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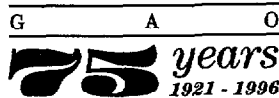
Resources, Community, and Economic  
Development Division

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June 1996

# Transportation Issue Area Plan

## Fiscal Years 1995-97



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# Foreword

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As the investigative arm of the Congress and the nation's auditor, the General Accounting Office is charged with following the federal dollar wherever it goes. Reflecting stringent standards of objectivity and independence, GAO's audits, evaluations, and investigations promote a more efficient and cost-effective government; expose waste, fraud, abuse, and mismanagement in federal programs; help the Congress target budget reductions; assess financial information management; and alert the Congress to developing trends that may have significant fiscal or budgetary consequences. In fulfilling its responsibilities, GAO performs original research and uses hundreds of databases or creates its own to compile and analyze information.

To ensure that GAO's resources are directed toward the most important issues facing the Congress, each of GAO's 32 issue areas develops a strategic plan that describes its key issues and their significance, the objectives and focus of its work, and the planned major job starts. Each issue area relies heavily on input from congressional committees, agency officials, and subject-matter experts in developing its strategic plan.

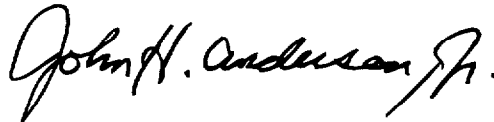
Transportation issues significantly affect all aspects of our daily lives and the transportation industry is crucial to our economy—it comprises about 17 percent of our gross domestic product (GDP) and employs about 10 percent of the nation's workforce. The Transportation Issue Area has audit responsibility for the Department of Transportation (DOT) and its operating administrations whose annual budgets amount to about \$38 billion. Other agencies within the scope of our issue area include the National Railroad Passenger Corporation (Amtrak), the National Transportation Safety Board (NTSB), the Federal Maritime Commission, and the Federal Communications Commission.

GAO's audit and evaluation work in transportation issues generally focuses on safe and efficient travel, cost-effective investment in infrastructure, and promoting industry competition and financial health in a largely deregulated environment. The principal issues facing the nation in the transportation area are

- maintaining the safety of the nation's air transport system and improving the Federal Aviation Administration's (FAA) oversight of the aviation industry's compliance with federal safety and security regulations;
- enhancing the safety, capacity, and efficiency of the nation's aviation infrastructure;

- reducing the risk of fatalities and injuries in surface transportation and their economic and societal costs;
- ensuring that highway, bridge, mass transit, and rail programs adequately meet the nation's surface transportation needs;
- sustaining an internationally competitive transportation industry and promoting a financially viable domestic passenger rail system (Amtrak);
- promoting efficient and effective programs and policies at the U.S. Coast Guard; and
- improving management, organization, and oversight of all modes of transportation and strengthening the oversight of multi-billion dollar infrastructure projects.

In the pages that follow, we describe our key planned work on these important issues during our 3-year planning period (fiscal years 1995 through 1997). This year's update to the plan contains some slight changes in emphasis to reflect current congressional interest and available resources. For example, we plan no specific work in telecommunications but will continue to respond to congressional requests. Also, because unanticipated events may significantly affect even the best of plans, our planning process allows for updating this plan to respond quickly to emerging issues. If you have any questions or suggestions about this plan, please call me or Gerald L. Dillingham, Associate Director for Aviation and Coast Guard Issues, or Phyllis F. Scheinberg, Associate Director for Surface Transportation Issues, at (202) 512-2834.



