberations may be reported to the full committee only by consensus.

Evidence: 1) Report on DOT Significant Rulemakings. See <http://regs.dot.gov/report2.htm>.

**3.1**      **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**      Answer: YES      Question Weight: 9%

Explanation: FRA collects monthly accident and fatality data from the nation's railroads, including data by county on the location of trespassing deaths, which is the leading type of rail fatality. The data is posted on FRA's website. DOT uses the data to improve program performance, including through a focused inspection methodology that has successfully reduced injuries and fatalities of train and engine service employees. Further, using HAZMAT data, FRA created a Safety Action Plan for shippers with the highest number hazard material incidents. Also, FRA managers develop annual Action Plans for every class 1 railroad based on safety information. Despite this work, FRA could improve its data collection and management efforts. For example, the OIG found that FRA SACP team leaders frequently didn't use accident and fatality data when developing profiles of individual railroads, and FRA didn't always use data on railroad safety inspections for program management. Also, DOT currently does not collect information on how States use their FHWA/FRA highway rail grade crossing funds.

Evidence: 1) FRA's "Rail Safety Statistics." See FRA website at <http://safetydata.fra.dot.gov/officeofsafety>. 2) OIG Audit, Rail-Highway Grade Crossing Safety, September 30, 1999. 3) OIG Audit Report, Safety Assurance and Compliance Program, Sept 30, 1998. See FRA website at [www.fra.dot.gov/safety/sacp.htm](http://www.fra.dot.gov/safety/sacp.htm). 4) FRA primary databases are: Accident/incidents, Inspection data and the Highway-rail grade crossing inventory. See FRA website at: <http://safetydata.fra.dot.gov/officeofsafety>.

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
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Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**      Answer: YES      Question Weight: 9%

Explanation: Program managers and FRA's Regional Administrators are held accountable for the success of the program and the proper administration of the regional offices. Importantly, safety performance data contributes to personnel evaluations of regional administrators, inspectors, specialists, and SACP managers. Further, FRA regional offices develop annual Regional Action Plans outlining how they will achieve their performance goals. FRA management compiles monthly Regional Performance Measures data to monitor the progress of the regions in achieving Agency goals. Additionally, State inspectors must complete a specified number of inspections each year. Ultimately, railroads are responsible for their safety records and are held accountable by civil penalties imposed by FRA. In 2002, FRA collected more than \$7.8 million in penalties from railroads and hazardous materials shippers.

Evidence: 1) Annual Regional Action Plans.2) Quarterly Assessments by FRA Administrator and Deputy Administrator of FRA Regional Administrators.3)Inspection Day Policy.

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**      Answer: YES      Question Weight: 9%

Explanation: The FRA budget officer and the FRA Administrator conduct reviews semi-annually to ensure that funds have been obligated in a timely manner and for their intended purpose. Also, an extensive Annual Advance Procurement process requires every program manager to identify funding needs for any project greater than \$100k, which is then reviewed by the contracting officer and the Administrator to ensure linkage to the Strategic Plan and the budget's intended purpose.

Evidence: 1) Annual Advance Procurement Plan.      2) FRA budget officer and administrator mid-year and end-of-year financial reviews.

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**      Answer: NO      Question Weight: 9%

Explanation: FRA's safety program does not routinely measure program execution efficiency or effectiveness. Still, through its competitive sourcing efforts and information technology initiatives, FRA is attempting to improve the productivity of its safety inspectors. FRA has committed to develop an efficiency or effectiveness measure for its 2004 performance plan.

Evidence: 1) IT/competitive sourcing initiative. See: <http://www.eps.gov/spg/DOT/FRA/OAGS/DTFR53-03-R-00004/SynopsisP.htm>.

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 9%

Explanation: FRA works with several Federal programs on a regular basis, particularly in the development of rail safety regulations. For example, FRA and RSPA developed regulations for transporting hazardous materials by rail, which FRA then enforces. FRA and DHS are working together to delineate their responsibilities for rail security issues. Going forward, FRA will work with FWHA, FMCSA, and NHTSA to improve DOT's data collection on highway-rail grade crossings.

Evidence: 1) State Rail Safety Participation Program. See FRA website [www.fra.dot.gov/safety](http://www.fra.dot.gov/safety). 2) State Railroad Safety Technical Training Funding Agreement. 3) Operation Lifesaver, Inc., Grant Agreement. 4) RSPA relationship yields current, consistently enforced hazardous materials regulations. 5) FRA/FTA Joint Statement of Agency Policy July 10, 2000. 6) OIG Audit Report - Safety Assurance and Compliance Program, Sept 30, 1998.

**3.6 Does the program use strong financial management practices?** Answer: YES Question Weight: 9%

Explanation: The Department's IG audit of FRA's financial statements and the Department's consolidated financial statements found that the financial statements were fairly presented in all material respects, and conformed with U.S. generally accepted accounting principles. No material internal control weaknesses were cited or discovered. FRA was the pilot agency within DOT for implementing the department's new financial accounting system, DELPHI.

Evidence: DOT FY 2002 Performance & Accountability Report; DOT IG Report FI-2003-018 (Jan.27, 2003).

**3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%

Explanation: For example, responding to GAO and OIG report recommendations that the program be more data driven, in 2001 FRA instituted a focused inspection methodology to reduce injuries and fatalities of train and engine service employees. Using data that disclosed specific tasks that railroad employees are engaged in when such fatalities occurred, inspectors focused their human factor monitoring activities on these tasks. Since the initiative began, there has been a reduction in injuries and fatalities related to those tasks. FRA is now developing similar strategies for improving other aspects of railroad safety.

Evidence: 1) "Safety Assurance and Compliance Program" forums between FRA managers and railroad officials. 2) Leadership Development Programs. 3) Regular use of Federal Executive Institute. 4) "360" Management Reviews. 5) "Coaching" programs for senior program managers. 6) Responsibility-Based Safety Enforcement Policy.

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**3.RG1**     **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?**     Answer: YES     Question Weight: 9%

Explanation: FRA's has two programs specifically intended to elicit input on FRA's rail safety program from key stakeholders. The Railroad Safety Advisory Committee (RSAC) involves all segments of the rail community on significant safety regulatory issues. The RSAC consists of 27 voting entities representing hundreds of companies and organizations. The SACP is a partnering effort between FRA and individual railroads to collaboratively identify and correct root causes of problems across a railroad. The program supplements the enforcement efforts of FRA safety inspectors.

Evidence: Information on RSAC regulatory issues, meetings, contacts, etc., is located on FRA's public web site and distributed via notices in the Federal Register. See [http://rsac.fra.dot.gov/rsac\\_doc.htm](http://rsac.fra.dot.gov/rsac_doc.htm).

**3.RG2**     **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R**     Answer: YES     Question Weight: 9%

Explanation: All significant safety regulations under the RSP prepare regulatory impact analyses, if required under EO 12866; regulatory flexibility analyses, if required by the Regulatory Flexibility Act and SBREFA; and cost-benefit analyses, if required under the Unfunded Mandates Reform Act. All analyses complied with OMB guidelines.

Evidence: See the electronic docket DMS at DMS.DOT.GOV. FRA posts the Regulatory Evaluations/Regulatory Impact Analysis and Cost Benefits in the electronic docket for public access. Two examples are FRA-1999-6439-12: Regulatory Evaluation for the Train Horn Rule (NPRM) and FRA-2001-11068-13: Regulatory Evaluation of Drug and Alcohol Use.

**3.RG3**     **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?**     Answer: YES     Question Weight: 9%

Explanation: In accords with DOT's Regulatory Policies and Procedures, E.O. 12866 (Regulatory Planning and Review), and Sec. 610 of the Regulatory Flexibility Act, FRA conducts reviews of its rules that (1) have been published within the last 10 years and (2) have a significant economic impact on small entities. FRA publishes a semiannual list in the Federal Register of any such rules that it will review during the year. The DOT's Regulations Council reviews each agenda and DOT has created an Internet site that provides general information for the public about its rulemaking responsibilities and activities.

Evidence: 1) DOT Semiannual Regulatory Agenda (May 27, 2003).

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**3.RG4**     **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?**     Answer: YES     Question Weight: 9%

**Explanation:** The FRA, working with interested industry parties, formulates regulations that direct resources towards efficiently achieving safety improvement goals. FRA's cost/benefit analyses demonstrate that in every case it has chosen the regulatory option that produces the greatest benefit at the lowest cost among the reasonably available options. FRA safety regulations are designed to significantly reduce railroad operation hazards to railroad employees and the general public.

**Evidence:** FRA performs a cost/benefit analysis for every rule, and solicits comments from all stakeholders on its assumptions, calculations, and conclusions, including FRA's efforts to achieve program goals and maximize net benefits. FRA considers all serious comments and makes appropriate changes in the Final Rule and its accompanying cost/benefit analysis. In addition, OMB reviews each FRA rule and accompanying cost/benefit analysis to ensure that FRA gives high priority to the selection of the most cost-beneficial option. For example, FRA received over 3,000 comments on a proposed regulation to establish standards for the use of train horns at highway-rail grade crossings. The proposed rule permitted 'quiet zones' where communities could prohibit the sounding of train horns if they instituted supplemental safety measures. Many commenters noted the high cost of implementing supplemental safety measures at grade crossings that have a historically low risk of accidents. As a result, FRA modified the proposed rule to make accident history a criterion for determining the need for supplemental safety measures.

**4.1**     **Has the program demonstrated adequate progress in achieving its long-term performance goals?**     Answer: YES     Question Weight: 20%

**Explanation:** Overall, safety trends have been positive. Since the late 1980s, FRA's five primary safety indicators show significant improvements, despite increases in rail traffic. For example, rail related injuries per million train miles has fallen from 45 in 1987 to 15 in 2002 and rail hazmat releases per billion hazmat ton miles has fallen from 20 in 1996 to 11 in 2001. During this time train miles increased from 581 million to 728 million.

**Evidence:** 1) DOT Strategic Plan 2003-2008. See website <http://Stratplan.dot.gov>. 2) DOT FY 2002 Performance & Accountability Report. See website [www.dot.gov](http://www.dot.gov). 3) DOT Performance Plan - FY 2004. See website [www.dot.gov/perfplan2004/index.htm](http://www.dot.gov/perfplan2004/index.htm). 4) FRA FY 2004 Budget. 5) FRA Strategic Plan 2000-2003. See FRA website at [www.fra.dot.gov/about/FRAstrategic\\_plan\\_.htm](http://www.fra.dot.gov/about/FRAstrategic_plan_.htm).

**4.2**     **Does the program (including program partners) achieve its annual performance goals?**     Answer: LARGE EXTENT     Question Weight: 20%

**Explanation:** In recent years, FRA has not met all of its annual performance goals, though has come close in most cases. Since the late 1980s, safety indicators have shown significant improvement, but in recent years gains have tapered off. Because railroads by now have taken obvious steps to improve safety, marginal improvements are today harder to achieve.

**Evidence:** 1) FRA FY 2004 Budget, in which the collected data was used to set new performance goals. 2) DOT FY 2004 Performance Plan. 3) DOT FY 2002 Performance & Accountability Report. 4) "Switching Operations Fatality Analysis" data. 5) FRA's "Railroad Safety Statistics." See FRA Safety Website at [www.fra.dot.gov/safety](http://www.fra.dot.gov/safety). Click on Safety Data.

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**

Answer: SMALL  
EXTENT

Question Weight20%

**Explanation:** FRA currently lacks established efficiency and effectiveness measures for program delivery, but has committed to developing efficiency and effectiveness measures for FY 2004. FRA has taken steps to improve program delivery, particularly through recent IT investments that have made rail safety inspectors more productive by reducing the time required to process and retrieve data from FRA's data bases.

