



Memorandum

U.S. Department of
Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –
Audit of the Department of Transportation’s
Management of Highway/Vehicle Safety Research
and Development Agreements

Date: September 5, 2017

Office of the Secretary of Transportation
Federal Highway Administration
National Highway Traffic Safety Administration
Project No. 17Z3003Z000

From: Mary Kay Langan-Feirson
Assistant Inspector General for Acquisition and
Procurement Audits

Reply to
Attn. of: JA-60

To: Acting Assistant Secretary for Research and Technology
Acting Federal Highway Administrator
Acting Deputy National Highway Traffic Safety Administrator

Research and development (R&D) is vital for determining whether advances in technology can help prevent highway fatalities and improve vehicle safety. As such, Congress has authorized the Department of Transportation to enter into grants, cooperative agreements, and cooperative research and development agreements (CRADA)¹ with a wide variety of entities to conduct highway and vehicle safety R&D.² In fiscal year 2016, the Federal Highway Administration and the National Highway Traffic Safety Administration received \$85 million and \$87 million, respectively, for highway and vehicle safety R&D activities.³ Most of these funds were expended via agreements with third parties (e.g., universities and industry) rather than used for in-house research activities.⁴

Given the importance of R&D to the Department’s safety mission and the significant taxpayer-dollar investment involved, effective oversight is key to managing these

¹ A CRADA is an agreement between a Federal laboratory and non-Federal entity in which the Government provides personnel, equipment, intellectual property, or other non-monetary services to the entity towards the conduct of agreed-upon R&D efforts. CRADAs are subject to fewer intellectual property requirements than cooperative agreements or procurement contracts.

² See 23 U.S.C. § 403 (highway safety R&D), 49 U.S.C. § 30182 (vehicle safety R&D).

³ John F. Sargent Jr. et al, *Federal R&D Funding: FY2017* (CRS Rept. No. R44516), p. 51.

⁴ See Nat’l Science Foundation, *Survey of Federal Funds for R&D, FY 2015-17*, Table 9 (preliminary data).

agreements and meeting the Department's R&D goals. In December 2015, the Fixing America's Surface Transportation (FAST) Act⁵ directed our office to review the Department's management and oversight of its highway and vehicle safety R&D agreements. Accordingly, our audit objective is to assess the Department's policies and procedures for selecting and overseeing its highway and vehicle safety R&D agreements, including grants, cooperative agreements, and CRADAs.

We plan to begin this work immediately and will contact your liaison to schedule an entrance conference. If you have any questions or need additional information, please contact me at 202-366-5255, or Darren Murphy, Program Director, at 206-255-1929.

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cc: DOT Audit Liaison, M-1
FHWA Audit Liaison, HAIM-13
NHTSA Audit Liaison, NPO-310
OST-R Audit Liaison, RTC-1

⁵ Pub. L. 114-94, Section 24202.