John H. Anderson, Jr.  
Director  
Transportation Issues

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# Table I: Key Issues

Issue	Significance
<b>Aviation safety:</b> Does FAA adequately oversee the aviation industry's compliance with federal safety and security regulations?	Over the next several years, the FAA faces major challenges on how to deal with the effects of a downsized workforce, constrained budgets, new procurement and personnel systems, and increased globalization of the aviation industry while continuing to maintain a high level of safety in the U.S. air transport system.
<b>Aviation infrastructure:</b> How can FAA enhance the safety, capacity, and efficiency of the nation's airport and airway system?	During a time of shrinking resources, FAA's challenge is to quickly replace deteriorating air traffic control facilities and antiquated equipment with new technologies for data processing, communication, and navigation. Moreover, the need to improve the infrastructure of airports raises issues regarding the source and use of Airport Improvement Program funds and facility charges collected from passengers.
<b>Surface transportation safety:</b> How can surface transportation be improved to promote safety and reduce program and societal costs?	Each year 40,000 people die on the nation's highways and about 1,200 are killed in railway accidents. The societal costs total in the hundreds of billions of dollars. There is a need to ensure that this problem is not exacerbated by recent changes to the national restrictions on speed limits and the requirements to use motorcycle helmets as well as the opening of the U.S.-Mexican border to commercial truck traffic under the North American Free Trade Agreement (NAFTA).
<b>Surface transportation infrastructure:</b> Do the current highway, bridge, mass transit, and rail programs adequately meet the nation's surface transportation needs?	The focus on highways has changed from building the interstate system to preserving and maintaining the 160,000-mile National Highway System and other roads receiving federal aid. In preparation for reauthorizing highway and transit programs in 1997, the Congress will be debating such key issues as distributing federal highway funds to states and making investment decisions while balancing the often conflicting goals of improving air quality, saving energy, and reducing traffic congestion.
<b>Competition and financial health:</b> How effectively does the federal role in transportation foster competition worldwide and promote the economic welfare of travelers and shippers?	The globalization of the world economy and the formation of international trading blocs, such as the European Union, present a challenge to the financial health and competitive position of U.S. transportation interests. Seeking maximum benefits from deregulation in trucking, rail, and aviation while ensuring competitive rates and quality service are important parts of the nation's strategy to meet this challenge. In addition, providing nationwide, financially viable passenger rail service with the available resources is the subject of considerable congressional interest.

**Table I: Key Issues**

Objectives	Focus of work
<ul style="list-style-type: none"> <li>• Describe how FAA might improve its capacity to gather, verify, and act on safety problems as well as acquire, train, and deploy its safety workforce more efficiently and effectively.</li> <li>• Identify ways that FAA can better capitalize on technological breakthroughs that can enhance the safety and security of the U.S. air transport system.</li> <li>• Identify ways that FAA can better address human factors (which are the major cause of accidents) to improve safety and make the acquisition of air traffic control equipment more efficient.</li> </ul>	<ul style="list-style-type: none"> <li>• FAA's collection, verification, and use of aviation safety statistics and aircraft performance information</li> <li>• FAA's efforts to develop and deploy airport safety and security systems, processes, and equipment</li> <li>• FAA's progress in addressing problems caused by human factors</li> </ul>
<ul style="list-style-type: none"> <li>• Advise the Congress on FAA's funding needs for the air traffic control modernization and airport development programs.</li> <li>• Examine ways that FAA can better manage the acquisition of new technologies and programs for airport development.</li> </ul>	<ul style="list-style-type: none"> <li>• FAA's funding needs</li> <li>• Modernization of air traffic control facilities</li> <li>• FAA's reforms of procurement and personnel policies and practices</li> <li>• FAA's management of federal airport development programs</li> </ul>
<ul style="list-style-type: none"> <li>• Outline changes to federal regulations to reduce transportation-related accidents, deaths, and serious injuries.</li> <li>• Assess DOT's progress in improving rail safety.</li> </ul>	<ul style="list-style-type: none"> <li>• Truck safety issues relating to NAFTA</li> <li>• Federal, state, and local oversight of commuter rail safety</li> <li>• Implementation of prior recommendations to improve rail safety</li> </ul>
<ul style="list-style-type: none"> <li>• Recommend cost-saving strategies to (1) maximize the investments of federal, state, and local governments in highways, mass transit, and high speed rail development; (2) encourage public and private partnerships to finance transportation needs; and (3) promote passenger rail alternatives.</li> <li>• Analyze strategies to improve the management of highway and transit programs by federal, state, and local governments.</li> </ul>	<ul style="list-style-type: none"> <li>• Alternative methods to allocate highway and transit funds and to finance projects</li> <li>• Alternative methods to select transit investments</li> <li>• Results of operational tests of the Intelligent Transportation System program</li> <li>• State information systems and procedures for prioritizing funding decisions on highways, bridges, public transit, etc.</li> <li>• Funding needs of surface transportation programs</li> </ul>
<ul style="list-style-type: none"> <li>• Assess the effects of U.S. and foreign aviation policies on the competitiveness of the U.S. aviation industry.</li> <li>• Assess Amtrak's financial condition.</li> <li>• Evaluate options to achieve the benefits of deregulation.</li> <li>• Assess the status of state and private high speed rail initiatives and the appropriate role of the federal government.</li> </ul>	<ul style="list-style-type: none"> <li>• Restrictions in current bilateral aviation agreements on U.S. airline competition</li> <li>• Amtrak's operating and capital improvement plans</li> <li>• The costs and benefits of investments in intercity rail passenger service, including high speed ground transportation</li> </ul>

(continued)

