TODAY'S REALITY

ITS IN AMERICA

1995 ANNUAL REPORT

NOTE TO READER:

THIS IS A LARGE DOCUMENT

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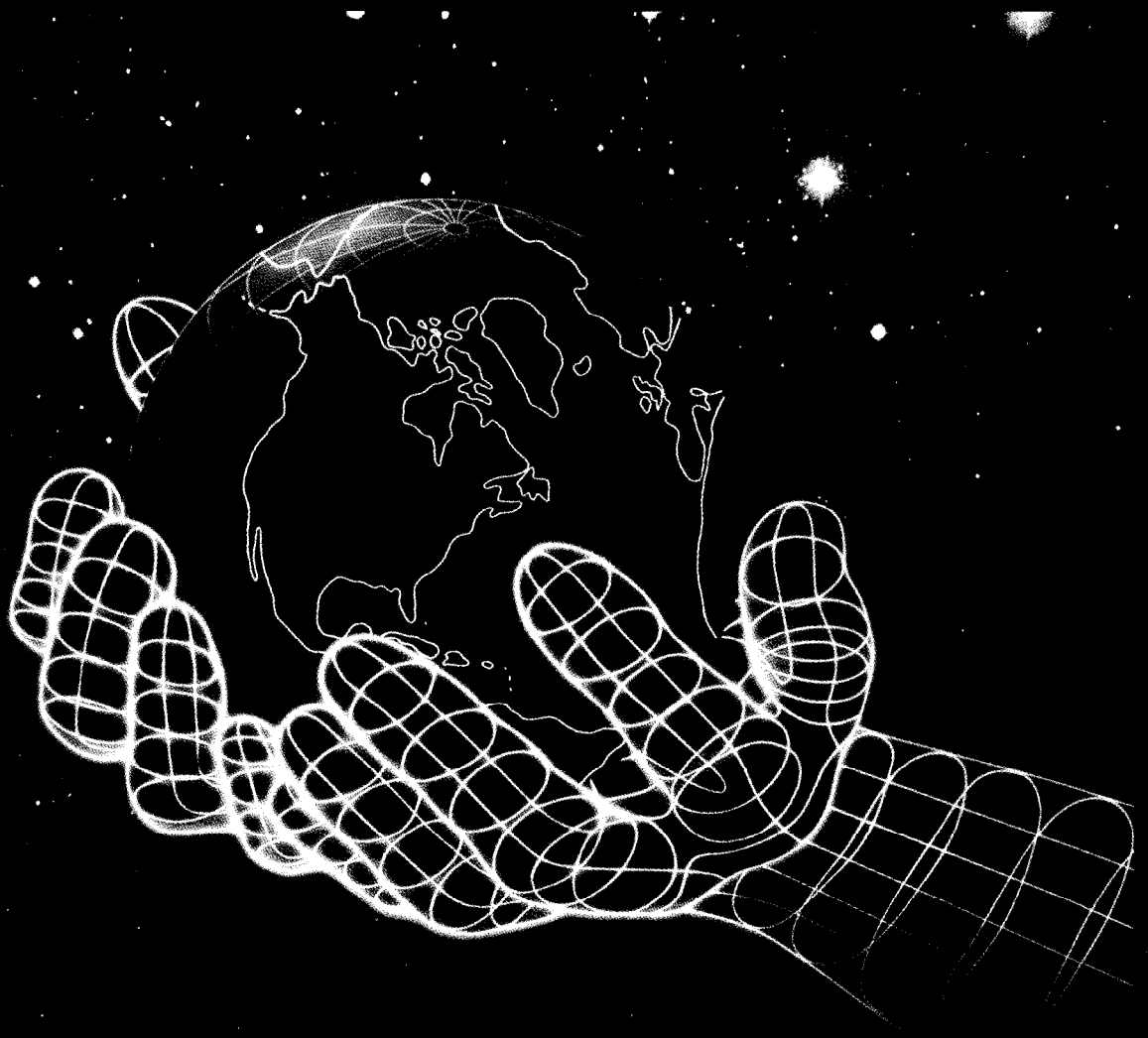
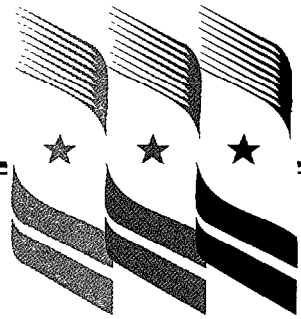
TODAY'S REALITY



ITS IN AMERICA

THE INTELLIGENT TRANSPORTATION SOCIETY OF AMERICA

1995 ANNUAL REPORT



ITS AMERICA MISSION STATEMENT

ITS America fosters and coordinates a public/private partnership to make the U.S. surface transportation system safer and more effective by accelerating the development, integration, acceptance and deployment of advanced technology.

ITS America seeks to include as members of this partnership all who have a stake in the application of technology to transportation and to provide information and opportunities for participation and benefit.

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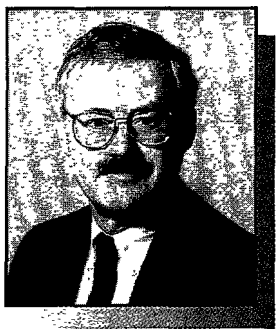

ITS: A GLOBAL PHENOMENON

A Letter From ITS America Board Chair Jack Kay

All of us who have been associated with ITS America during its first five years know that the mission we have undertaken is profoundly important. With the U.S. Department of Transportation, we are doing nothing less than mapping out the system of surface transportation that will serve the United States well into the 21st century, shaping the way our children and grandchildren will get around how their goods will be shipped, and how transportation will better serve their needs and desires.

"ITS is truly a global phenomenon. Our trading partners overseas regard ITS America as the world model for organizing and coordinating public-private partnerships in ITS."

As a partnership of industry, government, and academia, ITS America provides a unique opportunity for leaders in ITS to share ideas and to find out which ITS technologies are working, and how we can make them work better. All Americans will benefit greatly from this evolution in surface transportation.

So will the rest of the industrialized world. As we learned from the World Congresses on ITS held in Paris in 1994 and in Yokohama in 1995, ITS is truly a global phenomenon. Our trading partners overseas regard ITS America as the world model for organizing and coordinating public-private partnerships in ITS. ITS America has helped to foster the development and growth of counterpart organizations in Europe and the Pacific Rim, and has begun work to expand the benefits of ITS technologies throughout the Americas.

We know that ITS technologies are not something far off on the horizon. ITS is here and now in the form of traffic management systems, in-vehicle route guidance systems, electronic toll collection, commercial vehicle operations, advanced public transit systems, and other applications.

Today's ITS technologies are increasing productivity by saving travelers and shippers time and money. As the technology continues to evolve, we will experience a new and exciting world of travel. In the words of Mortimer Downey, Deputy U.S. Secretary of Transportation, "In just a few years, we will look back at today's first-generation systems the way the Apollo astronauts looked back at the Wright Brothers."

ITS products and services on the U.S. market now include in-vehicle navigation, collision warning, electronic "yellow pages" and traffic and travel information systems. ITS soon will provide a major breakthrough in safety with crash avoidance systems, and will be part of a communications web

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linking vehicles, homes, offices, and traffic operations centers for better management of transportation and greater convenience to travelers.