**Evidence:** Examples of IT investments include a safety data website that allows rail safety inspectors to access data instantly rather than having to wait weeks. Also, FRA has custom software that allows inspectors to submit inspection reports from a PC rather than by paper, which has reduced input errors and processing time. The system edits that data entered, does cross validation checks, and provides immediate correction of inspection data. The system was launched nationwide in 1996. Further, FRA inspectors now use Palm PDAs to record track conditions and upload data to a PC. Track inspectors are furnished with a CD disk that is downloaded into their Palm, allowing them to quickly locate defects recorded by track geometry vehicles. This advance has reduced the amount of time inspectors spend locating defects.

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: NA

Question Weight: 0%

**Explanation:** The RSP is the primary Federal regulator of railroad safety nationwide. It is uniquely charged with ensuring that the Nation's railroads operate safely. Therefore, it is difficult to find a suitable comparison. No other Federal agency is designed by law or regulation to cover the broad safety operations of railroads.

**Evidence:** 1) Title 49 USC Chs. 201-213 (railroad safety program). 2) Title 49 USC Ch. 51 (transport hazardous materials). 3) 49 CFR Sec 1.49 delegates authority to the Federal Railroad Administration. 4) DOT FY 2002 Performance & Accountability Report.

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: SMALL  
EXTENT

Question Weight20%

**Explanation:** A full review of FRA's safety program has not been conducted for several years. The most recent indicate that FRA needs to make better use of data in managing its programs, but FRA also is making efforts to improve. A 1999 report noted progress in reducing grade-crossing accidents and fatalities, and improvements in some aspects of the Safety Assurance and Compliance Program. Also, DOT's IG noted last year that, "FRA is moving in the right direction in better using the information developed in the SACP process," and that there is improved accountability and consistency in the SACP. The IG noted the evolving nature of SACP, "with improvements being added to FRA's safety program."

**Evidence:** 1) The Rail-Highway Grade Crossing Safety Report was issued on Sept. 30, 1999. See: [http://www.oig.dot.gov/item\\_details.php?item=223](http://www.oig.dot.gov/item_details.php?item=223). The report on the Safety and Compliance Program was issued on Sept. 30, 1998. 2) April 2002 Follow-up Audit by DOT IG of Safety Assurance and Compliance Program.

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**4.RG1**      **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?**      Answer: YES      Question Weight 20%

**Explanation:** FRA receives qualitative feedback on the impact of its regulations through the RSAC program. Industry stakeholders including organized labor and railroads discuss the effectiveness and design of current and new regulations. FRA uses this information when updating its regulations and designing its enforcement efforts.

**Evidence:** The RSAC meets quarterly. Meeting minutes are available at [http://rsac.fra.dot.gov/rsac\\_doc.htm](http://rsac.fra.dot.gov/rsac_doc.htm).

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**Measure:** Rail-related Fatalities Per Million Train Miles

**Additional Information:** This measure tracks FRA's performance in reducing the number of rail-related fatalities per million train-miles.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	1.23	1.36	
2002	1.2	1.3	
2003	1.25		
2004	1.22		
2005	1.21		
2006			

**Measure:** Rail Hazmat Releases Rate

**Additional Information:** This measure tracks FRA's performance in reducing the number of hazardous-materials releases by rail mode per billion hazmat ton-miles.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	10.2	11.34	
2002	10.12		
2003	10.1		
2004	10.09		
2005	10		

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**Measure:** Rail-related Injuries Per Million Train Miles

**Additional Information:** This measure tracks FRA's performance in reducing the number of rail-related injuries per million train-miles.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	13.92	15.44	
2002	13.04	14.99	
2003	14.8		
2004	14.5		
2005	14.45		
2006			

**Measure:** Train Accidents Per Million Train-Miles

**Additional Information:** This measure tracks FRA's performance in reducing the number of train accidents per million train-miles

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	3.29	4.25	
2002	4.06	3.66	
2003	3.63		
2004	3.6		
2005	3.59		
2006			

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

**Measure:** Grade Crossing Accidents Rate

**Additional Information:** This measure tracks FRA's performance in reducing the number of highway-rail grade crossing accidents per (million train-miles times trillion vehicle-miles-traveled).

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	1.39	1.63	
2002	1.39	1.5	
2003	1.4		
2004	1.29		
2005	1.28		

**Measure:** Rail Hazmat Releases Rate

**Additional Information:** This measure tracks FRA's performance in reducing the number of hazardous-materials releases by rail mode per billion hazmat ton-miles.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2001	10.2	11.34	
2002	10.12		
2003	10.1		
2004	10.09		
2005	10		

**Measure:** Rail-related Fatalities Rate

**Additional Information:** This measure tracks FRA's performance in reducing the number of rail-related fatalities per million train-miles.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	1.23	1.36	

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

2002	1.2	1.3
2003	1.25	
2004	1.22	
2005	1.21	

**Measure:** Rail-related Injuries Rate

**Additional Information:** This measure tracks FRA's performance in reducing the number of rail-related injuries per million train-miles.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	13.92	15.44	
2002	13.04	14.99	
2003	14.8		
2004	14.5		
2005	14.45		

**Measure:** Train Accidents Rate

**Additional Information:** This measure tracks FRA's performance in reducing the number of train accidents per million train-miles.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	3.29	4.25	
2002	4.06	3.66	
2003	3.63		
2004	3.6		

## PART Performance Measurements

**Program:** Railroad Safety Program (RSP)  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	89%	91%	67%	Effective

2005                      3.59

**Measure:** Grade Crossing Accidents Rate

**Additional Information:** This measure tracks FRA's performance in reducing the number of highway-rail grade crossing accidents per (million train-miles times trillion vehicle-miles-traveled).

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2001	1.39	1.63	
2002	1.39	1.5	
2003	1.4		
2004	1.29		
2005	1.28		

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight 20%

Explanation: FAA's Mission Statement: 'FAA provides a safe, secure, and efficient global aerospace system that contributes to national security and the promotion of US aerospace safety.' US Code 49, Subtitle VII (Aviation Programs), Chapter 447 states, 'The Administrator of the Federal Aviation Administration shall promote safe flight of civil aircraft in air commerce...'

Evidence: USC 49, Subtitle VII, Aviation Programs. FAA Mission Statement - <http://www.faa.gov/aboutfaa/Mission.cfm> FAA Strategic Plan, pp. 6-10. See <http://www.faa.gov/avr/FlightPlan/page56.cfm>

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight 20%

Explanation: USC 49, Subtitle VII, § 44701 call for the FAA to provide regulations in order to promote safety and reduce and eliminate aviation accidents. The FAA continues to address safety improvements within the civil aviation industry. FAA is the sole certification authority for the United States civil aviation community. No other organization - public or private - exists that can do this job. From "A Brief History of the FAA" - "The approaching introduction of jet airliners, and a series of midair collisions, spurred passage of the Federal Aviation Act of 1958. This legislation transferred CAA's [Civil Aeronautics Authority] functions to a new independent body, the Federal Aviation Agency, which had broader authority to combat aviation hazards. The act took safety rulemaking from CAB [Civil Aeronautics Board] and entrusted it to the new FAA. It also gave FAA sole responsibility for developing and maintaining a common civil-military system of air navigation and air traffic control, a responsibility CAA had shared with others."

Evidence: USC 49, Subtitle VII, § 44701. Federal Aviation Act of 1958 "A Brief History of the Federal Aviation Administration and Its Predecessor Agencies" - [http://www.faa.gov/aboutfaa/History\\_Brief.cfm](http://www.faa.gov/aboutfaa/History_Brief.cfm) Administrator's Fact Book, December 2003, pp. 2-6 (see <http://www.atctraining.faa.gov/factbook>) details aviation and airspace accidents by type. Links to international organizations, treaty, etc.

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES

Question Weight 20%

Explanation: Yes, the program is a solely unique FAA function. FAA is the sole certification authority for the United States aviation community. No other Federal or non-Federal entity overlaps with the AVR mission.

Evidence: USC 49, Subtitle VII, § 44701. FAA Mission Statement - <http://www.faa.gov/aboutfaa/Mission.cfm> FAA Strategic Plan, pp. 6-10. See <http://www.faa.gov/avr/FlightPlan/page56.cfm>

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**

Answer: YES

Question Weight 20%

Explanation: There is no evidence that another approach or mechanism would be more efficient or effective to achieve the intended purpose. Grants or other direct federal programs would not be as efficient at achieving the safety record that the FAA has to date. The Federal Aviation Act of 1958 is designed to maximize net benefits.

Evidence: USC 49, Subtitle VII, § 44701

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

**Explanation:** Field offices for the Regulation and Certification (AVR) program, including Flight Standards District Offices (FSDO's), Aircraft Certification Directorates, and others, are located near, or next to many of FAA's major customers - mfgs, airports. In addition, notices, rules and other AVR actions are sent directly to the AVR field offices and other customers.

**Evidence:** Flight Standards District Offices - [http://www.faa.gov/avr/afs/fsdo/Aircraft Certification Service Offices](http://www.faa.gov/avr/afs/fsdo/Aircraft%20Certification%20Service%20Offices) - <http://www.faa.gov/certification/aircraft/map.htm#Top> FAA Regional Offices and Centers - <http://www.faa.gov/aboutfaa/Regional.cfm> Flight Standards Designees - <http://www.faa.gov/avr/afs/index.cfm> and <http://afs600.faa.gov/default.htm> Aircraft Certification Designees - [http://www.faa.gov/certification/aircraft/ Aerospace Medicine Designees](http://www.faa.gov/certification/aircraft/Aerospace%20Medicine%20Designees) - <http://www.cami.jccbi.gov/aam-400/ameinfo.html> and [http://www.faa.gov/avr/aam/Game/Version\\_2/03amemanual/home/home.htm](http://www.faa.gov/avr/aam/Game/Version_2/03amemanual/home/home.htm) and <http://www.faa.gov/avr/aam/order8520-2e.htm>

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 11%

**Explanation:** The Regulation and Certification (AVR) program has long-term performance measures that directly support the program's purpose.

**Evidence:** FAA Flight Plan ' <http://www.faa.gov/avr/FlightPlan> AVR Business Plan ' <http://www.faa.gov/aboutfaa/BusinessPlans/AVR.pdf>

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 11%

**Explanation:** The Regulation and Certification (AVR) program has quantified targets and timeframes for the long-term measures.

**Evidence:** FAA Flight Plan ' <http://www.faa.gov/avr/FlightPlan> AVR Business Plan ' <http://www.faa.gov/aboutfaa/BusinessPlans/AVR.pdf>

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 11%

**Explanation:** Regulation and Certification (AVR) program has annual goals that directly link to DOT's long-term goals. These goals are quantifiable. Strategic plan includes long term goal through 2008. FAA has also developed an efficiency measure - Cost per Rule - that the Agency is currently baselining. FAA will use this measure to help reduce the cost in dollars and/or time of rulemaking, and to better target rulemaking resources to those rules and policies that are the most important.

**Evidence:** FAA Flight Plan ' <http://www.faa.gov/avr/FlightPlan> AVR Business Plan ' <http://www.faa.gov/aboutfaa/BusinessPlans/AVR.pdf>

**2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 11%

**Explanation:** Regulation and Certification (AVR) program has developed baselines for each of its goals.

**Evidence:** FAA Flight Plan ' <http://www.faa.gov/avr/FlightPlan> AVR Business Plan ' <http://www.faa.gov/aboutfaa/BusinessPlans/AVR.pdf> Department of Transportation FY 2004 Performance Plan and Report ' <http://www.dot.gov/PerfPlan2004/index.html>

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight: 11%

Explanation: AVR and the industry worked together to develop the targets for its long-term goals. Industry also weighed in with comments on the FAA's Flight Plan (Five-year strategic plan)

Evidence: FAA Websites

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight: 11%

Explanation: The International Civil Aviation Authority (ICAO) audited the FAA and found that 'the United States has a comprehensive and complete regulatory framework for safety oversight.' AVR has also received numerous audits by the GAO and Inspector General's offices - on topics such as Air Transportation Oversight System (ATOS) and Repair Stations.