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**Table I: Key Issues**

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<b>Issue</b>	<b>Significance</b>
<b>Coast Guard:</b> How efficient and effective is the U.S. Coast Guard in carrying out its missions and functions?	The Congress is looking closely at Coast Guard missions and functions to determine if any can be reduced, transferred, or privatized. The Coast Guard has developed plans to downsize the agency, and the Congress will be monitoring the agency's progress in doing so in a fiscally and organizationally sound manner.
<b>Cross-cutting and other issues:</b> How can DOT's management, organization, and oversight of federal transportation programs be improved?	The Congress and the administration have mandated that federal agencies, including DOT, improve their accountability for the effective and efficient use of budgetary resources and their responsiveness to the public in carrying out their missions. The federal government has a vital stake in ensuring that projects, particularly "mega" infrastructure projects (e.g., the Boston Central Artery/Tunnel), are completed efficiently and promptly.

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**Table I: Key Issues**

<b>Objectives</b>	<b>Focus of work</b>
<ul style="list-style-type: none"><li>•Review the effect of the Coast Guard's downsizing efforts on its missions and functions.</li><li>•Identify ways to improve the Coast Guard's use of resources, priority setting, oversight and management of programs, and acquisition and planning processes.</li></ul>	<ul style="list-style-type: none"><li>•The Coast Guard's missions, functions, and downsizing efforts</li><li>•The Coast Guard's funding needs</li></ul>
<ul style="list-style-type: none"><li>•Assess DOT's proposals to restructure and streamline certain aspects of the Department to ensure appropriate and continued emphasis on safety and infrastructure concerns.</li><li>•Aid the Congress in determining the appropriate federal role in financing and overseeing "mega" infrastructure projects.</li><li>•Aid the Congress in responding to public concerns on transportation-related disasters.</li></ul>	<ul style="list-style-type: none"><li>•DOT's restructuring proposals</li><li>•Federal oversight of the Boston Central Artery/Tunnel and San Francisco's Bay Area Rapid Transit extension to the airport</li><li>•Federal responses to natural and manmade disasters</li></ul>

# Table II: Planned Major Work

Issue	Planned major job starts
Aviation safety	<ul style="list-style-type: none"> <li>•How responsive is FAA to recommendations from GAO, NTSB, and DOT's IG to improve safety?</li> <li>•Will FAA have a sufficient number of trained controllers to meet projected staffing needs?</li> <li>•How does the safety record of new airlines compare to that of established ones?</li> <li>•What are the major airport safety and security issues, and is FAA adequately ensuring that airports are meeting safety and security requirements?</li> <li>•How can FAA improve aviation safety by addressing problems caused by human factors?</li> </ul>
Aviation infrastructure	<ul style="list-style-type: none"> <li>•What budget savings can be achieved in FAA's fiscal year 1998 proposed budget?</li> <li>•What are the advantages and disadvantages of different proposals for funding FAA through user fees?</li> <li>•What key issues are associated with FAA's operations and modernization of its air traffic control facilities?</li> <li>•What air traffic control infrastructure will FAA need to build to accommodate "free flight," i.e., flying from point A to B with less intervention by controllers?</li> </ul>
Surface transportation safety	<ul style="list-style-type: none"> <li>•How effective are federal, state, and local oversight of commuter rail safety?</li> <li>•What is the status of federal and state efforts to improve inspection of commercial trucks and enforce safety regulations along the U.S. and Mexican border?</li> <li>•How responsive is the Federal Railroad Administration to recommendations from NTSB and GAO?</li> </ul>
Surface transportation infrastructure	<ul style="list-style-type: none"> <li>•What innovative techniques for financing highway projects have the states used or planned and how have they been used to stretch investments in transportation?</li> <li>•How effectively has the Federal Transit Administration implemented policies and procedures to manage its grants?</li> <li>•What budget savings can be achieved in the surface administrations' fiscal year 1998 budget requests?</li> </ul>
Competition and financial health	<ul style="list-style-type: none"> <li>•Do marketing and physical barriers to entry continue to significantly limit competition in the domestic airline industry?</li> <li>•What is the status of Amtrak's operating and capital improvement plans?</li> <li>•What is the status of state and private efforts to develop high speed ground transportation?</li> </ul>
Coast Guard	<ul style="list-style-type: none"> <li>•How should the Coast Guard refocus its mission and responsibilities to streamline its functions and reduce its budget?</li> <li>•What budget savings can be achieved in the Coast Guard's fiscal year 1998 budget request?</li> </ul>
Cross-cutting and other issues	<ul style="list-style-type: none"> <li>•Is DOT's proposal to restructure its surface field offices consistent with program goals and objectives?</li> <li>•Does the Federal Highway Administration have the appropriate data to effectively monitor the Boston Central Artery/Tunnel Project?</li> </ul>

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