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DEPARTMENT OF  
TRANSPORTATION

Enhancing Policy and  
Program Effectiveness  
Through Improved  
Management



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United States  
General Accounting Office  
Washington, D.C. 20548

Resources, Community, and  
Economic Development Division

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July 24, 1987

The Honorable Elizabeth H. Dole  
The Secretary of Transportation

Dear Madam Secretary:

At the time we transmitted to you our report to the Congress on the management of the Department (GAO/RCED-87-3, April 13, 1987), we indicated that a forthcoming supplement would provide additional information and details in support of our findings and recommendations. This volume contains the supplemental information to which we referred.

We appreciate the cooperation received from Department officials at all levels during the preparation of this document. We believe that it will prove to be a useful tool as you continue efforts to enhance policy and program effectiveness through improved management.

Sincerely yours,

A handwritten signature in cursive script that reads 'J. Dexter Peach'.

J. Dexter Peach  
Assistant Comptroller General

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# Preface

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This volume supplements the information contained in our report entitled Department of Transportation: Enhancing Policy and Program Effectiveness Through Improved Management (GAO/RCED-87-3, April 13, 1987). In issuing this supplemental volume, which contains 12 appendixes, it is our intention to make available to Department of Transportation (DOT) policy-makers and managers and to other interested parties a fuller explanation of our work and a more detailed exposition of and rationale for the actions we recommend to improve DOT's management effectiveness. We believe the information in this volume should be helpful in building on and maintaining the momentum of measures already underway in the Department to accomplish management improvements. We wish to recognize fully the valuable role played by DOT personnel in supporting our review and in providing much of the information and analysis which underlie our conclusions and recommendations.

The purposes of the individual appendixes in this document vary. Some present background information on the legislative and institutional history of the Department to facilitate understanding of DOT's present organization, operations, and culture; others discuss and analyze some of the important issues and topics that were dealt with in a necessarily abbreviated fashion in our report. The detailed examination of selected DOT safety programs and the discussion of techniques for improving the management of these programs (appendixes II, III, IV) should be of interest and value, we believe, not only to DOT managers but to managers in other agencies confronted with the need to better measure operational effectiveness, enhance productivity, and make optimal use of increasingly limited resources. Similarly, the discussion of grants management in a changing environment (appendix V) and that dealing with the crucial importance of support and control systems to management effectiveness (appendixes VI, VII, VIII) have applicability to other agencies confronted with similar challenges and needs.

Finally, the discussion of the importance of policy formulation and of a systematic framework for providing direction, coordination, and strategic focus to agency policies, plans, and programs (appendixes IX, X, XI, XII) has broad applicability throughout the federal government, especially at a time of major change in the perception of government's role and in the budgetary/fiscal environment that ultimately determines what government can do.

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**Abbreviations**

AASHTO	American Association of State Highway and Transportation Officials
APTA	American Public Transit Association
ASAS	Automated Safety Analysis System
DAFIS	Departmental Accounting and Financial Management Information System
DLA	Defense Logistics Agency
DOT	Department of Transportation
EPA	Environmental Protection Agency
FAA	Federal Aviation Administration
FHWA	Federal Highway Administration
FIRMR	Federal Information Resources Management Regulators
FMFLA	Federal Managers Financial Integrity Act
FRA	Federal Railroad Administration
GAO	General Accounting Office
GSA	General Services Administration
IG	Inspector General
IRM	Information Resource Management
MARAD	Maritime Administration
MS-DOS	Microsoft-Disk Operating Systems
MSIS	Marine Safety Information Systems
NAGHSR	National Association of Governors Highway Safety Representatives
NAS	National Airspace System
NASA	National Aeronautics and Space Administration
NATI	National Air Transportation Inspection Program
NHTSA	National Highway Transportation Safety Administration
NTSB	National Transportation Safety Board
OFM	Office of Financial Management
OFPP	Office of Federal Procurement Policy
OIG	Office of the Inspector General
OIRM	Office of Information Resource Management
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OST	Office of the Secretary of Transportation
PMES	Program Monitoring and Evaluation System
R&D	Research and Development
RSPA	Research and Special Projects Administration
SAFE	Safety Activity Functional Evaluation Project
SAR	Search and Rescue
SLSDC	Saint Lawrence Seaway Development Corporation
SMSA	Standard Metropolitan Statistical Area
SPG	Strategic Planning Group
SPUR	Standardized Procedures for Uniform Reporting
TCC	Transportation Computer Center
TFCS	Treasury Financial Communications System
TSARC	Transportation Systems Acquisition Review Committee
TSC	Transportation Systems Center
UMTA	Urban Mass Transit Administration
USCG	U.S. Coast Guard



# DOT's Organizational History, Culture, and Current Emphasis

The Department's present organizational structure is largely a legacy of its history. DOT began operations on April 1, 1967. Before that its organizational elements were scattered among various government agencies, operating individually according to unique traditions and in response to varying pressures; each had little incentive to coordinate with other transportation agencies. While the new Department established a framework for such coordination, DOT operating administrations, organized to represent different modes of transportation, have maintained much of the independence that was theirs before the Department's creation.