Evidence: The ICAO assessment of FAA can be found at <http://www.faa.gov/avr/iasa/> Air Transportation Oversight System -April 8, 2002 (AV-2002-88) Review of Air Carriers' Use of Aircraft Repair Stations -July 8, 2003 0 (AV-2003-47)

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight: 11%

Explanation: The draft FY 2006 Congressional Justification request ties resource requirements to accomplishment of annual and long-term goals.

Evidence: Draft FY 2006 FAA Congressional Justification

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 11%

Explanation: AVR created a biweekly Dashboard to monitor performance against goals, as well as to identify problem areas that we can take corrective action on. In addition, the FAA approved an order for AVR to create an Integrated Planning Team to focus AVR's efforts on strategic and annual planning. FAA initiated a review in 2001 of major processes being used in the U.S. to certify, operate, and maintain commercial transport airplanes called the Commercial Airplane Certification Process Study (CPS) Study. This led to a Customer Service Initiative that gives customers the right to ask for review on any inspector's decision made in the regulatory or certification process without fear of retribution.

Evidence: FAA Flight Plan ' <http://www.faa.gov/aboutfaa/FlightPlan.cfm> AVR Business Plan ' <http://www.faa.gov/aboutfaa/BusinessPlans/AVR.pdf> <http://www.faa.gov/avr/customerservice/index.cfm>

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

**2.RG1**     **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?**     Answer: YES     Question Weight: 11%

**Explanation:** The FAA meets the objectives of Executive Order 12866 to produce only those rules necessary to meet the long-term safety goals of its program or rules necessary to improve capacity or reduce regulatory burden to industry. When an office within the FAA wishes to initiate a new rule or finalize a proposed rule, it must draft a Rulemaking Project Record (RPR) explaining the need for the action and how it will solve a problem, identifying alternatives, consideration of non-regulatory options, identification of impacted parties, preliminary cost/benefits of the proposal and provide a recommendation for management consideration. The Rulemaking Management Council reviews these RPR's and decides if they are consistent with the agency's mission. The process ensures that individual program offices do not duplicate efforts and apply rulemaking policy consistently.

**Evidence:** AVR Rulemaking Website ' <http://www.faa.gov/avr/arm/index.cfm>. Ø 14 CFR Part 11 AVR's internal Rulemaking Procedures Guidebook

**3.1**     **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**     Answer: YES     Question Weight: 9%

**Explanation:** AVR tracks the goals in the Flight Plan and AVR Business Plan monthly at a minimum. AVR tracks many other projects performance measures biweekly in the AVR Dashboard meetings. AVR regularly uses performance data to adjust. Examples include ATOS, which allows AVR to refocus inspectors where they are most needed based on data from industry and inspectors. The Aircraft Certification Systems Evaluation Program (ACSEP) collects annual data from industry on the ACSEP audit team and program performance. AVR works with the Commercial Aviation Safety Team to implement initiatives designed to mitigate or eliminate causal factors in commercial aviation accidents. AVR reviews NTSB accident data daily. The Safety Performance Analysis System (SPAS) is used by Flight Standards aviation safety inspectors to monitor the performance of certificate holders and to identify those that pose a greater-than-normal safety risk. The Program Tracking and Reporting Subsystem (PTRS) and Vital Information Subsystem (VIS) uses inspector and carrier data enhance out basic National Program Guidelines (NPG) by using a system safety approach.

**Evidence:** FAA Quarterly Performance Report ' <http://www.faa.gov/aboutfaa/Performance.cfm> FAA Performance and Accountability Report ' [http://www.faa.gov/aba/html\\_fm/files\\_pdf/2003\\_PAR.pdf](http://www.faa.gov/aba/html_fm/files_pdf/2003_PAR.pdf) ATOS ' Do we have reports on web?CAST ' Website ACSEP ' <http://www.faa.gov/certification/aircraft/ACSEP%20Program.htm> SPAS ' Website PTRS/VIS - Website

**3.2**     **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**     Answer: YES     Question Weight: 9%

**Explanation:** FAA uses a Performance Management System (PMS) to tie pay to performance. This system exempts the Administrator from the government-wide GS system of pay. AVR senior management and core compensation employee's pay is tied to performance through Short-Term Incentive payments or Superior Contribution Increases, and/or Organizational Success Increase. Managers and employees are evaluated against service, AVR and FAA goals. AVR takes actions against airlines, manufacturers, and pilots who do not meet standards. AVR also increases scrutiny of airlines when airlines declare bankruptcy to ensure that safety standards are not cut when financial pressures may provide an incentive to cut corners.

**Evidence:** FAA Executive Compensation and Core Compensation Plans ' <http://www.faa.gov/ahr/employee1.cfm> <http://www.faa.gov/ahr/pms/pms.cfm>

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: NO Question Weight: 9%

**Explanation:** The FAA Budget Office ensures that all program funds are obligated in a timely manner in accordance with the program plan. In addition, AVR develops and reviews a Quarterly Funding Plan. AVR was in violation last year of a immaterial process-related Anti-Deficiency Act violation. No money was spent that was not obligated. AVR and the FAA have provided training on apportionment rules to prevent any similar violation in the future.

**Evidence:** FAA Performance and Accountability Report ' [http://www.faa.gov/aba/html\\_fm/files\\_pdf/2003\\_PAR.pdf](http://www.faa.gov/aba/html_fm/files_pdf/2003_PAR.pdf)

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 9%

**Explanation:** AVR is developing efficiency metrics, including Cost per Rule. Baselineing will occur this year. The Cost per Rule measure used Labor Distribution Reporting (LDR) to record labor costs. Basically, the measure is the total amount of labor dollars spent divided by the number of rules. AVR is also tracking the costs and time for each rule. This measure is important because rulemaking is one of the FAA's most important functions that crosses organizational lines to complete. By using Cost Per Rule, FAA will be able to most efficiently apply its resources in the rulemaking process. FAA is currently baselineing the measure, and will develop targets in October 2004.

**Evidence:** FAA Budget Documents

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 9%

**Explanation:** Although AVR and the FAA are the only organizations that regulate the civil aviation industry, AVR does collaborate and coordinate effectively with other programs. AVR works internationally with other regulators and ICAO to harmonize safety standards. This harmonization effort reduced the number of rules carriers had to follow by comparing similar rules and regulations and selecting the safest to become the standard for both the FAA and other regulatory agencies. This created both a safer aviation environment while reducing costs to the aviation industry.

**Evidence:** Final harmonization rules completed include: Miscellaneous Flight Requirements; Powerplant Installation Requirements; Public Address System; Trim Systems and Protective Breathing Equipment; and Powerplant controls FAA-2002-13859, July 2, 2004). Electrical Equipment and Installations, Storage Battery Installation; Electronic Equipment; and Fire Protection of Electrical System Components on Transport Category Airplanes (FAA-2001-9634, FAA-2001-9633, FAA-2001-9638, FAA-2001-9637, March 16, 2004).

**3.6 Does the program use strong financial management practices?** Answer: YES Question Weight: 9%

**Explanation:** FAA received a clean audit with no material weaknesses in FY 2003.

**Evidence:** FAA Performance and Accountability Report, pg. 48, Independent Auditors' Report ' [http://www.faa.gov/aba/html\\_fm/files\\_pdf/2003\\_PAR.pdf](http://www.faa.gov/aba/html_fm/files_pdf/2003_PAR.pdf) Page

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

**3.7**      **Has the program taken meaningful steps to address its management deficiencies?**      Answer: YES      Question Weight: 9%

Explanation: AVR reviews its performance biweekly in its Dashboard meetings. AVR also participates in monthly FAA Flight Plan review meetings. In addition, AVR has developed an Integrated Planning Team to more efficiently and effectively coordinate performance, planning and resource management across the organization. AVR has also responded positively to IG and GAO audits. Finally, AVR is undergoing ISO 9000 certification as a result of the Certification Process Study. The CPS study in 2001 was created to address the role that processes play in accident prevention. ISO 9000 certification is a way to standardize these processes. AVR has also developed a SWAT team to more quickly close out various rulemaking issues.

Evidence: AVR Dashboard FAA Quarterly Performance Report ' <http://www.faa.gov/aboutfaa/Performance.cfm> AVR Planning Order ' Website when completed GAO/IG Audit List ISO 9000 ' Site or info? [http://aia-aerospace.org/issues/subject/faa/faa\\_cert\\_study.pdf](http://aia-aerospace.org/issues/subject/faa/faa_cert_study.pdf) <http://www.faa.gov/ipg/pif/iCMM/iCMMandISO9001-Final-25Feb2004.doc>

**3.RG1**      **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?**      Answer: YES      Question Weight: 9%

Explanation: As per Executive Order 12866, AVR seeks public comment from affected parties. In addition to requesting public comments in rulemaking documents, the FAA, uses advisory committees to help develop rulemakings that take into account public interests. These committees consist of members of the public who have expertise and an interest in the tasks assigned to the committee. Examples of such committees include the Aviation Rulemaking Advisory Committee (ARAC): ARAC provides information and recommendations about aviation-related issues, such as air carrier operations, aviator certification, aircraft certification, airports, security, and noise. This committee affords the FAA an opportunity to get facts and insight from substantially affected interests. These recommendations can result in removing or eliminating existing rules and developing better rules. Aging Transport Systems Rulemaking Advisory Committee (ATSRAC): ATSRAC provides information and recommendations for standardizing, clarifying and upgrading regulations, guidance, and procedures related to continued airworthiness of aging transport airplane systems. These recommendations may be necessary to institutionalize the lessons learned from the aging systems review and future reviews, including research and development. Aviation Rulemaking Cost Committee (ARCC): ARCC recommends new standardized methodologies and cost assumptions that could be used in performing regulatory economic evaluations. This includes providing comments and updates to those standardized methods and values already established by the FAA.

Evidence: <http://www.faa.gov/avr/arm/index.cfm> · Federal Aviation Administration Rulemaking Manual (Chapter 3, Asking for Public Comment: Chapter 4, Managing Public Comments · Federal Register Document Drafting Handbook (This handbook gives instructions throughout on how to draft rulemaking documents. This includes information about requesting and responding to public comments. For example, see Chapter I, pages 12-13; and, Chapter II, pages 9-18, and 57-58). · Aviation Rulemaking Advisory Committee Operating Procedures · Aging Transport Systems Rulemaking Advisory Committee Operating Procedures · The Code of Federal Regulations Part 11

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

**3.RG2**      **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R**      Answer: YES      Question Weight: 9%

Explanation: As per Executive Order 12866, AVR performs regulatory analysis for all its regulations. The FAA's rulemaking program is designed to ensure we follow all statutory requirements, as well as policy guidance from OMB, DOT and internal procedures. The FAA guide 'Economic Analysis of Investment and Regulatory Decisions', provides guidance to agency economists for use in economic analysis of proposed regulatory actions. This document provides guidance for measuring and valuing benefits and costs, discounting, alternative decision criteria and rank order analysis. The FAA Rulemaking Manual provides a step-by-step process for how rules are developed within the FAA. It includes specific guidance on how an office must justify proceeding with a rulemaking, the use of alternatives to rulemaking, drafting requirements and clearance procedures.