As this report shows, ITS America, working with the U.S. DOT, is in the vanguard of these important advances. It is working hard for acceptance of the national ITS system architecture and generation of key standards. It is evaluating and disseminating information on costs, benefits, and methodologies needed for informed decisions on ITS resource allocation. It is in the forefront of the movement for public and private initiatives and partnerships in the ITS field.

"What we do - or fail to do - will determine the kind of transportation that will serve future generations. This *is a* vitally *important mission."*

Our work is cut out for us. What we do — or fail to do — will determine the kind of transportation that will serve future generations. This is a vitally important mission. We are fortunate to have the close cooperation of our partners in the U.S. Department of Transportation, state and local agencies and the leading transportation and aerospace industries, research laboratories, and universities in carrying out this mission. I'm confident that working together over the coming years, we will find ways to make future transportation safer, more efficient, and more environmentally compatible for all of our citizens.

ITS: TODAY'S REALITY

A Message From President James Costantino

For those of us who were involved in the launching of ITS America just five years ago, it is rewarding to see how much has been accomplished in such a short time. This report outlines only a few of those accomplishments. With hands-on involvement by a host of active members, intelligent transportation systems are no longer some visionary concept, but are quickly becoming a reality in America.

"With hands-on involvement by a host of active members, intelligent transportation systems are no longer some visionary concept, but are quickly becoming a reality in America."

To speed up that reality, the ITS America board of directors approved a resolution containing the National Surface Transportation Goal for ITS: deployment of basic ITS services *for consumers of both passenger and* freight *transportation across the* nation by the year 2005. This includes three basic elements of ITS which are ready for deployment now: services related to travel information and transportation management; services related to intermodal freight, including commercial vehicle operations, and in-vehicle and personal information products in the consumer and commercial marketplace.

The U.S. Department of Transportation worked closely with ITS America in the formulation of this national goal and is very supportive of it. Reaching the goal will bring the public and private sectors together in new kinds of partnerships which will encompass and expand upon the U.S. DOT's own effort to spur the basic ITS deployment of the Intelligent Transportation Infrastructure, or ITI. The IT1 goal, announced by Secretary of Transportation Pena January 10, 1996, is to shave 15 percent off the travel time of most Americans within 10 years. ITS America fully supports this goal.

That is a tremendously ambitious goal to be achieved in only five short years. But just consider how far ITS has come in the U.S. in the past five years. It was barely five years ago that the Appropriations Act of 1991 and the Intermodal Surface Transportation Efficiency Act of that year made special provisions for ITS as a way to help solve the pervasive problems of traffic congestion, air pollution, and traffic accidents, injuries, and deaths.

It is now time to change our thinking about surface transportation. History shows that technology has advanced rapidly except for highways. It took only 120 years from the invention of the steam engine in 1769 to the automobile in 1889, 51 years from the telephone in 1876 to television in 1927, and 66 years from the Wright Brothers airplane in 1903 to the lunar landing in 1969. But highway building is essentially unchanged since the Romans built the Appian Way 2,000 years ago.

To address that lag, ITS America, initially an all-volunteer organization called Mobility 2000, began operations in 1991 coordinating a public/private partnership to make our U.S. surface transportation

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system safer and more effective by accelerating the development, integration, acceptance, and deployment of advanced technology. In only half a decade, ITS in the United States has grown from a fledgling movement of a few forward-looking industries, academic institutions, government agencies, and transportation leaders into a broadly supported, innovative public/private partnership which has made ITS organization, strategic planning, and institutional progress a model for the world.

Building on the momentum generated during the last five years, reaching the goal of basic national deployment in the next five years is not only possible, it is entirely probable. But it is not going to happen automatically. That's why broad support from public leaders, the transportation industry, and the general public is so important. Industry must lead in the development and marketing of reliable and affordable intelligent transportation systems, and the public sector must form innovative partnerships with the private sector where appropriate to meet public needs for ITS.

All ITS technologies, whether publicly or privately provided, are essential to nationwide deployment. That's why the U.S. DOT and ITS America are committed to an aggressive partnership in support of intelligent transportation systems and their components. We will seek support in 1996 for our shared ITS goals at such events as the ITS America Sixth Annual Meeting and Exposition in Houston, the Third Annual World Congress on ITS in Orlando, and other premier events for the ITS community in the U.S. and worldwide. We urge all those interested in a safer and more efficient surface transportation system in the US. to join us.

Lester P. Lamm

ITS America and the surface transportation community at large mourned the loss of one of its champions in 1995.

Lester P. Lamm, a founder of ITS America in 1990 who served as its first president until January 1995, died November I at age 61 following a heart attack at his home in Falls Church, Va. He became president of the Highway Users Federation in 7986 after a 3 I-year career with the Federal Highway Administration and its forerunner, the U.S. Bureau of Public Roads.

Lamm was an ear/y advocate in the use of advanced technologies in surface transportation. He helped guide ITS America through its formative period, In his message to the board of directors and membership, ITS America President James Costantino called Les Lamm a "pioneer in the movement toward intelligent transportation systems in this country He will be sorely missed."

1995
A YEAR OF TRANSITION

"The future of ITS America remains bright, thanks to the hard work and vision of its members and our U.S. Department of Transportation partners."

TransGuide Control Center, San Antonio

For ITS America, 1995 was a year of transition from organization and strategic planning to coordinating actual deployment of the advanced technologies necessary to make intelligent transportation systems in the United States a reality. In only five years of operation, ITS America has recognized and addressed the broad range of organizational and institutional issues facing ITS, and has moved into addressing deployment issues in order to lay the groundwork for meeting the surface transportation demands of the 21st century.

ITS America is still a young and evolving organization. The hundreds of hours of time, energy, and talent that its members and partners have donated continues to keep ITS America focused on its mandate to "guide and coordinate" an ITS program for America. The following highlights offer a glimpse of how that mandate was addressed in 1995 as the shift to deployment issues occurred.

The **Fifth Annual Meeting** in Washington, DC., in March set the tone for the transition to deployment with the theme, "Intelligent Transportation: Serving the User Through Deployment." The meeting attracted more than 4,000 scientists, engineers, academics, business executives and government officials, more than 100 reporters and correspondents from around the country and the world and 156 exhibits demonstrating the latest in intelligent transportation system products and services.

The **Second World Congress** on ITS in Yokohama in November was a major success. Some 3,500 participants from 30 countries attended, with more than 5,000 touring the exhibits. The theme "Steps Forward" reflected the world ITS community's urge to move toward deployment.

National Goal for Deployment — The transition to deployment was epitomized by the adoption of an industry-wide goal to deploy basic ITS services developed jointly by ITS America and the U.S. Department of Transportation. Approved by the Board of Directors in December, the goal calls for deployment of basic ITS services, including the core infrastructure, for consumers of freight and passenger transportation across the United States by the year 2005.

National Program Plan — Nearly two years of intensive effort was culminated in 1995 with publication of the two-volume National ITS Program Plan. The document, a collaborative project of ITS America and the U. S. Department of Transportation, involved 36 contributors and over 200 reviewers. Emphasized throughout the 551-page text is the need to "maintain a focus on deployment.".

