

as (a) numbers of railway highway crossings separated in grade, (b) numbers of air traffic control towers constructed, (c) numbers of Coast Guard navigational buoys installed.

We have not as yet completed the identification of all benefits and outputs. Despite rather significant problems, the Department has now developed departmentwide PPB procedures which will be used for the first time in the fiscal year 1970 program budget-development cycle. The new procedures will undoubtedly require considerable refinement. Of necessity, the procedures used for the development of the fiscal year 1969 program budget were largely ad hoc and skeletal in nature, and the Department's PPB cycle was a much abbreviated one.

In addition to the structural steps above, the PPB process has led to more extensive and useful analytical work. Better analysis is the heart of the PPB program. Contributing to the decisions included in the President's 1969 budget were the study of the Coast Guard buoy utilization study and FAA air terminal delay study. The former has pointed the way to a more cost effective buoy tender program and to appreciable cost avoidance. The latter study shed considerable light on the problem of terminal delays and some of the alternatives that can be utilized in dealing with this problem. Among the studies now underway are cost benefit analysis of the Coast Guard merchant inspection program, some highway engineering problems, and the start of a long-term comprehensive study of all of the safety related programs of the Department.

During the forthcoming year, DOT expects to focus its efforts in three areas: one, to improve our analytical efforts in quality, quantity, and applicability to important decisions; two, to refine and improve the structural components of the PPB system discussed above; three, to work on the development of a program reporting and data system responsive to the needs of PPB. This is the structural task to which we have devoted less attention thus far, but which is essential to the complete effectiveness of the PPB system. I would like to say also, Mr. Chairman, that we do not think that our current approach is a particularly good one, but it was the best that we could agree on, working with all the administrations and the Bureau of the Budget.

We have undertaken this outline, which we expect to follow for 2 years and then have a very major review to see the areas in which we can improve the whole operation.

Mr. Brooks. Certainly this approach does point out some problems as to whether or not a particular program will be of optimum benefit from the standpoint of budgeting or fiscal information. It will show what you are doing with the money, where it is being spent, and what the results are. In other words, what the input and yields are. So it is a challenging program.

This is a new approach to it, and it seems to me it is aimed a little more at the economic or social benefits of a program rather than how you are cranking in the money and manpower to accomplish such programs. So it will be a challenging one, I am sure, and I guess we cannot object to your trying something new.

We would encourage you and hope it does work out, though I have some misgivings, to be honest with you, about how this rather involved program duplicates in each of these areas the various modes of