Evidence: [www.faa.gov/avr/arm](http://www.faa.gov/avr/arm). "FAA Rulemaking Manual" (internal document)

**3.RG3**      **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?**      Answer: YES      Question Weight: 9%

Explanation: Since 1992, the FAA has conducted five rounds of regulatory review, and has considered more than 1,350 comments from the public and other interested parties. Each comment is categorized by regulation. We then notify the public of our future course of action through a Federal Register notice. Wherever possible, we incorporate comments in ongoing rulemaking actions. We have incorporated comments and suggestions from the 2000 review into the Fractional Ownership (68 FR 54520), Alcohol Misuse Prevention Programs (69 FR 1840) and Sport Pilot (FR 44772) final rules. We also amended the Digital Flight Data Recorder rule (68 FR 42932) to exempt specific older aircraft unduly impacted by the rules. Congress requires us to review unusually burdensome regulations. FAA assesses its cost assumptions and the actual benefits of the regulation to retain, modify or eliminate the current rule. The FAA conducted reviews of two regulatory analyses associated with rules on Revised Standards for Cargo or Baggage Compartments in Transport Category Airplanes and Fatigue Testing of Transport Category Airplanes.

Evidence: [www.faa.gov/avr/arm](http://www.faa.gov/avr/arm) Federal Register Notices for the 1997 review <http://frwebgate3.access.gpo.gov/cgi-bin/waisgate.cgi?WAISdocID=20020631449+0+0+0&WAIAction=retrieve> Federal Register Notices for the 2000 review <http://dms.dot.gov/search/document.cfm?documentid=153242&docketid=7623>.

**3.RG4**      **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?**      Answer: YES      Question Weight: 9%

Explanation: The FAA performs an economic analysis for each proposed or final rule and to decide whether the benefits of a regulation would justify its costs. This review also assesses alternatives. For example, for regulations requiring airplanes to install new equipment or to undergo a structural inspection, the FAA assesses alternative compliance dates that can accommodate normal maintenance schedules. This minimizes the time an aircraft is out of service. Small Business Regulatory Enforcement Act (SBRFA) also requires alternative measures when a proposed rule affects a significant number of small entities. The FAA also permits the use of alternative means of compliance (AMOC) for Airworthiness Directives (Part 39.19). Airworthiness Directives are regulations addressing unsafe conditions to specific aircraft models or types. The AMOC allows aircraft owners to provide an equivalent level of compliance. Wherever possible, FAA seeks non-regulatory approaches to address safety concerns. FAA can also grant exemptions to regulatory parties who want to use an alternative means of compliance so long as the method provides an equivalent level of safety.

Evidence: [www.faa.gov/avr/arm](http://www.faa.gov/avr/arm) Aging Aircraft program (69 FR 45936)

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

**4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: YES Question Weight: 17%

Explanation: · Commercial Air Carrier Fatal Accident Rate ' The FAA has achieved this goal every year since FY 2000. · General Aviation Fatal Accidents ' The FAA has achieved this goal from when we made this an official goal. · Alaska Accidents is a new goal that FAA began measuring against a ceiling this fiscal year. FAA is on track to meet long-term safety goals.

Evidence: FAA Performance and Accountability Report ' [http://www.faa.gov/aba/html\\_fm/files\\_pdf/2003\\_PAR.pdf](http://www.faa.gov/aba/html_fm/files_pdf/2003_PAR.pdf)

**4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight: 17%

Explanation: The FAA has met annual safety goals for its established performance goals, and is on track to achieve its annual performance goals for FY2004.

Evidence: FAA Performance and Accountability Report ' [http://www.faa.gov/aba/html\\_fm/files\\_pdf/2003\\_PAR.pdf](http://www.faa.gov/aba/html_fm/files_pdf/2003_PAR.pdf)

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight: 17%

Explanation: AVR has not developed historic efficiency data

Evidence:

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight: 17%

Explanation: AVR's standards are recognized as a 'gold standard' worldwide. Many ICAO safety standards were adopted from AVR. In addition, as a result of FAA's efforts, the United States has the second smallest rate of hull loss accidents from 1994 to 2003 (0.4 hull loss accidents per million departures.) Only the Australia/Oceania region had less.

Evidence: ICAO report at <http://www.faa.gov/avr/iasa/> The model regs can be found at <http://www.faa.gov/avr/iasa/calr.htm> July 8, 2004 CAST Presentation - International Outreach

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight: 17%

Explanation: Audits indicate that the AVR program is effective and achieving results but the IG and GAO still believe there is room for improvement. For example, IG and GAO staff have expressed concern about AVR's data quality and oversight of repair stations. AVR has undergone numerous audits over the past three years. Currently, AVR is undergoing nine audits with the IG/GAO. AVR is working to resolve the outstanding recommendations from the published audits.

Evidence: ICAO report at <http://www.faa.gov/avr/iasa/> Air Transportation Oversight System -April 8, 2002 (AV-2002-88) Review of Air Carriers' Use of Aircraft Repair Stations -July 8, 2003 0 (AV-2003-47)

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

**4.RG1**      **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?**      Answer: LARGE EXTENT      Question Weight: 17%

**Explanation:** FAA analyzes the costs and benefits of each regulatory action. For the most part, we promulgate rules that minimize costs and maximize benefits. We routinely compare the costs of alternative courses of action to see which achieves the most results for the least cost. An example of a rulemaking in which we analyzed alternatives is the Terrain Awareness and Warning System final rule. This rule provides three alternatives to address cost impacts to small entities. In the Explosion Detection System for Checked Baggage final rule FAA analyzed three specific alternatives as solutions to the growing threat of explosive devices. Alternatives included requiring use of explosion detection devices in all domestic and international airports, domestic international airports only or to specific high threat airports. The second option maximized benefits.

**Evidence:** [www.faa.gov/avr/arm](http://www.faa.gov/avr/arm) Terrain Awareness and Warning System final rule (65 FR 16736, March 29, 2000) at [www.faa.gov/avr/arm/index.cfm](http://www.faa.gov/avr/arm/index.cfm). Other final rules: Explosion Detection System for Checked Baggage, CVR/FDR Improvements Proposed Rule, B-737 FDR Proposed and Final Rule, ODA Proposed Rule, Cargo Flight Deck Security Final Rule, SFAR 88 Proposed and Final Rule, Cabin Air Quality Final Rule

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

**Measure:** Reduce the number of Fatal Air Carrier Accidents per 100,000 departures by 80%, from a three-year average baseline (1994-1996) to 0.010.

**Additional Information:** The FAA Flight Plan objective is to reduce the commercial airline fatal accident rate by 80% from the 1994-1996 baseline by FY 2007, and maintain this low rate in FY 2008. For FY 2004, the ceiling is a three-year average of 0.028 fatal accidents per 100,000 departures. Bottom line - FAA cannot exceed three commercial fatal accidents this year.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2003	.033	.024	
2004	.028	.022	
2005	.023		
2006	.018		
2007	.010		
2008	.010		
2009	.010		

**Measure:** By FY 2008, reduce the number of general aviation and nonscheduled Part 135 fatal accidents to no more than 325 (from 385, which represents the average number of fatal accidents for the baseline period of 1996-1999)

**Additional Information:** This measure counts the number of general aviation and non-scheduled Part 135 fatal accidents during the fiscal year. •General aviation• includes all civil (non-military) aircraft operations that are not FAR Part 121 or Part 135. This includes a diverse range of aviation activity, from single-seat homebuilt aircraft, helicopters, balloons, single and multiple engine land and seaplanes to highly sophisticated, extended range turbojets.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2003	374	366	
2004	349	267	
2005	343		
2006	337		
2007	331		

## PART Performance Measurements

**Program:** Regulation & Certification  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Regulatory Based

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	91%	72%	Effective

2008                      325

2009                      325

**Measure:** Reduce the number of accidents in Alaska from 130, which represent the average number of fatal accidents for the baseline period of 2000-2002, to 104 by FY 2008.

**Additional Information:** The total number of general aviation accidents and Part 135 accidents. NOTE: This is ALL accidents • not just fatal accidents. This measure is NOT a subset of the Reduce General Aviation Fatal Accidents. The first baseline of 130, against which future targets were set, was established based on data from the years 2000 to 2002.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2004	125	63	
2005	120		
2006	115		
2007	110		
2008	104		
2009	104		

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight 20%

**Explanation:** FRA's primary mission is to promulgate and enforce rail safety regulations. The Office of R&D conducts research and development projects to develop technologies that support the agency's safety mission and to enhance the railroad system as a national transportation resource. FRA's R&D program conducts rail safety research in 9 areas - Rail Systems Issues, Human Factors, Rolling Stock, Track & Structures, Track/Train Interaction, Train Control, Grade Crossings, Hazardous Materials, and Train Occupant Protection. The program also maintains FRA R&D facilities and equipment and manages the construction of the Nationwide Differential Global Positioning System.

**Evidence:** The program's authorizing legislation is found in the DOT Act of 1966 [49 USC 103, Section 3(e)(1)], [49 USC 101 (b)(4)], [49 USC 301(6)]; FRA Safety Act [49 USC 20102]. Also see FRA Order 1100.23C. The FRA R&D website is found at <http://www.fra.dot.gov/content3.asp?P=32>.

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight 20%

**Explanation:** The hazards posed by trains are very real, with thousands of rail-related injuries and fatalities occurring annually. Moreover, derailments and accidents can result in release of hazardous materials. The R&D program provides the research and information necessary for the FRA to regulate and create standards for the industry, with the goal of reducing the number of accidents, derailments, injuries, and fatalities. Research is targeted based on input from industry stakeholders and FRA's Office of Safety. The program conducts applied research that produces technological and management solutions for adoption by the nation's railroads.

**Evidence:** FRA's Railroad Safety Statistics are found at <http://safetydata.fra.dot.gov/officeofsafety/>

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES

Question Weight 20%

**Explanation:** Generally, FRA is the only entity in the US conducting research on rail safety issues. However, some FRA research overlaps with industry efforts for proprietary reasons. To ensure it has complete information for developing safety regs, FRA must often conduct its own research. The rail industry trade group, the Association of American Railroads (AAR), funds its own R&D program, which is roughly one-third the size of the FRA program. FRA regularly meets with the AAR Research and Technology Working Group to ensure their work is not redundant. To the extent possible, FRA and AAR collaborate on projects, as illustrated by their shared use of the nation's largest rail research facility, Transportation Technology Center, which is owned by the FRA but operated by TTCI. (Note: TTCI is a wholly owned for profit subsidiary of the AAR.) Additionally, FRA staff participate in DOT's department-wide Research Technology Coordinating Council (RTCC) and the Human Factors Coordinating Committee (HFCC) to share information on research projects to avoid duplication of efforts.

**Evidence:** FRA participates in the AAR Research and Technology Working Group and various other AAR Technical Committees, the American Public Transportation Association (APTA) working group on passenger rail safety, and DOT's Research and Technology Coordinating Council and Human Factors Coordinating Committee. See <http://scitech.dot.gov/research/human/>.

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight 20%

**Explanation:** FRA's research program has the elements of a well designed R&D program. To set its research agenda, FRA holds research needs conferences with the rail community on a variety of subjects, including a recent Grade Crossing Research Needs Conference and a Passenger Car Research Needs conference with the American Public Transportation Association. An overall Research Needs conference with rail labor, industry, and academia is planned for 2006. To evaluate its work FRA uses the National Academy of Science's Transportation Research Board (TRB) to conduct peer reviews by members of industry, academia, and state DOTs. TRB prepares an annual report with recommendations for FRA on R&D management issues, allocation of funds to program areas, and whether the program reflects an appropriate balance of Federal, state, private cost sharing.