Staff Restructuring — An organizational fine-

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tuning was part of a continued streamlining to make the work of ITS America more responsive to the needs of its members and partners. The former membership department was restructured into two newly-formed departments, membership development and marketing / member services. The partnerships and intergovernmental relations department was renamed policy and partnerships, subsuming the remaining planning activities of the original planning department. The safety and vehicle systems, system applications, and system integration departments were created. Other staff re-alignments were made in response to the ever-changing challenges to ITS deployment.

Forming New Partnerships — Globally as well as nationally, ITS America has become a role model for others in forming new partnerships to accelerate ITS deployment. In 1995, ITS America was asked to coordinate the necessary partnerships for automated highway systems in Japan. American expertise will be used to develop Asian transportation, just as Asian products are used in American transportation. In the Western Hemisphere, ITS America launched new initiatives to broaden ITS deployment throughout the Americas. The new way of transportation thinking has become a worldwide phenomenon, and ITS America has earned the respect of the global ITS community for its leadership role.

The future of ITS America remains bright, thanks to the hard work and vision of its members and our U.S. Department of Transportation partners. Several of the milestone events noted above are reviewed in further detail in this 1995 Annual Report.

ITS AMERICA: THE ORGANIZATION

ITS America maintains a three-tiered operational structure consisting of the Board of Directors (40 members), the Coordinating Council (54 members), and the 23 Technical Committees, Special Committees and Task Forces. The work of these individuals and groups is augmented at all levels by the headquarters staff in Washington. Additional skills and expertise are provided by ITS America university and industry fellows and loaned industry executives.

BOARD OF DIRECTORS

The Board is elected by the Society membership. In addition to guiding the business of the Society, it sets overall strategic policy, and reviews, approves and transmits official recommendations to the U.S. Department of Transportation, thereby fulfilling ITS America's role as a utilized Federal Advisory Committee. There are six committees within the Board: nominating, membership, bylaws, annual meeting, international liaison and administrative policy and finance.

Jack Kay, CEO of JHK & Associates, became Board Chair in 1995, succeeding **Lawrence Dahms,** executive director of the Metropolitan Transportation Commission of the San Francisco Bay Area. **Robert MacLennan,** general manager of the Houston Metropolitan Transit Authority, was elected vice chairman. **Harry Voccola,** senior vice president of Navigation Technologies was elected treasurer and **Hal Kassoff,** administrator of the Maryland State Highway Department, was elected secretary All serve one year terms.

Elected as new Board members in 1995: **Robert Darbelnet,** president and CEO of the American Automobile Association, **Charles Dettman,** executive vice president of the Association of American Railroads; **Gregori Lebedev,** senior vice president of the American Trucking Association Foundation; **Norman Mineta,** senior vice president, Lockheed Martin IMS; **Joseph Sussman,** JR East Professor at the Massachusetts Institute of Technology; **Frank Wilson,** commissioner of the New Jersey Department of Transportation and **Harold Worrall,** executive director, Orlando-Orange County Expressway Authority.

Jack Kay (right) presides over his first Board of Directors' meeting as chair. At left, ITS America President James Costantino.

Futures Group: The mandate for this panel is to examine periodically the future both of the ITS program and ITS America and provide advice to the Board of Directors. It was established in late 1994 and began its work in earnest during 1995. In August, **Lyle Saxton** was named chairman. He is the retired director of the Office of Safety and Traffic Operations Research and Development in the FHWA and was a founding member of Mobility 2000, which developed the initial support and justification for ITS America.

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COORDINATING COUNCIL

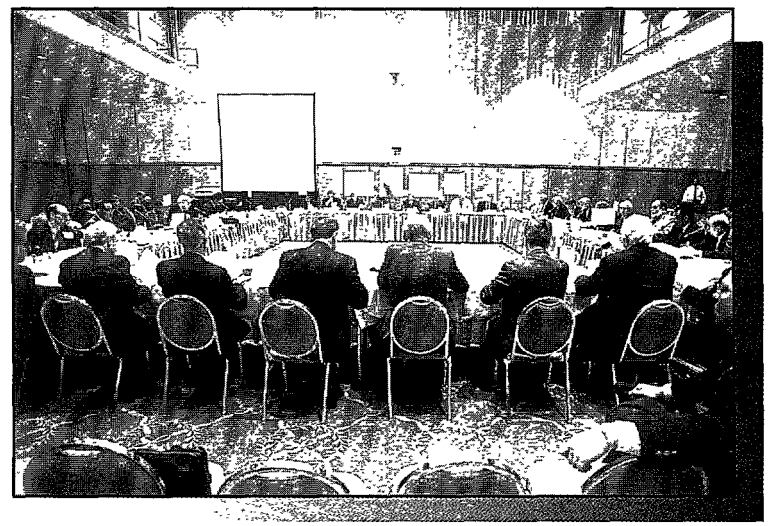
The Coordinating Council defines and directs the technical activities of the Society, subject to Board approval. The Council is comprised of the chairpersons of each technical committee and a number of ad hoc industry executives to balance private and public participation.

The Council's activities include:

- Ensuring that each technical committee and task force has a clearly defined charter and quantifiable objectives and that it meets its responsibilities;

- Recommending to the Board consensus resolutions for approval and possible submission to the U.S. Department of Transportation;

- Minimizing any overlap in committee and task force activities and identifying those committees to take lead roles on major issues.



The ITS America Board of Directors convenes its 1995 annual meeting in Washington.

STATE CHAPTERS COUNCIL

A State Chapters Council was organized in 1995. It serves as a policy advisory group to the Board of Directors on all matters involving the work of the state chapters. The Council chair serves as an ex-officio member of the Board.

TECHNICAL COMMITTEES AND TASK FORCES

The technical groups and special task forces have a significant role in fulfilling the Society's mandate as a utlized Federal Advisory Committee. Participation in these committees is open to ITS America members from any category.

The work of these groups is not limited to strictly technical issues. Each committee recommends action in its area of expertise, providing input on high-level activities, serving as a forum for exchange of information and monitoring developments throughout the ITS community.

Members of these committees and task forces contribute both time and expertise of unlimited value to the Society and in providing advice to the federal government. To facilitate interaction with the US. DOT a number of committees have a secretary who is an official within the federal agency.

ITS America staff members serve the committee and task force operations and assume responsiblity for those activities beyond the interests of the volunteer groups. Special activity of a number of the committees is highlighted in this report. A full listing of the 1995 Board of Directors, Coordinating Council, State Chapters Council, Technical Committees, Task Forces and headquarters personnel appears at the end of this annual report.

THE NATIONAL ITS PROGRAM PLAN—

A BLUEPRINT FOR ACTION

A specific framework for building and deploying intelligent transportation systems in the United States came to fruition in 1995 with publication of the National ITS Program Plan. The two-volume document is a collaborative effort of ITS America and the U.S. Department of Transportation.

The Plan, the most comprehensive summation of goals, deployment scenarios, user services and other activities yet published, provides a focus for future public policy dialog. Three dozen writers and some 200 reviewers contributed to the project, assuring that the document reflects diverse views at all levels in the public and private-sectors.