## The Making of a Transportation Department

Historically, the Congress handled transportation planning and policy guidance as part of its constitutional authority to regulate interstate commerce. The Congress chose to vest these functions in independent regulatory agencies, aligned according to modes of transportation. Certain executive agencies, likewise, administered transportation programs that involved financial assistance and planning. For example, the Department of Commerce exercised substantial leadership over a number of federal transportation activities prior to DOT's creation. The Undersecretary of Commerce for Transportation provided policy direction and general supervision over the Maritime Administration, the Bureau of Public Roads, the Saint Lawrence Seaway Development Corporation, and the Great Lakes Pilotage Administration. The Department of Commerce's transportation outlays constituted approximately 85 percent of aggregate departmental spending, \$572.4 million in fiscal year 1966. Many observers noted, however, that achievement of an integrated national transportation system was difficult under these circumstances, inasmuch as each agency tended to recognize and deal with only those problems associated with its respective mode of transportation. It was to correct this difficulty that President Johnson, in 1966, proposed the creation of DOT. Although the President's announcement took many by surprise, the idea was hardly novel. Since 1874, 14 different proposals for creating a Transportation Department had surfaced in Congress.

The kind of department the Congress finally agreed upon (with passage of the Department of Transportation Act of 1966) differed in important respects from the one the President had proposed. In terms of authority, for example, the original proposal envisioned a department with full authority to develop national transportation policies and programs and to develop standards and criteria to guide federal investment in transportation facilities and equipment. In the end, the new Department was given the authority to recommend national transportation policies and

programs, including recommendations regarding standards and criteria for investments, to the President and to the Congress for their consideration and approval. However, the Congress withheld from the agency and its head specific authority that would have allowed DOT to actually set transportation policy.

As in the case of its authority, the final organizational structure of the Department also differed from that envisioned by the President. The President's proposal had provided for a department with a functional structure that would have allowed adjustments based on operating experience and changing circumstances. The proposal was vague on the future organizational status of the agencies that were to be transferred to the department and contained no guarantee that the separate modal identity of these agencies would be preserved. Certain Members of Congress and the transportation industry opposed this structural arrangement, primarily because they believed it failed to adequately represent important transportation interests. Representatives of the maritime, highway, and aviation industries strongly favored modal representation in DOT, so as to protect changing industry needs.

The Congress, preferring that each mode of transportation be separately represented in the new Department, reported legislation that provided the Secretary of Transportation with four presidentially-appointed and Senate-confirmed assistant secretaries (whose duties are assigned by the Secretary) as well as five operating administrations organized along modal lines. The operating administrations are headed by administrators, also appointed by the President and confirmed by the Senate, and report directly to the Secretary. A fifth assistant secretary, for administration, is appointed by the Secretary with the approval of the President and must, by law, be a career civil servant. The assistant secretaries provide advice and support to the Secretary, but administrations retain control of their respective operating programs.

Notwithstanding the limits it imposed on Secretarial discretion, the DOT Act nevertheless granted the Secretary wide-ranging powers over the Department, its operating units, bureaus, offices, and personnel. The authority of the Secretary is subject only to the authority of the President and certain statutory restrictions. Also, while the act specifically grants the administrators of the Federal Aviation Administration (FAA), Federal Railroad Administration (FRA), and Federal Highway Administration (FHWA) "administrative finality" over safety matters in aviation, rail, and motor carriers/highways, respectively, the authority granted

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the administrators is actually that delegated by statute to the administrators from the Secretary. No individual powers are granted to the administrators to be exercised independently of the Secretary. The Secretary also has authority in Department-wide administrative support services such as accounting, budget, and personnel, while enjoying effective control over the Department's legislative and regulatory programs and access to the President.

The enabling legislation also established the National Transportation Safety Board (NTSB) within DOT, but subsequent legislation made NTSB an independent agency outside of DOT.

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## Current Organization

DOT's current organizational structure (shown in figure I.1) has three levels. First, the Office of the Secretary of Transportation (OST) provides policy direction and review as well as management oversight for other DOT operating elements. Second, the operating administrations' headquarters staff supervise and monitor the activities of their individual field offices and develop policy in accordance with OST directives. Third, modal field offices, whose organizations vary by operating administration, implement departmental policies and programs.

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**Appendix I**  
**DOT's Organizational History, Culture, and**  
**Current Emphasis**

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**Appendix I  
DOT's Organizational History, Culture, and  
Current Emphasis**

**Figure I.1: DOT's Organizational Structure**