**Evidence:** GAO notes that two characteristics leading research programs are, 1) developing research agendas through the involvement of external stakeholders, and 2) evaluating research using expert review of the quality of research outcomes. See the GAO report 'Highway Research: Systematic Selection and Evaluation Processes Needed for Research Program (GAO-02-573)' at <http://www.gao.gov/>. TRB prepares a Letter Report every May for the FRA Administrator, with the latest available at [http://trb.org/news/blurb\\_detail.asp?ID=3750](http://trb.org/news/blurb_detail.asp?ID=3750). The TRB rail committee web page is found at <http://www4.nas.edu/webcr.nsf/5c50571a75df494485256a95007a091e/1a7500c9ecac742485256b89005052b0?OpenDocument>

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

**Explanation:** The program targets resources to support FRA's safety regulatory and oversight functions. FRA's Office of Safety works closely with the R&D office in setting annual research agendas. FRA also elicits input from industry stakeholders, for instance through research needs conferences. The Office of Safety uses research results in rulemaking efforts, and, likewise, the FRA's Railroad Safety Advisory Committee (RSAC) use R&D results to develop regulations. FRA disseminates research results to stakeholders through a number of means, including posting research results on its website, distributing technical reports to the rail industry by mail, and presenting findings at industry technical conferences and workshops. Increasingly, FRA's ability to effectively target research dollars has been undermined by Congressional earmarks. In recent years, around 10 percent of the program's budget has been earmarked.

**Evidence:** FRA publication of technical reports are available at <http://www.fra.dot.gov/Content3.asp?P=917>. FRA's Railroad Safety Advisory Committee's website is found at <http://rsac.fra.dot.gov/ASP/home.asp>.

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight 10%

**Explanation:** The program's long term goals include 1) FRA's strategic goals for rail safety, and 2) productivity goals specific to research. The R&D program's performance is measured by FRA's overall success in reducing rail-related accidents, fatalities, injuries, grade crossing accidents, and hazmat releases. In addition, the program will begin measuring the number of products, innovations, or technologies it generates in support of FRA's larger strategic goals, mentioned above. This output measure indicates the program's productivity in delivering technologies that help improve rail safety. FRA will have two product deliverable measures for its two main areas of research, 1) equipment and operating practices and, 2) track research.

**Evidence:** See FRA's FY 2005 Budget Request to Congress; DOT Strategic Plan 2003-2008 (website <http://Strategicplan.dot.gov/>); FRA Strategic Plan ([www.fra.dot.gov/about/FRAstrategic\\_plan\\_.htm](http://www.fra.dot.gov/about/FRAstrategic_plan_.htm)); and FRA Five-Year Strategic Plan for Research, Development and Demonstrations (<http://www.fra.dot.gov/content3.asp?p=225>).

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

- 2.2 Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight:10%
- Explanation: FRA adjusts its targets based on past performance, projected program resources, and the expectation of being able to meet targets. FRA's R&D Plan outlines how the program's work contributes the goals included FRA Strategic Plan and the DOT Strategic Plan.
- Evidence: See FRA's FY 2005 Budget Request to Congress; DOT Strategic Plan 2003-2008 (website <http://Strategicplan.dot.gov>); FRA Strategic Plan ([www.fra.dot.gov/about/FRAstrategic\\_plan\\_.htm](http://www.fra.dot.gov/about/FRAstrategic_plan_.htm)); and FRA Five-Year Strategic Plan for Research, Development and Demonstrations (<http://www.fra.dot.gov/content3.asp?p=225>).
- 2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight:10%
- Explanation: FRA has annual targets for its strategic goals and for the R&D program's technology development goals. The FRA has five quantitative, annual performance measures that demonstrate progress toward achieving the long-range goals. It has two product development goals in the areas of track research and equipment and operating practices research. Note that the annual production of technologies may not immediately result in a reduction of accidents, injuries, or fatalities due to the time required to deploy new technologies and other factors.
- Evidence: See FRA's FY 2005 Budget Request to Congress; DOT Strategic Plan 2003-2008 (website <http://Strategicplan.dot.gov>); FRA Strategic Plan ([www.fra.dot.gov/about/FRAstrategic\\_plan\\_.htm](http://www.fra.dot.gov/about/FRAstrategic_plan_.htm)); and FRA Five-Year Strategic Plan for Research, Development and Demonstrations ([www.fra.dot.gov/Research and Development](http://www.fra.dot.gov/Research%20and%20Development)).
- 2.4 Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:10%
- Explanation: FRA has developed baselines and ambitious targets for its annual research measures. Going forward, FRA will track its productivity in developing useful technologies, as well as its success towards meeting its agency strategic goals. FRA adjusts its targets annually based on past performance, projected program resources, and the expectation of being able to meet targets.
- Evidence: See FRA's FY 2005 Budget Request to Congress; DOT Strategic Plan 2003-2008 (website <http://Strategicplan.dot.gov>); FRA Strategic Plan ([www.fra.dot.gov/about/FRAstrategic\\_plan\\_.htm](http://www.fra.dot.gov/about/FRAstrategic_plan_.htm)); and FRA Five-Year Strategic Plan for Research, Development and Demonstrations (<http://www.fra.dot.gov/content3.asp?p=225>).
- 2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight:10%
- Explanation: Program partners commit to the program goals through contracts, grant agreements, cooperative agreement work statements, and interagency agreements. Program goals are included in the Background section of the work statements. Program managers conduct regular program and project reviews to ensure compliance with technical requirements, as well as cost and schedule targets. All contracts, grants, and cooperative agreements require submission of monthly progress reports to program managers.
- Evidence: Evidence includes contract, grant and cooperative agreements; monthly progress reports that compare the actual technical, schedule, and cost performance with respect to targeted goals; periodic project and program review presentations.

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**      Answer: YES      Question Weight: 10%

**Explanation:** The National Academy of Science's TRB Committee for Review of the FRA Research, Development, and Demonstration Programs is dedicated specifically to reviewing the management and quality of work produced by FRA's R&D program. The committee considers a wide range of issues including FRA R&D management, the allocation of funds to program areas, and whether the program reflects an appropriate balance of Federal, state, private cost sharing. The TRB Committee holds semi-annual meetings with FRA to review management issues and prepares annual letter reports for the FRA Administrator with findings and recommendations. The committee is composed of rail experts from industry, academia, and state and regional government.

**Evidence:** For information on the TRB Rail Committee see [http://trb.org/directory/comm\\_detail.asp?c=B0074](http://trb.org/directory/comm_detail.asp?c=B0074). The May 2004 TRB letter report to FRA is available at [http://trb.org/news/blurb\\_detail.asp?ID=3750](http://trb.org/news/blurb_detail.asp?ID=3750)

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**      Answer: YES      Question Weight: 10%

**Explanation:** The FRA FY 2005 Budget Request to Congress directly linked its five annual performance goals to budget data. The R&D program funding is assigned to the agency's five performance goals. However, it is not completely clear how adjusting research funding impacts the achievement of R&D or FRA strategic goals.

**Evidence:** FRA FY 2005 Budget. See DOT website <http://www.dot.gov/bib2005/admins.html#fra>

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?**      Answer: YES      Question Weight: 10%

**Explanation:** In 2002 at the request of Congress, FRA published its Five-Year RD&D Strategic Plan through 2005. It outlines FRA's vision for the future of railroads and the technologies needed to support them. The plan also identifies rail issues, program priorities, program objectives, project outcomes, and project descriptions. FRA is now updating the plan for the next five years, taking into account the agency's newly developed performance goals and measures. Further, FRA uses program evaluations to help it improve the quality and delivery of service of FRA's R&D Program and Safety Program. FRA also has adopted recommendations by the TRB Review Committee for improving its strategic planning capabilities, such as developing a Program Development and Program Selection Methodology and authoring a white paper on railroad industry trends.

**Evidence:** The FRA Five-Year RD&T Strategic Plan is found at <http://www.fra.dot.gov/Content3.asp?P=225>; For current Program Evaluation Solicitation of the program see <http://www2.eps.gov/spg/DOT/FRA/OAGS/DTFR53%2D04%2DR%2D00002/listing.html>.

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

**2.RD1**     **If applicable, does the program assess and compare the potential benefits of efforts within the program to other efforts that have similar goals?**     Answer: YES     Question Weight:10%

**Explanation:** FRA estimates the benefits of its R&D projects using an R&D Program Evaluation Methodology, which was developed by the Volpe Center for FRA R&D. This methodology uses criteria (safety, regulatory, and likelihood of success) to quantitatively evaluate proposed projects in a program area. Research proposals are ranked by the model, and results are reviewed by FRA management and the TRB R&D Review Committee. FRA also solicits reaction to its research through presentations at technical meetings, in technical journals, and at meetings with stakeholders, including Research Needs Conferences.

**Evidence:** FRA's R&D project development and selection process is described on page 3-1 of its Five Year R&D Strategic Plan found at <http://www.fra.dot.gov/Content3.asp?P=225>. Note presentations at TRB Annual meetings, meeting with stakeholders, and presentations at technical conferences such as the American Society of Mechanical Engineers (ASME)/IEEE Joint Conference on Rail Research and the ASME International Mechanical Engineering Congress. FRA articles also appear in technical journals.

**2.RD2**     **Does the program use a prioritization process to guide budget requests and funding decisions?**     Answer: YES     Question Weight:10%

**Explanation:** Budget requests and spending priorities are systematically evaluated using R&D Program Evaluation Methodology discussed in question 2.8. FRA R&D also conducts periodic Research Needs Workshops that solicit stakeholder input to help identify current issues and prioritize research needs.

**Evidence:** FRA's R&D project development and selection process is described on page 3-1 of its five year R&D strategic plan found at <http://www.fra.dot.gov/Content3.asp?P=225>; R&D Program Evaluation Criteria; Grade Crossing Research Needs Workshops, 1995 and 2003; Railroad Dispatcher Workshops, 1998 and 2004

**3.1**     **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**     Answer: YES     Question Weight:13%

**Explanation:** Project goals are tracked and reported in monthly progress reports for each contract, grant, or cooperative agreement. These reports are reviewed by the R&D program managers, as well as FRA management, including the FRA Administrator (on a quarterly basis). The reports describe progress made in attaining the project goals, including technical, cost, and schedule milestones.

**Evidence:** Monthly Progress Reports for each R&D project.

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Research and Development

Section Scores				Rating
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**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 13%

**Explanation:** Personnel evaluations of individual R&D Program Managers consider whether their programs achieved performance milestones. Program managers have targets for submitting procurement requests on-time and in obtaining results and publishing them via technical reports. Program managers also hold their contractors, grantees, and cooperative partners accountable for technical, schedule, and cost performance results. Contracts, grants, and cooperative agreements are written to require specific deliverables for a set amount of funding. FRA does not pay R&D partners that fail to meet contract terms.

**Evidence:** Annual performance plans for R&D program managers have targets for submitting procurement requests in accordance with the Annual Procurement Plan. Managers must also obtain research results and publish them via technical reports, present papers at technical conferences, and make them available for use by the Office of Safety for rulemaking.

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 13%

**Explanation:** The FRA has a system for tracking procurement actions and obligations that ensures that funds are not misspent. Top FRA management reviews the annual procurement plans, which includes a description of the procurement, the type, dollar estimate, office, received date, award date, actual obligation. Once the plan is approved, any addition must be approved by the Deputy Administrator if it exceeds \$100,000. The Director of Procurement publishes quarterly reports for the first 2 quarters, then monthly reports for the balance of the fiscal year.

**Evidence:** FRA Annual Procurement Plan; Office of Railroad Development Monthly Obligations Report.

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 13%

**Explanation:** The FRA's current Five-Year RD&D Strategic Plan does not include efficiency measures and targets (percent projects completed on time and on budget). However, FRA is revising its R&D strategic plan for the next 5 years, which will include these measures. Additionally, the program attempts to make efficient use of resources by leveraging in-kind contributions from industry. This leads to better research projects and more acceptance by industry of the research results. One example is the Facility for Accelerated Service Test/Heavy Axle Load project. The FRA contributes about 1/3 of the total cost and industry contributes the remainder. Another example is the Human factors Coordinating Committee, where FRA and other agencies fund half of the project with industry contributing the other half.