The objectives of the Plan include promotion of shared ITS goals, guiding ITS investment decisions, encouraging coordination of user service activities, maintaining a focus on deployment and ensuring that ITS is intermodal.

The Program Plan is not a static document, but the beginning of a periodic planning process.

Updates will be provided by ITS America and the U.S. DOT to reflect changes in program direction and priority. A new edition of the Plan will be developed every few years.

New Database — The ITS planning process was enhanced in 1995 through the creation of a database at ITS America containing information on deployment, products, services, and operational field tests in the U.S. It will be continually expanded and combined with existing information sources to allow ITS America and the U.S. DOT to assess progress in the ITS program.

Federal Transit Administrator Gordon Linton addresses the business breakfast at the 1995 ITS America Annual Meeting.

1995 ANNUAL MEETING

A NEW ATTENDANCE RECORD

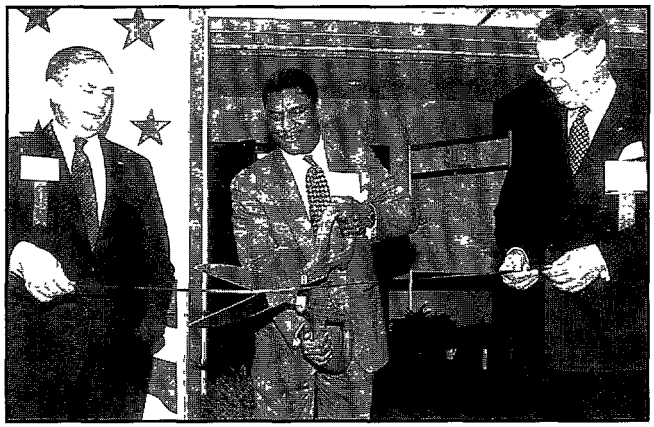
The expanding awareness and involvement by corporate America and others from the public sector in intelligent transportation systems was never more evident than at the fifth Annual Meeting of ITS America in Washington, D.C.

A record turnout of more than 4,500 participants (up from 3,500 in 1994) participated in more than 200 committee meetings, technical sessions and seminars over the three day period, March 15-17. The attendance included more than 1,800 personnel manning 156 exhibits of cutting-edge ITS technology.

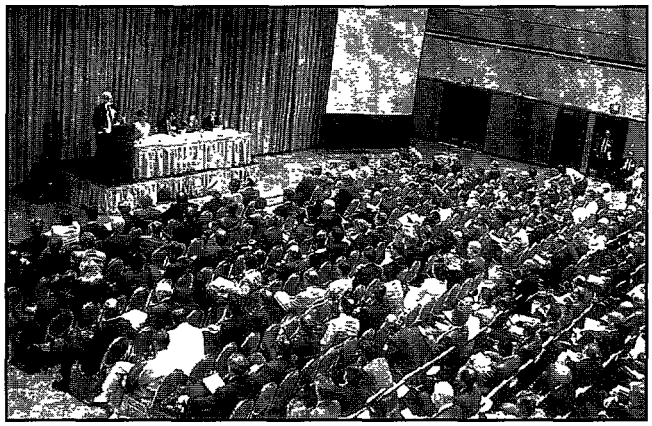
The ITS Annual Meeting has also become a major news event. A record 102 print and broadcast journalists registered at the press room, signing in from Great Britain, Korea, Canada and major news outlets across the United States.

Other meeting highlights:

- Installation of Jack Kay, CEO of JHK & Associates, as chairman of the ITS America Board of Directors.
- Major presentations by U.S. Secretary of Transportation Federico Pena, Federal Transit Administrator Gordon Linton and the DOT's Joint Program Office Director Christine Johnson.
- Sellout tours to 12 sites in the national capital area, including FHWA's Turner-Fairbanks Research Center and Montgomery County's Traffic Control Center.
- Preview of an interactive kiosk that tells the story of ITS development in the U. S. The kiosk later was placed in the Smithsonian Institution's National Museum of American History.



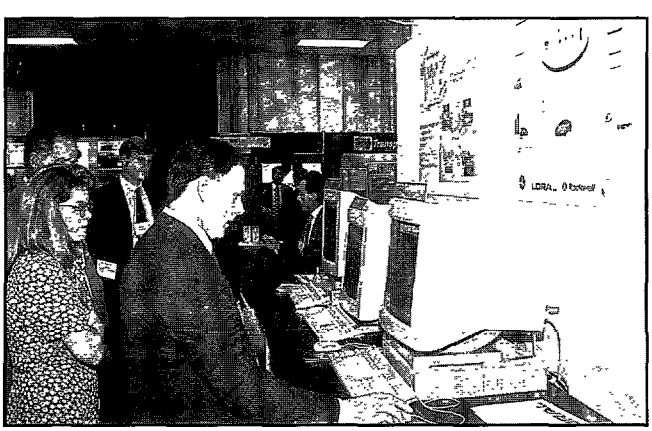
Federal Highway Administrator Rodney *Slater wields scissors for the ribbon cutting opening ITS America's largest ever display of technology at the annual meeting. Assisting is James Costantino, President* of *ITS America (left) and Joseph Gorman, Chairman and CEO of TRW.*



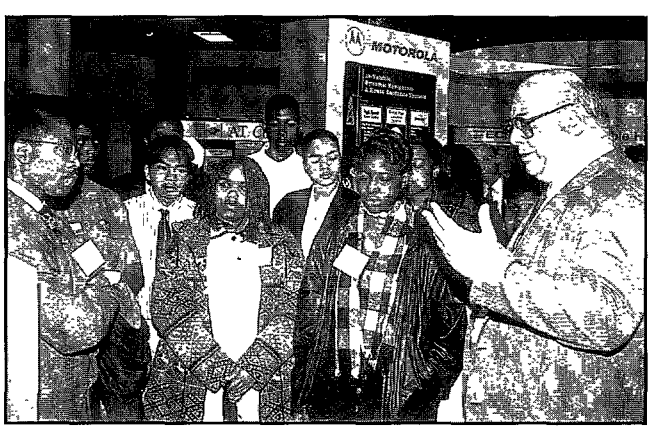
Standing room only at the annual meeting. The speaker was Mortimer Downey, deputy secretary, U.S. Department of Transportation.

ITS technologies will not only "save the American economy $200 billion" over the next decade, it will also provide "the seeds of new American industries," said Federico Pena, U.S. Secretary of *Transportation in his ITS America annual meeting address.*

"There can be no deployment of *ITS without participation of the private sector," declared Christine Johnson, Director* of *U.S. DOT's Joint Program Office at the annual meeting contracting seminar.*



The National Automated Highway System Consortium exhibit at the annual meeting attracted a "hands-on" audience



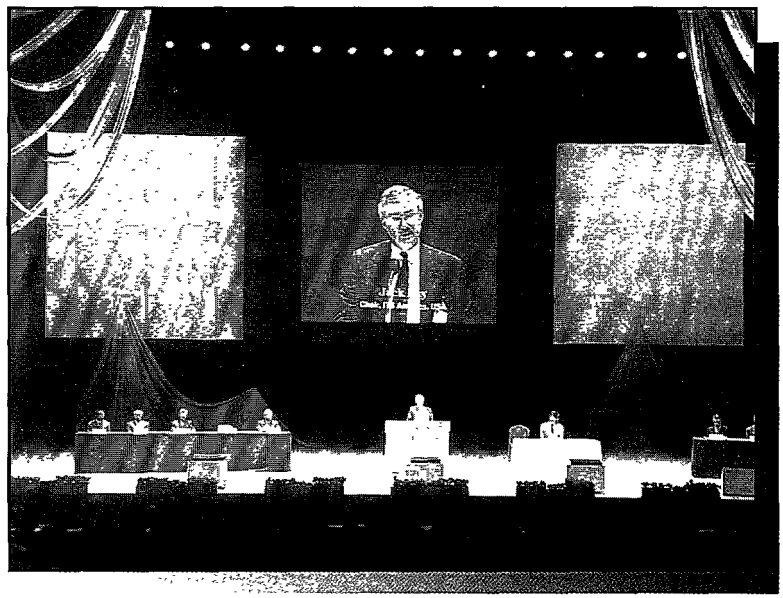
Russell Shields, president of Navigation Technologies (right) greets Federal Transit Administrator Gordon Linton (left) *and a group* of *Washington, D.C. students at the annual meeting exhibit. Students from nine area high schools toured the exhibit hall.*

THE SECOND WORLD CONGRESS
A WORLD CLASS EVENT

ITS America's reach has taken on global proportions, due in part to its co-sponsorship and active participation in the World Congress on ITS.

The Second World Congress drew some 3,500 leaders from about 40 countries to Yokohama, Japan, in November, 1995. The Congress was a milestone in the expanding process of building worldwide awareness and acceptance of ITS.

Highlights included appearances by the Japanese Royal Family and Prime Minister Tomiichi Murayama, a videotaped address by U.S. Secretary of Transportation Federico Pena and talks by a host of other government and business leaders. An exhibition of transportation technology drew and estimated 5,000 visitors over the course of the three-day meeting.



ITS Chair Jack Kay gives the welcoming address before the Second World Congress in Yokohama, Japan. "Information on costs, benefits and deployment methodologies must be disseminated to permit informed decisions," Kay told his audience.

The opening plenary session featured video presentations from the sponsors. The key participants agreed that the global forum (the first World Congress was held in Paris in 1994) had moved well beyond a visionary concept and was now focused on ways to accelerate the deployment of ITS.

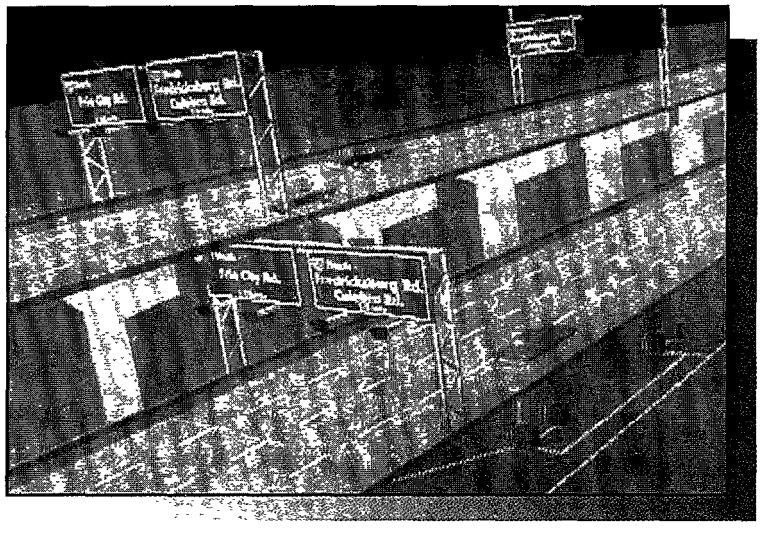
Among other conclusions:

- Public\private partnerships are essential to ITS deployment.
- Research is needed in support of deployment to document what works, what does not.
- ITS products will be sold in the international marketplace and will benefit greatly from international standards.
- ITS is a significant application of the national and global information infrastructures and should become a partner in their development.

ITS America sponsors the World Congresses with VERTIS in Japan and ERTICO in Europe. As the Yokohama session concluded, the three organizations began planning the Third World Congress in Orlando, Florida in October, 1996.

The Emerging National Architecture — A National System Architecture that will allow smooth operation of intelligent transportation systems nationwide transitioned into its second and final phase in 1995. The process was accelerated through a continuing series of workshops and intensive review by the Society's blue-ribbon task force.

While the task force concluded that the architecture is generally sound, it identified a number of activities that technical committees will undertake in 1996, including monitoring the final stages of the program and determining how the architecture can best enhance system deployment.



Stakeholders gathered on several occasions in mid-Summer, including a two-day joint architecture and deployment workshop in Denver to assess their understanding of the National System Architecture and provide feedback to the U.S. DOT architecture team. In Denver, more than 100 professionals, including representatives of the Society's application committees (ARTS, ATIS, APTS, ATMS and CVO) examined how the architecture will impact rural needs, private travel, public transit, transportation management, freight movement and intermodalism.

While workshop participants expressed support for the basic technical tenets underlying the architecture, there was consensus that more must be done to identify and quantify the benefits of ITS for state and local officials and the public. The architecture should also provide a "philosophy for investment" around which stakeholders can rally, they concluded.

Standards and Protocols — Solidifying ITS America's role as the ITS standards coordinator became the prime concern for the Standards and Protocol Committee in 1995. Through the work of a special task force of the Board of Directors, a policy directive was developed which embraces important standards-related matters, including a recommendation on the U.S. DOT's role in standards development.

The Board also approved a paper drafted by the Committee which defines a process through which ITS stakeholders can develop their standards requirements. Efforts to improve coordination of standards development were given priority in a mid-Summer workshop and through reactivation of the Council of Standards Organizations. The CSO will become increasingly important as funding assistance for standards development becomes available through the U.S. DOT.

ITS America continues as administrator of the U.S. Technical Advisory Group (TAG) to the International Standards Organization's unit developing ITS standards. The TAG plays a critical role in determining which work items to pursue and this country's position on each.

Telecommunications — The Board of Directors in 1995 approved a telecommunications strategy which articulates the Society's policy on many important issues and which defines a process to keep policy both relevant and current. *Continued on page 15*

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A task force of the Telecommunications Committee was established to monitor and help coordinate the many efforts related to the National Information Infrastructure initiative (NII). As a result, ITS is now considered one of the major applications that will use the NII. A wireline subcommittee is looking at the controversy over how public agencies acquire the communications capacity to perform their applications.