**Evidence:** Each contract, grant, cooperative agreement, and interagency agreement requires monthly progress reports that track actual versus planned progress, cost, and schedule.

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
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**Type(s):** Research and Development

Section Scores				Rating
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100%	100%	100%	54%	Effective

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 13%

**Explanation:** FRA participates in a number of collaborative efforts with private industry to leverage program funding. Examples include the Tank Car Operating Environment, the Wayside and On-Board detector project, Passenger Rail Car Crash tests, the Facility for Accelerated Service Test/Heavy Axle Load tests, and the DOT Human Factors Coordinating Committee. Because of FRA's participation in these committees, research costs have been shared among the stakeholders and the results are available sooner for implementation by the industry. Results from these projects are being used by industry to improve safety of operations, designs, and equipment. Further, as noted previously, FRA and industry coordinate the operation of the Transportation Technology Center research facility. FRA conducts tests there, some of which FRA funds entirely (those regarding safety regulatory issues) while others are cost-shared.

**Evidence:** FRA Five-Year Strategic Plan; specific project plans and contracts; DOT Human Factors Coordinating Committee (See <http://scitech.dot.gov/research/human/>). Cost Sharing Report to Congress

**3.6 Does the program use strong financial management practices?** Answer: YES Question Weight: 13%

**Explanation:** The Department's IG audit of FRA's financial statements and the Department's consolidated statements found that the financial statements were fairly presented in all material respects, and conformed with U.S. Generally accepted accounting principles. No material internal control weaknesses were cited.

**Evidence:** DOT FY 2003 Performance & Accountability Report. DOT IG Report FI-2003-018 (Jan 27, 2003) [http://www.oig.dot.gov/item\\_details.php?item=985](http://www.oig.dot.gov/item_details.php?item=985)

**3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 13%

**Explanation:** The FRA deputy administrator's office is leading efforts to improve the management of the agency, including the R&D office. In 2000, the R&D conducted a self assessment of its organizational climate and program effectiveness, using the Baldrige Award criteria. The assessment identified the need to improve customer satisfaction, measurements of organization performance, and employee education. R&D also conducted a Workforce Planning Analysis in 2002 to assess the skills needed to meet expected changes in its future mission. This is part of an FRA agency-wide human capital assessment that is currently underway. The FRA is working on this on many other related initiatives as part of the performance scorecards in the President's Management Agenda.

**Evidence:** Evidence includes the Baldrige Award Criteria assessment, July, 2000; R&D Workforce Analysis, March, 2002; 360 evaluations for senior management; IT Capital Planning Program; PMA initiatives included in Performance Plan of senior managers

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
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**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

**3.RD1 For R&D programs other than competitive grants programs, does the program allocate funds and use management processes that maintain program quality?** Answer: YES Question Weight: 13%

**Explanation:** FRA invites TRB to regularly review of the management of the R&D program. TRB's latest report states, "TRB is impressed with the quality of work being in a number of areas under the Railroad R&D program..." and did not identify significant management deficiencies. Further, FRA's R&D program awards the majority of its funds based on merit through a competitive process to uphold the quality of contracted work. FRA uses multi-year technical support contracts that are advertised for competition. Some funds are awarded through interagency agreements when it is determined such agreements result in the most timely and/or cost effective results. However, Congress has increasingly earmarked some R&D funds to three universities.

**Evidence:** The May 2004 TRB letter report to FRA is available at [http://trb.org/news/blurb\\_detail.asp?ID=3750](http://trb.org/news/blurb_detail.asp?ID=3750). For FRA information on FRA contracts, see FRA web site under Office of Administration, Office of Acquisition and Grants <http://www.fra.dot.gov/Content3.asp?P=389>.

**4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight: 20%

**Explanation:** The performance of the R&D program is reflected in FRA's five primary safety indicators, which show significant improvements despite increases in rail traffic. For example, the percent change in total accidents between 2000-2003 dropped 17.7 percent, while the number of train miles increased 3.6 percent. Likewise, fatalities have decreased 8.6 percent and injuries have fallen 23.8 percent. In terms of measuring productivity, FRA will begin this year to track its development of new technologies. To date, the R&D initiatives identified in the current Five Year Strategic Plan are proceeding according to schedule, and FRA is using this information as the basis for establishing baselines for the R&D's program output measures.

**Evidence:** DOT Strategic Plan 2003-2008. (See website at [http://www.dot.gov/stratplan2008/strategic\\_plan.htm](http://www.dot.gov/stratplan2008/strategic_plan.htm)). FRA Five-Year Strategic Plan for Research, Development and Demonstration. (See FRA website <http://www.fra.dot.gov/Content3.asp?P=134>)

**4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight: 20%

**Explanation:** The FRA has come close to meeting the annual targets of its strategic goals in recent years. Additionally, FRA reports that R&D projects have, for the most part, been completed on schedule, though FRA has not systemically tracked budget or schedule performance to date.

**Evidence:** See the FRA FY 2005 Budget to Congress; DOT Strategic Plan ([http://www.dot.gov/stratplan2008/strategic\\_plan.htm](http://www.dot.gov/stratplan2008/strategic_plan.htm)); FRA Five-Year Strategic Plan for Research, Development and Demonstration. (See FRA website <http://www.fra.dot.gov/Content3.asp?P=134>).

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight: 20%

**Explanation:** To date, FRA has not systematically tracked efficiency measures for the R&D program. However, beginning this year, two new efficiency measures will be tracked, reflecting project schedule and cost performance. [Note that FRA already monitors each of the program's numerous projects for schedule and cost performance, though not on a consistent systematic basis.] The program has also become much more adept at leveraging funds and ensuring that R&D projects include cost sharing or in-kind contributions from industry partners.

**Evidence:**

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: LARGE  
EXTENT

Question Weight20%

Explanation: No independent analysis shows that FRA uses industry best practices or sets the industry standard at this time. However, FRA does, to a large extent, meet the criteria of a well managed R&D program, which are to include stakeholders in the agenda setting process and to have independent reviews affirm the quality of research. The program receives input from stakeholders through issue conferences and meetings with TRB and AAR. Further, seeks peer feedback through TRB evaluations of its R&D program management.

Evidence: See the FRA Five-Year Strategic Plan for Research, Development and Demonstration. See FRA website <http://www.fra.dot.gov/Content3.asp?P=134>

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: LARGE  
EXTENT

Question Weight20%

Explanation: TRB's latest report states, "TRB is impressed with the quality of work being done in a number of areas under the Railroad R&D program..." The committee has affirmed that FRA's R&D program is generally well managed and that the quality of the science is not in doubt.

Evidence: See the TRB R&D Review Committee Reports at [http://trb.org/news/blurb\\_detail.asp?ID=3750](http://trb.org/news/blurb_detail.asp?ID=3750). Also, see FRA Five-Year Strategic Plan for Research, Development and Demonstration, section 1-7, for a discussion of the TRB peer review process (<http://www.fra.dot.gov/Content3.asp?P=134>).

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
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**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

**Measure:** Safety: Reduce the Rate of Rail Related Accidents and Incidents (number of rail related accidents and incidents versus train miles in millions)

**Additional Information:** Several R&D initiatives contribute to this goal, including Railroad Systems Issues, Human Factors, Rolling Stock and Components, Track and Structures, Train and Track Interaction, Train Control, Grade Crossings, Hazardous Materials Transportation, and Train Occupant Protection. For example, FRA has directly integrated track geometry research work into the its highly successful Automated Track Inspection Program (ATIP).

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
1997		24.68	
1998		24.17	
1999		23.55	
2000		23.40	
2001		22.61	
2002		19.77	
2003		18.58	
2004	17.49		
2009	15.99		
2008	16.14		
2007	16.48		
2006	16.80		
2005	17.14		

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
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**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

**Measure:** Organizational Excellence: Percent of projects completed on time  
**Additional Information:** Establishes effective, timely development of research products

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2004	Baseline		
2005	70%		
2006	75%		
2007	76%		
2008	77%		
2009	78%		

**Measure:** Train accident rate (total number of train accidents versus train miles in millions)

**Additional Information:** The following FRA research initiatives contribute to this goal: Railroad Systems Issues, Human Factors, Rolling Stock and Components, Track and Structures, Train and Track Interaction, Train Control, and Grade Crossings. FRA research has led to improvements in track inspection, which have been implemented on the ATIP vehicle to detect track geometry defects before they cause derailments. Research has also aided in development of the track performance standards and inspection tools for FRA inspectors, leading to a reduction in track-caused derailments.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
1997		3.54	
1998		3.77	
1999		3.89	
2000		4.13	
2001		4.25	
2002	4.06	3.76	

## PART Performance Measurements

**Program:** Research and Development  
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Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

2003	3.63	3.94
2004	3.60	
2009	3.55	
2008	3.56	
2007	3.57	
2006	3.58	
2005	3.59	

**Measure:** Safety: Reduce the Rate of Rail-Related Fatalities (number of rail fatalities versus the number of train miles in millions)

**Additional Information:** FRA's Research program contributes to this goal in the areas of Railroad Systems Issues, Human Factors, Rolling Stock and Components, Track and Structures, Train and Track Interaction, Train Control, Hazardous Material, Grade Crossings, and train Occupant Protection. For example, locomotive cab noise FRA research results are being used to develop rulemaking to reduce locomotive cab noise, which leads to operator fatigue. In addition, research in locomotive and passenger car fire safety has contributed to the Passenger Car Equipment Safety Standards Rule.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
1997		1.57	
1998		1.48	
1999		1.31	
2000		1.30	
2001		1.36	
2002	1.20	1.31	
2003	1.25	1.14	
2004	1.20		

## PART Performance Measurements

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1	2	3	4	Moderately
100%	100%	100%	54%	Effective

2009	1.10
2008	1.12
2007	1.14
2006	1.15
2005	1.18

**Measure:** Safety: Reduce the Rate of Rail-Related Injuries (total number of rail related injuries versus the number of train miles in millions)

**Additional Information:** FRA's Research program contributes to this goal in the areas of Railroad Systems Issues, Human Factors, Rolling Stock and Components, Track and Structures, Train and Track Interaction, Train Control, Hazardous Material, Grade Crossings, and train Occupant Protection. FRA research into root causes of accidents has led to targeted inspection procedures and a reduction in train yard and engine service employee injuries.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
1997		17.39	
1998		16.78	
1999		16.42	
2000		16.11	
2001		15.44	
2002	13.04	15.24	
2003	14.80	11.84	
2004	11.56		
2009	10.01		
2008	10.22		

## PART Performance Measurements

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1	2	3	4	Moderately
100%	100%	100%	54%	Effective

2007	10.44
2006	10.68
2005	11.11

**Measure:** Safety: Reduce the Rate of Rail Hazmat Releases (total number of rail related hazmat releases versus the number of train miles in millions)

**Additional Information:** FRA's Research program contributes to this goal in the areas of Railroad Systems Issues, Human Factors, Rolling Stock and Components, Track and Structures, Train and Track Interaction, Train Control, Hazardous Material, Grade Crossings, and Train Occupant Protection. An example is the research on stub sill tank car failures that led to regulatory action by the FRA and Transport Canada. Research is also being conducted on better technologies for tank car inspection, which will result in fewer releases of hazardous materials.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
1997		13.23	
1998		12.78	
1999		13.35	
2000		12.59	
2001		11.38	
2002	10.12	10.91	
2003	10.10	10.17	
2004	10.09		
2009	9.90		
2008	9.90		
2007	9.90		
2006	9.90		

## PART Performance Measurements

**Program:** Research and Development  
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Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

2005                      10.00

**Measure:** Safety: Reduce the Rate of Highway-Rail Grade Crossing Collisions (total number of highway rail crossing collisions, divided by the product of rail miles times vehicle miles traveled in millions)

**Additional Information:** FRA's Research program contributes to this goal in the areas of Railroad Systems Issues, Human Factors, Rolling Stock and Components, Track and Structures, Train and Track Interaction, Train Control, Hazardous Material, Grade Crossings, and Train Occupant Protection. Two examples are the research on train horns that was used in FRA's Train Horn rule and research on reflectors that was used in its Freight Car ReflectORIZATION rule.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
1997		2.23	
1998		1.96	
1999		1.82	
2000		1.76	
2001		1.63	
2002	1.39	1.47	
2003	1.4	1.36	
2004	1.29		
2009	1.08		
2008	1.10		
2007	1.13		
2006	1.18		
2005	1.23		

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
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Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

**Measure:** Number of deliverable research products, innovations, and technologies relating to equipment and operating practices that support DOT and FRA rail safety goals.