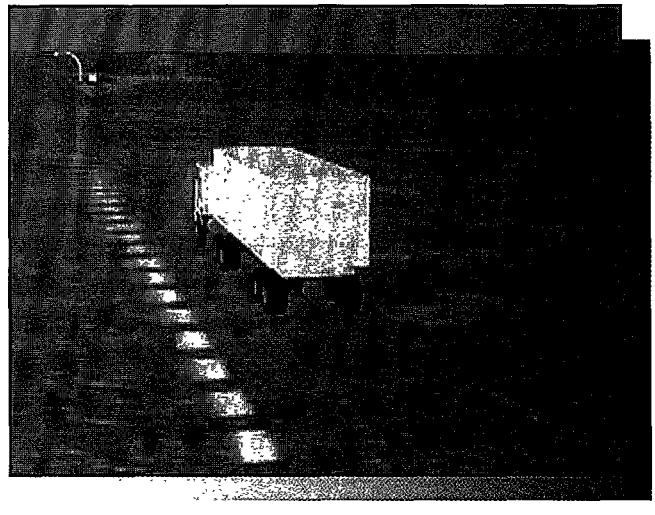
SYSTEM APPLICATIONS

Commercial Vehicle Operations — The safety and efficiency of trucking operations nationwide and the application of ITS is the focus of one of ITS America's most active technical groups — the Commercial Vehicle Operations (CVO) Committee.

Three subcommittees were at work in 1995, beginning with sessions and seminars at the Society's annual meeting in March. The Programs Subcommittee neared completion of a comprehensive set of principles which are used to provide guidance for the Commercial Vehicle Information Systems Network, the CVO component of the national ITS architecture.

The Architecture and Standards Subcommittee was developing requirements involving a nationally interoperable one truck-one tag deployment. The newly-formed Outreach Subcommittee launched its review of CVO outreach efforts by other organizations.

Advanced Public Transportation Systems — The APTS Committee began a restructuring process in 1995, organizing into five subcommittees. The new subcommittee on Program Review



serves as a special advisory group to the Federal Transit Administration. The Outreach and Education component focused on reaching the customer to stimulate ITS deployment in the public transit sector. It defined the customers as both the general managers of the transit agencies and passengers of the systems.

Advanced Transportation Management Systems — ATMS Committee meetings in Denver and an international workshop in St. Petersburg, Florida, along with the formation of a group to advise FHWA's ATMS Research and Development Program, highlighted activity in 1995. The Training Issues Task Force began its program aimed at building awareness of the need for trained ands skilled engineers and technicians,

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SAFETY AND VEHICLE SYSTEMS

As part of the restructuring process at ITS America in 1995, five operational units of the Society were placed in the new department of Safety and Vehicle Systems. Highlights of the year's program included:

- A National Rural ITS Conference in Duluth, Minnesota under the auspices of the Advanced Rural Transportation Committee. This group focuses on elevating awareness of rural ITS needss and opportunities. A subcommittee is preparing a report on current ITS projects and programs in the United States. A similar conference is scheduled in 1996.

- A peer review workshop of five research programs at the National Highway Traffic Safety Administration conducted by the Advanced Vehicle Control Committee. Some 90 attendees summarized their work and planning and provided feedback to the NHTSA. A second followup workshop will be held in 1996.

A report from the **Benefits, Evaluations and Costs Committee** reviewed the deployment status for each of the ITS user service bundles. The paper also compared the current status of deployment with the milestones set out in the Strategic Plan for ITS in the U.S. and made recommendations for improving ITS cost/benefit data. A workshop on ITS benefits assessment will be offered in 1996.

An Emergency Management Services Task Force was organized in 1995 to better integrate those involved with this activity into the ITS community. In the coming year the task force will finalize its charter, develop an action plan and initiate work on several high-priority projects.

The **Safety and Human Factors Committee** issued a report on "Human Factors Research Needs." A second working paper on pre-crash restraint systems was prepared for committee review. A workshop on ITS Safety Evaluation attracted 95 participants.

POLICY AND PARTNERSHIPS

A GOAL FOR DEPLOYMENT

"The U.S. Department of Transportation and ITS America are committed to an agressive partnership in support of Intelligent Transportation Systems."

With those words as preface, the ITS America Board of Directors concluded its work in 1995 with endorsement of a comprehensive resolution embracing a National Surface Transportation Goal for ITS. The statement, developed jointly with the U.S. DOT, calls for "complete deployment of basic ITS services for consumers of passenger and freight transportation across the nation by 2005."

The joint resolution notes that the revolution in transportation technology requires a "broad array of independent, yet coordinated actions for a sustained period in both the public and private sectors - nothing less than a national commitment of our nation's most creative and capable energies."

The statement specifically declares that:

- **The private sector will lead in the development and bringing to market of reliable and affordable intelligent transportation systems.**

- **The public sector will lead in the deployment of core ITS to meet essential public needs, forming innovative partnerships with the private sector where appropriate.**

- **The Intelligent Transportation Systems developed and deployed will be integrated, interoperable, and intermodal.**

A detailed document attached to the resolution defines "opportunities for early deployment and actions needed" in support of the goal. ITS America and U.S. DOT pledged a concerted effort to consolidate strong backing for the goal throughout the public and private industry sectors during 1996.

Intergovernmental Relations and Industry Outreach — ITS America launched a significant effort in 1995 to establish liaison with national, state and local industry groups and public and private sector associations. The objective is to inform their leadership on the benefits of ITS and to obtain support for the National Goal. Quarterly meetings with representatives of these organizations, attendance at their national sessions, production of a visual aids program and a brochure entitled "Imagine", along with initial work on an "Action Book" to serve as an informational guide were highlights of the outreach campaign.

Partnership Development — The Joint Task Force on Public/Private Cooperation completed its report on strategies for developing model partnership materials, peer workshops and other activity designed to accelerate ITS deployment. Three workshops on public/private partnerships were co-sponsored with the FHWA and supported through ITS America state chapters in Illinois, Utah and Ohio.

Privacy Principles — Final approval was given to a paper on privacy principles which addresses concerns surrounding the use of ITS technology. The document also will be helpful in guiding the industry and the government in the application of ITS and in generating public support and confidence in ITS.

Education and Training — Findings of a workshop for more than 100 participants from educational institutions, government and industry will be used to develop a strategic plan for meeting education and training needs, including develop

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ment of an ITS curriculum.

Energy and Environment — A white paper produced by the Energy and Environment Committee reviews the transportation concerns of the environmental community, the difficulties in casting ITS as either an environmental benefit or cost, and the fit of related issues into the overall decision-making process for ITS deployment. The document will be used in the Society's outreach initiatives to assure the environmental community that ITS planners take these issues seriously.

Societal Implications — A series of conferences and workshops in 1995 furthered the Societal Implications Task Force's mission to identify, assess and disseminate information on the long-range impact on society in implementing ITS technologies. The task force will recommend policies and research for implementation by ITS America and the U.S. DOT.

STATE AND STUDENT CHAPTERS

ON THE RISE IN 95

Fifteen and counting. By the end of 1995 ITS America's State Chapters Program counted 15 organized groups, with another dozen states in the process of formation.. There were also 15 formally approved student chapters by year's end.

The state chapter movement is a critical step in the transition from research and planning to local and regional deployment of intelligent transportation systems. The program connects local chapter members to the thousands of ITS America national members and coordinates a broad range of state, local and regional deployment activity.

COUNCIL FORMATION

The chapter activity was enhanced and given new stature with formation in 1995 of a State Chapters Council, chaired by Larry Yermack of Parsons Brinckerhoff/Farradyne Systems. Yermack is vice president of ITS New York. The Council serves as a policy advisor to the ITS America Board of Directors with Yermack holding an ex-officio, non-voting position on the ITS America policy panel.