**Additional Information:** FRA plans to deliver 17 equipment and operating practices products, innovations, and technologies supporting railroad safety by 2009. Equipment and Operating Practices include the following initiatives: Railroad Systems Issues, Human Factors, Rolling Stock, Grade Crossings (Human Factors), Hazmat, and Train Occupant Protection.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2002		2	
2003		2	
2004	2		
2005	3		
2006	3		
2007	3		
2008	3		
2009	3		

**Measure:** Number of deliverable research products, innovations and technology relating to track and infrastructure that support DOT and FRA rail safety goals.

**Additional Information:** FRA plans to deliver 17 products, innovations, and/or technologies supporting track safety by 2009. Track Research work includes the following initiatives: Track & Structures, Track/Train Interaction, Train Control, and Grade Crossings - (Infrastructure).

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2002		2	
2003		2	
2004	2		
2005	3		

## PART Performance Measurements

**Program:** Research and Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Railroad Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	100%	54%	Effective

2006	3
2007	3
2008	3
2009	3

**Measure:** Organizational Excellence: Percent of projects completed within budget  
**Additional Information:** Establishes development of research products within budget

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2004	Baseline		
2005	70%		
2006	75%		
2007	76%		
2008	77%		
2009	78%		

## PART Performance Measurements

**Program:** Research, Engineering & Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	90%	88%	92%	

**1.1 Is the program purpose clear?**

Answer: YES

Question Weight20%

Explanation: FAA's Research, Engineering & Development (R,E&D) program conducts aviation safety research on: (1) fire and smoke resistance technologies; (2) aircraft maintenance and structural technologies; (3) the relationship between human factors and aviation accidents; and (4) air traffic control.

Evidence: Federal Aviation Act (P.L. 85-726); Title 49, Subtitle VII, Aviation Safety Research Act (P.L. 100-591); Omnibus Reconciliation Act of 1990 (P.L. 101-508).

**1.2 Does the program address a specific and existing problem, interest or need?**

Answer: YES

Question Weight20%

Explanation: The FAA is the sole certification authority for the United States aviation community; R,E&D provides the research and information necessary for the FAA to regulate and create standards for industry, which leads to a reduction of the aviation fatal accident rate.

Evidence: Federal Aviation Act (P.L. 85-726), Title 49, Subtitle VII; Aviation Safety Research Act (P.L. 100-591); FAA Strategic Plan; R&D Strategy.

**1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?**

Answer: YES

Question Weight20%

Explanation: The program is solely a unique FAA function, and no other organization duplicates this program; FAA does research to establish standards in the aviation community. The FAA is the sole certification authority for the industry. If the program did not exist, no other public or private organization could take its place.

Evidence: Federal Aviation Act (P.L. 85-726), Title 49, Subtitle VII, Aviation Safety Research Act (P.L. 100-591); R&D Strategy; National Aviation Research Plan; FAA Operational Evolution Plan; National Aviation Weather Initiatives.

**1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?**

Answer: YES

Question Weight20%

Explanation: The program engages both internal and external stakeholders to provide input and assessment of the program on a regular basis. R,E&D also leverages its external partners for people, skills and resources. For example, its Centers of Excellence partners from academia and industry provide R,E&D with matching resources for aviation-related R&D.

Evidence: National Aviation Research Plan/REDAC Recommendations; R&D Portfolio Development Process, Guidance/Reference Document; FAA Joint Resource Council Process; The Product Development Team for In-Flight Icing, 2001 Plan.

**1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?**

Answer: YES

Question Weight20%

Explanation: R,E&D supports the FAA's operational, regulatory, and oversight functions, which, in turn, directly support the flying public. Unlike other federal research programs, each research project focuses on a particular high-priority regulatory activity.

Evidence: National Aviation Research Plan/REDAC Recommendations; R&D Strategy; Research, Engineering and Development Advisory Committee and Subcommittee Recommendations and Reports; R&D Portfolio Development Process, Guidance/Reference Document; FAA Joint Resource Council Process; The Product Development Team for In-Flight Icing, 2001 Plan

## PART Performance Measurements

**Program:** Research, Engineering & Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	90%	88%	92%	

**2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**      Answer: YES      Question Weight:10%

**Explanation:** The R,E&D program has specific long-term performance measures, tied to specific research programs/projects that support accomplishment of long-term national and agency goals. As one example, as part of the FAA goal to reduce the fatal accident rate, the Weather Research Program has a performance measure to develop 5 turbulence forecast products that allow pilots to avoid hazardous flight conditions improving safety and ensuring efficient airspace use by 2008.

**Evidence:** R,E&D Budget Linkage sheet; National Research Plan for Aviation Safety, Security, Efficiency, and Environmental Compatibility; FAA Operational Evolution Plan; National Aviation Research Plan; ARA Annual Performance Plan (<http://www2.faa.gov/ara/perform/>); ARA Quarterly and Annual Performance Plan Goal Reports

**2.2 Does the program have ambitious targets and timeframes for its long-term measures?**      Answer: YES      Question Weight:10%

**Explanation:** The R,E&D program's annual goals are ambitious. The long-term research goals are mapped to multi-year objectives, which help track the progress of the research through the establishment of annual milestones.

**Evidence:** FAA Strategic Plan; R&D Strategy; FAA Operational Evolution Plan; ARA Annual Performance Plan; ARA SES Short-Term Incentives; Communications, Navigation, and Surveillance Business Management Handbook; FAA In-flight Icing Plan; In-Flight Icing PDT (#4) Technical Direction, FY 2002

**2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?**      Answer: YES      Question Weight:10%

**Explanation:** The R,E&D program has annual performance measures that can demonstrate progress toward achieving the program's long-term goals. Progress toward these goals are measured quarterly.

**Evidence:** ARA Annual Performance Plan; ARA Quarterly and Annual Performance Goal Reports; ARA SES Short-term Incentives, DOT and FAA Strategic Plans, DOT Performance Plan, FAA Strategic Plan Supplement.

**2.4 Does the program have baselines and ambitious targets for its annual measures?**      Answer: YES      Question Weight:10%

**Explanation:** The program develops baselines and ambitious targets, in conjunction with sponsors and partners, for all of its annual measures.

**Evidence:** ARA Annual Performance Plan; ARA Quarterly and Annual Performance Goal Reports; ARA SES Short-term Incentives; National Aviation Research Plan

## PART Performance Measurements

**Program:** Research, Engineering & Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	90%	88%	92%	

**2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight:10%

Explanation: All partners commit to the annual and long-term program goals through a variety of means, such as MOU's, SOW's, Joint Councils, and management plans. Regularly scheduled reviews are conducted to ensure compliance and progress.

Evidence: Memorandums of Understanding; FAA Grants Order; ARA Goal 2 (Human Factors) Integration in Research and Acquisition, Project Deliverables and Status Report; FAA/NASA Management Plan; Communications, Navigation, and Surveillance Business Management Handbook; Statement of Work: Fracture Mechanics Properties Standards; FAA Joint Resource Council Process.

**2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight:10%

Explanation: There are many regular and ad-hoc reviews of the program, including: 1) annually, research sponsors review program outcomes and outputs, prioritize and plan research efforts, and make decisions about the program; 2) the R,E&D Advisory Committee (REDAC), comprised of representatives from industry, universities, other agencies, users, and associations, reviews research and makes recommendations about budget and program priorities and merit; 3) external groups, such as the National Academy of Science, review program and results; 4) research is presented at international conferences and in Technical Reports available to the external research community.

Evidence: National Aviation Research Plan/REDAC Recommendations; National Academy of Science and Transportation Research Board Publications; The AVR R&D Requirements Process; Program Planning Team Documents; and R&D Portfolio Development Process, Guidance/Reference Document.

**2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight:10%

Explanation: Last year, R,E&D's Budget request related FAA Strategic goals to resource requests (all direct and indirect costs). Unfortunately, the FAA draft document needed more work and we expect that it will submit a performance-based request this year.

Evidence: FY 2004 Budget, FY 2004 FAA Congressional Justification.

**2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:10%

Explanation: Realizing the need for a R&D strategy to guide program investments, in FY 2002, FAA published its first five-year R&D Strategy. R,E&D is now examining the programs/projects in the National Aviation Research Plan and mapping them to the R&D Strategy to identify potential gaps in the strategic planning process and to evaluate any gaps to determine the appropriate corrective action, i.e., revision to the Strategy or revision of the Research Plan.

Evidence: R&D Strategy; Draft R&D Strategy Assessment; R&D Portfolio Development Process: Lessons Learned; R&D Executive Board Portfolio Development Process Project Management Plan

## PART Performance Measurements

**Program:** Research, Engineering & Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	90%	88%	92%	

**2.RD1**     **If applicable, does the program assess and compare the potential benefits of efforts within the program to other efforts that have similar goals?**     Answer: YES     Question Weight:10%

**Explanation:** In addition to continued reviews by FAA management, research sponsors, and the REDAC subcommittees, each research area works closely with customers and other agencies to ensure continuing relevance of the work. In addition, the program receives continuous external review to ensure that it is meeting customer needs by: meeting with the users; seeking feedback; presenting progress reports at public forums and science reviews; publishing and presenting technical papers; obtaining formal peer validation of science; training specific users on product usage; and maintaining and sharing lessons learned.

**Evidence:** Research, Engineering and Development Advisory Committee and Subcommittee Recommendations and Reports; Interagency Agreement, Number DTFA01-98-Z-020024 Between the FAA and NOAA; Integrated Icing Forecast Algorithm 9IIFA) Assessment at Regional Airlines -- Final Report; FAA Current Icing Potential (CIP) and Forecast Icing Potential (FIP) Regional Airlines Benefit Analysis; Commercial Aviation Safety Team (CAST) documents.

**2.RD2**     **Does the program use a prioritization process to guide budget requests and funding decisions?**     Answer: YES     Question Weight:10%

**Explanation:** Program priorities are determined in concert with internal/external reviews conducted by the REDAC, internal sponsors, and national and Departmental guidance, such as from OMB. Priorities are also outlined in the DOT Research Development, and Technology Plan, as well as in the FAA Strategic Plan and the ARA Performance Plan. Using external input, the R&D Executive Board, through a documented process and working through program planning teams, provides budget guidance for budget planning and allocation.

**Evidence:** R,E&D Budget Linkage sheet; R&D Executive Board Portfolio Development Process Project Management Plan; National Aviation Research Plan; R&D Strategy; DOT Research, Development, and Technology Plan; ARA Annual Performance Goals; Joint Resource Council Process; Research, Engineering and Development Advisory Committee and Subcommittee Recommendations and Reports; The AVR R&D Requirements Process; Decision-Based Weather Needs for the Air Route Traffic Control Center Management Unit.