Students and transportation officials from the United States and abroad were briefed at ITS America on several occasions in 1995. These graduate students from across the U.S. were involved with a four-day leadership program.

Each state chapter is independently managed with emphasis on public/private partnerships. In 1995, the chapters hosted numerous events designed to inform stakeholders. These included partnership seminars, intermodal conferences, architecture workshops, legislative receptions, and media programs. The chapters also provided input on national program plans and strategies.

The 15 chapters embracing 22 states included New Jersey, Texas, Ohio, New York, Minnesota, California, Maryland, Pennsylvania, Midwest (Illinois, Indiana, Wisconsin), Michigan, Arizona, Massachusetts, Florida, Virginia, and Rocky Mountains (Colorado, Idaho, Montana, New Mexico, Utah, Wyoming).

STUDENT CHAPTER EXPANSION

The planning and deployment of ITS will require the expertise and energies of many well-trained professionals for decades to come. With institutions of higher learning performing a large measure of ITS research, ITS America's Student Chapter Program, launched in 1994, enables students to become part of this transportation advance, to connect with a vast information network and to meet the professionals involved.

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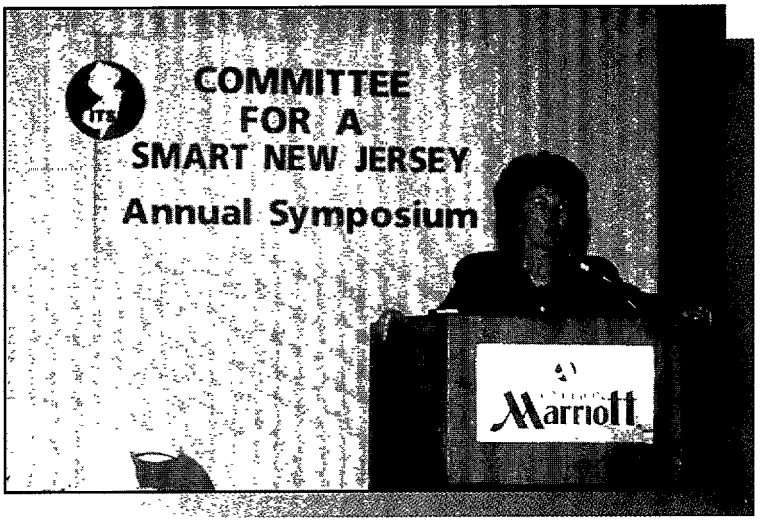
This program's primary mission is to cultivate student awareness and research in the ITS movement, assist students in pursuing their careers, extend the network of ITS supporters and bring students and prospective employers together. A Student Chapter Task Force, chaired by Ed Solomon of Morgan State University, was formed in 1995 to advise ITS America on the nationwide program. Dr. Donna Nelson manages the student chapter activity for ITS America.

Among the specific goals for 1996: increase the student chapter roster from 15 to 18, and establish a forum for coordination of chapter activities and liaison with the ITS Consortium to organize chapters at historically black colleges and universities.

The 15 formally approved student chapters in 1995: Dowling College, George Mason University, Montana State University, Morgan State University, New Jersey Institute of Technology, Texas A&M, Georgia Tech, Ohio State University, Pennsylvania State University University of California at Irvine, University of Tennessee, University of Massachusetts, University of Michigan, University of Texas, and Virginia Tech.

SCHOLARSHIPS AND INTERNSHIPS

ITS America's Student Scholarship and Internship Program provides financial assistance and internships for students conducting research or pursuing careers in ITS. In 1995, five student chapter members received $1,000 scholarships and expenses for attendance at the ITS America annual meeting. Also, 11 student chapters received a grant of $500 to help offset the expenses of other students attending the annual meeting. In 1996 scholarships totaling $17,000 will be presented to seven student chapter members. Rockwell International and Motorola provided generous support for this program in the 1994-1995 and 1995-1996 academic years.



Jane Garvey, Deputy Federal Highway Administrator, addresses the Committee For a Smart New Jersey, the first ITS America state chapter.

ITS AMERICA'S FELLOWSHIP PROGRAM

The Fellowship Program at ITS America offers a unique opportunity for individuals and their organizations to broaden their experience and exposure in the rapidly expanding field of intelligent transportation systems. It allows member organizations to place a Fellow at the Washington, D.C. headquarters of the Society and abroad.

With the ITS program in a deployment phase, Fellows play an increasingly important role in bringing real-world experience to bear. Two dozen individuals from the private sector, public agencies and academia have participated in a number of important projects including preparation of the Strategic Plan, the National Program Plan, the World Congress and the Annual Meeting.

To participate, ITS America members loan an individual for approximately a one year Fellowship. Each Fellow develops a formal work plan and is assigned a staff sponsor who monitors their work and serves as a mentor during their stay.

The most recent group of Fellows at ITS America include **Alan Kirson,** Motorola, a Distinguished Industry Fellow; **Cynthia McMullen,** Houston METRO; **Jennifer Noonan,** Navigation Technologies; **Jun Shibata,** Sumitomo Electronics; **Alison Simmons,** TRW Inc.; and **Hiroshi Tsuda,** Nissan Motor Company.

ITS AMERICA MEMBERSHIP

GROWTH, STRENGTH, DIVERSITY

ITS America has staked out a role as the premier organization of its kind in the United States. Its status as a public/private partnership and as an official Federal Advisory Committee to the U. S. Department of Transportation helps give it that unique status.The breadth and strength of its membership has become an equally important factor.

From its nucleus of 21 charter members in 1991, the organization has grown to more than 1,000 organizations, including federal, state and local government agencies, national and international corporations, aerospace and defense industries, universities, research laboratories, consulting engineers, public interest groups, trade associations and a host of others concerned with the advancement of intelligent transportation systems.

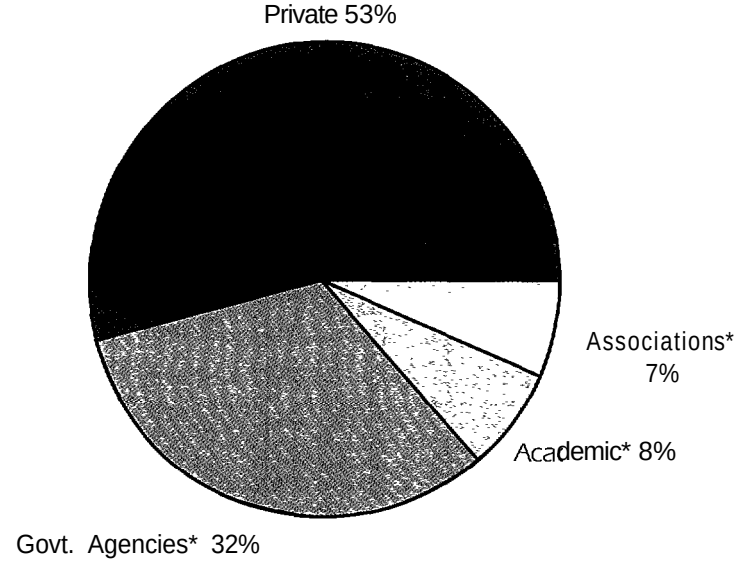
Membership continued to expand in 1995, especially at the state chapter level, where the ranks swelled by 76 percent over 1994. The Society's private sector membership comprised 53 percent of the total while 40 percent represented membership from local, state and federal government agencies and academia. An additional seven percent came from national professional and trade associations.