**3.1**     **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**     Answer: YES     Question Weight:12%

**Explanation:** The goals in the annual ARA Performance Plan are tracked and reported on quarterly. In addition, projects within the program regularly collect performance information from partners and use it to manage the program and improve performance.

**Evidence:** ARA Annual Performance Plan; ARA Quarterly and Annual Performance Plan Goal Reports; ARA Goal 2 (Human Factors)--Project Deliverables & FY 02 Status Report; FAA/NASA Wake Turbulence Research Management Plan; FAA/NASA Joint University Program reviews; COE Program reviews.

## PART Performance Measurements

**Program:** Research, Engineering & Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	90%	88%	92%	

**3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight:12%

**Explanation:** Program managers are responsible for achieving results and performance measures are included into performance evaluations and annual work plans. In addition, through program and business plans, as well as contractual arrangements and grant language, and through formal agreements, such as Memorandums of Understanding/Agreement, program managers hold partners accountable for cost, schedule, and performance results.

**Evidence:** ARA Short-Term Incentives; ARA Goal 2 (Human Factors): Project Deliverables & FY 02 Status Report; FAA/NASA Wake Turbulence Research Management Plan.

**3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:12%

**Explanation:** The FAA Budget Office ensures that all program funds are obligated in a timely manner in accordance with the program plan. The R,E&D program traditionally obligates 95% of it funds in the first year and unobligated funds are carried forward. Obligations are reviewed monthly, quarterly, and at the end of each fiscal year; corrective action is taken as necessary.

**Evidence:** ARA Monthly Financial and Personnel Reports

**3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight:12%

**Explanation:** R,E&D's performance plan does not include efficiency measures and targets. However, there are many efficiencies realized through assessment of program performance. The program also gains tremendous cost effectiveness through its Centers of Excellence Program, which provide matching funds from non-federal sources, enabling the program to leverage industry sources to help finance critical safety research. Furthermore, the program uses a labor distribution reporting system, which tracks the personnel hours and costs an employee is working on a project.

**Evidence:** Core Compensation Program information is on-line at [http://www1.faa.gov/corecomp/plans\\_policies.cfm](http://www1.faa.gov/corecomp/plans_policies.cfm); COE brochure; COE program reviews

**3.5 Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight:12%

**Explanation:** The R,E&D program actively collaborates with its external partners on related programs and to leverage program funding. For example, the FAA/NASA Interagency Air Traffic Management Integrated Product Team and the FAA/NASA Aviation Safety Program share resources and conduct joint planning to achieve common aviation goals.

**Evidence:** FAA/NASA Interagency Air Traffic Management Integrated Product Team Integrated Plan; FAA/NASA Integrated Safety Research Plan; FAA Operational Evolution Plan; FAA/NASA MOUs and MOAs; The National Plan for Civil Aviation Human Factors: An Initiative for Research and Application (FAA, NASA, DOD); FAA/NASA Wake Turbulence Management Plan; FAA/NASA Roadmaps

## PART Performance Measurements

**Program:** Research, Engineering & Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	90%	88%	92%	

**3.6 Does the program use strong financial management practices?** Answer: YES Question Weight12%

Explanation: The program is free of material internal control weaknesses. Monthly accounting reports monitor fiscal status, the financial system has on-line, real-time inquiry capability for reporting and monitoring obligations. In FY 2004, FAA will implement a new cost accounting system that will strengthen financial management by allowing R,E&D to view plans versus and actual at various reporting levels, directly within the accounting system, and on a real-time basis; drill-down to the individual accounting transaction level; and reduce accounting errors.

Evidence: OIG report on FAA's financial statements for FY 2001-2002; FAA Performance and Accountability Report, Independent Audit Report, Financial Statements; all docs can be found on-line [http://www1.faa.gov/aba/html\\_fm/finst.html](http://www1.faa.gov/aba/html_fm/finst.html)

**3.7 Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight12%

Explanation: In response to R,E&D's human capital issues, FAA conducted an organizational assessment and found skill gaps in the areas of project/program management, leadership, and systems engineering. As a result, core curricula and training were instituted in these areas. Human Factors (HF) specialists were needed in integrated program teams, and, subsequently, HF specialists were hired and placed on those teams.

Evidence: R&D Executive Board Portfolio Development Process Project Management Plan; Draft R&D Strategy Assessment; ICIP documentation.

**3.RD1 For R&D programs other than competitive grants programs, does the program allocate funds and use management processes that maintain program quality?** Answer: YES Question Weight12%

Explanation: The R,E&D program allocates 100 percent of its funding (less some congressional direction) using a competitive process that ensures good science, proper use of public funds, and is consistent with Circular A-11. Once awarded, contract and grant progresses are regularly evaluated against scientific and technical criteria to ensure quality. Criteria are defined and reviewed internally and with external partners.

Evidence: Circular A-11; FAA's Acquisition Management System; FAA Grant Order; Research, Engineering and Development Advisory Committee and Subcommittee Recommendations and Reports; Center of Excellence Program documents; Small Business and Innovative Research Program.

**4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: YES Question Weight25%

Explanation: The R,E&D Program is making significant progress in achieving its long-term goals. For FY 2002, the annual accomplishments will allow the R,E&D Program to meet or surpass its long-term goals.

Evidence: R,E&D Budget Linkage sheet; National Research Plan for Aviation Safety, Security, Efficiency, and Environmental Compatibility; FAA Operational Evolution Plan; National Aviation Research Plan; ARA Annual Performance Plan (<http://www2.faa.gov/ara/perform/>); ARA Quarterly and Annual Performance Plan Goal Reports

**4.2 Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight25%

Explanation: The R,E&D Program met or exceeded its annual performance goals.

Evidence: R,E&D Budget Linkage sheet; National Research Plan for Aviation Safety, Security, Efficiency, and Environmental Compatibility; FAA Operational Evolution Plan; National Aviation Research Plan; ARA Annual Performance Plan; ARA Quarterly and Annual Performance Plan Goal Reports

## PART Performance Measurements

**Program:** Research, Engineering & Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	90%	88%	92%	

**4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**

Answer: LARGE  
EXTENT

Question Weight: 25%

**Explanation:** Although R,E&D's performance plans do not include efficiency measures or targets, the FAA has succeeded in a number of efforts that make conducting its research more efficient by reducing costs and increasing outputs. For example, R,E&D reduced overhead FTE from 27% to 13% in four years; reduced correspondence processing time from 9,050 minutes to 170 minutes per grant award; and expanded outputs of research per unit cost through Centers of Excellence, which require 50/50 cost sharing.

**Evidence:** FAA/NASA Interagency Air Traffic Management Integrated Product Team Integrated Plan; FAA/NASA Integrated Safety Research Plan; R&D Portfolio Development Process: Lessons Learned; R&D Portfolio Development Process, Guidance/Reference Document; R&D Executive Board Portfolio Development Process Project Management Plan; R&D Strategy Assessment (draft); FY 1999 Hammer Award; FTE data years FY 2000-2003.

**4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: NA

Question Weight: 0%

**Explanation:** There are no evaluations comparing R,E&D to other research programs.

**Evidence:**

**4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: YES

Question Weight: 25%

**Explanation:** The program is reviewed by an external advisory committee, the congressionally-mandated Research, Development and Engineering Advisory Committee, as well as external bodies, such as the National Academy of Science. These groups believe the Program is effective and achieving good results. The Advisory Committee also meets with NASA's research advisory committee once a year to ensure there is no duplication of effort and that resources are focused on high priority national research goals.

**Evidence:** Research, Development and Engineering Advisory Committee recommendations and subcommittee reports; National Academy of Science and Transportation Research Board Publications; R&D conference proceedings; FAA Technical Reports.

## PART Performance Measurements

**Program:** Research, Engineering & Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	90%	88%	92%	

**Measure:** Turbulence forecast products developed that allow pilots to avoid hazardous flight conditions while improving safety and ensuring efficient airspace use.  
**Additional Information:** On average, turbulence causes 45 accidents, 100 injuries, and 40 fatalities with costs exceeding \$135M per year

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2008	6		

**Measure:** Turbulence-forecast products developed (linked to long-term target to develop five new turbulence forecast products by 2008)  
**Additional Information:** 2002 Target--Develop clear turbulence product above 20,000 ft in experimental use. •2003 Target--Develop clear turbulence product above 20,000 ft fully operational. •2004 Target--Develop clear turbulence product above 10,000 ft. •2006 Target--Develop convective induced turbulence product. •2007 Target--Develop mountain wave turbulence product. •2008 Target--Develop clear turbulence produce for all altitudes.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	1	1	
2004	1		
2006	1		
2007	1		
2008	1		
2005			

**Measure:** In-flight icing and freezing precipitation aloft forecast products developed that allow pilots to avoid hazardous flight conditions while improving airspace use.  
**Additional Information:** Icing is a major safety issue for general aviation and small commuter aircraft; On average icing causes 24 accidents and 31 fatalities per year.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2008	6		

## PART Performance Measurements

**Program:** Research, Engineering & Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	90%	88%	92%	

**Measure:** In-flight icing and freezing precipitation aloft products developed (linked to long-term target to develop six new in-flight icing and freezing precipitation products by 2008).

**Additional Information:** 2002 Target--Implement year round product guidance and severity/icing type forecasts. •2004 Target--Develop forecast icing product. •2006 Target--Develop current icing potential severity product. •2007 Target--Develop forecast icing potential, Alaska product. •2008 Target--Develop terminal scale forecasting product.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	1	1	
2006	1		
2007	1		
2008	1		
2005			

**Measure:** New technologies, procedures, test methods, and criteria developed for preventing accidents that result from hidden in-flight fires and fuel tank explosions.

**Additional Information:** Fire caused approximately twenty percent of the 1,153 fatalities on U.S. transport airlines between 1981-1990.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Long-term
2008	1		
2005			
2006			

## PART Performance Measurements

**Program:** Research, Engineering & Development  
**Agency:** Department of Transportation  
**Bureau:** Federal Aviation Administration  
**Type(s):** Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	90%	88%	92%	

**Measure:** Technologies, procedures, test methods, and criteria for preventing accidents that result from hidden in-flight fires and fuel tank explosions (linked to long-term target)

**Additional Information:** 2002 Target--Fabricate and install nitrogen inerting system in 747SP for ground-based inerting of the center wing; Test a seat fabric fiber to determine if it provides a 50% reduction in heat; Propose a technical standard order for flammability test on airline blankets; Finish research on full-scale test evaluation of cargo compartment fire suppression system. •2003 Target-- Develop and demonstrate thermoset resin for cabin panels with factor of 10 reduction in heat release rate and draft technical report describing results; Conduct 40 hours of flight tests on FAA inerting system using an Airbus A320 and Boeing 747; Draft 2 technical reports describing fuel tank inerting research progress. •2004 Target--Draft report comparing fuel tank inerting concentrations during A320 flight tests with model predictions; Conduct 30 hours of flight tests on FAA inerting system in NASA 747 (Edwards AFB).  
 •  
 2005 Target--Draft report describing FAA/NASA inerting system flight tests and fuel vapor measurements; Develop and demonstrate a thermoplastic for cabin molded components with factor of 10 reduction in heat release rate and draft a report describing results . •2006 Target--Develop and demonstrate a seat foam with a factor of ten reduction in heat release rate and draft report describing results. •2007 Target--Develop and demonstrate a seat fabric fiber with a factor of ten reduction in heat release rate and draft a report describing the results.

<u>Year</u>	<u>Target</u>	<u>Actual</u>	<b>Measure Term:</b> Annual
2002	Complete	Complete	
2004	Complete		
2005	Complete		
2006	Complete		
2007	Complete		