MEMBERSHIP PROMOTION

ITS America membership growth was enhanced through a variety of activities in 1995, including:

- Continuation of trial memberships to public sector entities, giving these agencies opportunity to participate at national and chapter levels at very low cost.
- High visibility exhibits at 10 different industry conferences.
- Use of advertising in the Membership Directory, thereby showcasing members' products and services.
- Introduction of Access ITS America on the World Wide Web, providing an on-line opportunity for potential members to learn more about the benefits of membership.

1995 MEMBERSHIP SECTORS



*Public Sector Membership - 47%

- Introduction of a service through which companies can contact ITS America for referral to a member that may have a required product or service.

KEEPING CONGRESS INFORMED

ITS FUNDING AND IVHS BECOME LAW

ITS America's testimony before Congress in 1995 was invited by committees in both chambers on several occasions. President James Costantino, accompanied by a Society delegation of Lawrence Dahms, Robert MacLennan, William Burge, Michael C. Ascher, Brent Bair, James Rillings, Dennis Christiansen and Eugene McCormick testified in March before the House Appropriations Subcommittee on Transportation. ITS America's 11-page statement was delivered to the Senate's Subcommittee on Transportation in April.

The hearings and bill-writing process which got underway early in the session and culminated with President Clinton's approval in November of the annual Transportation Appropriations Bill was not without tense moments. The level of funding for intelligent transportation systems remained in question until the legislation authorizing $223 million for federal aid to ITS for fiscal 1996 passed both houses of Congress and went to the White House for signature. The appropriation was down $4.5 million from fiscal 1995 but given the wave of rescissions and budget-cutting on all fronts, many saw this as a continuing bipartisan commitment to ITS.

Later in the session the 160,000-mile National Highway System (NHS) became law. Many saw this action as equally significant in the future development of ITS. The measure makes $6.5 billion available to the states for structural repairs to the NHS and operational improvements such as ITS.

ITS America responded to the changing legislative environment by undertaking a series of initiatives to keep the information and educational process both timely and relevant. Various monitoring activities included legislative updates to the membership.

Proposals from various sources to accelerate the reauthorization of long-term transportation programs and funding (ISTEA expires in 1997) underly the importance of an effective and continuing information process at ITS America with regard to legislative activity.

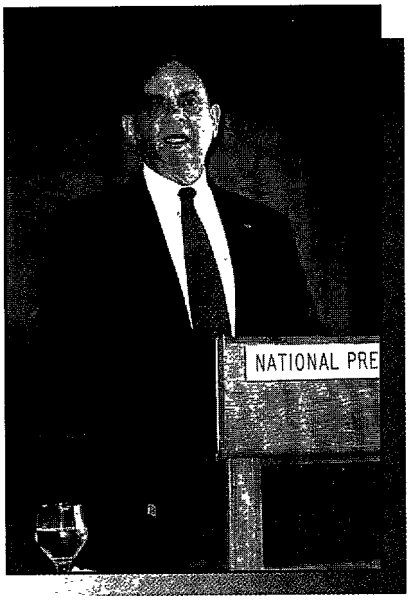
THE THREE I'S OF ITS

"The application of ITS technologies will create a transportation system that is intelligent, intermodal and international."

ITS America President James Costantino –
Testimony in the U.S. Senate, April, 1995

COMMUNICATIONS AND OUTREACH

DELIVERING THE MESSAGE



Briefings for journalists were frequent in 1995. President James Costantino spoke to a writers group at the National Press Club.

The story of intelligent transportation systems took on important new dimensions in 1995. As ITS projects went on line and became visible to the public, one message seemed loud and clear: ITS was more than just a vision. It was today's reality. It had become an important news event.

In March, more than 100 transportation journalists attended ITS America's annual meeting in Washington, D.C., generating an unprecedented flow of newspaper, wire service, radio, television, magazine and other news coverage.

This surge of interest by the nation's media was just a beginning. It was part of a trend that gave the Society new opportunities to place a strong and positive message on ITS deployment and benefits into the mainstream, and to present its point of view.

The tools for communication and outreach included news releases, feature stories, speeches, interviews, press conferences, video documentaries, radio and television talk shows, special briefings, publications and interactive displays of new ITS technology. *A few highlights:*

MEDIA RELATIONS

- Responded to more than 500 direct media inquiries. Wrote articles for various journals including *Transportation Builder* and the *AASHTO Quarterly*.

- Coordinated with the *Washington Times* in publication of three daily news supplements during the annual meeting. Two press panels were convened at the annual meeting.

- Produced two syndicated newspaper features focusing on ITS benefits and partnering. Combined, they generated more than 1,000 articles with a nationwide readership of 160 million.

SPECIAL PRODUCTIONS

- Produced, with financial support from several Society members, a video film for screening at the World Congress at Yokohama, Japan.

- Produced a video film for the U.S. Department of Transportation to use in launching Operation Timesaver.

- Coordinated with Society members, the US. DOT and the Smithsonian Institution in promoting an interactive kiosk; assisted the Virginia DOT in production of a similar diplay customized for statewide exhibit.

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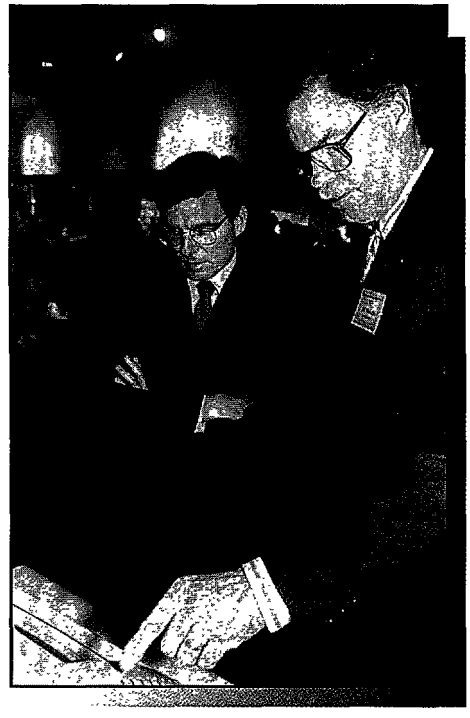
PUBLICATIONS

- Expanded and upgraded the monthly *ITS America News,* with distribution of 3,300, including news media.

- Reformatted the *ITS Quarterly* (formerly the IVHS *Review),* a journal of opinion and articles of broad interest to the ITS community. Carried the first institutional advertising messages in the Fall issue.

- Entered into agreement with Route One Publishing (London, England), publishers of *ITS: intelligent transport systems* magazine. ITS America provides editorial material and commentary for each issue.

- Published the *Annual Report,* the basic stewardship document; edited the *Proceedings* of the Annual Meeting, and issued a supplement which updates the *ITS Information Source Book.*



William Withun (r), curator of transportation at the Smithsonian Institution's National Museum of *American History, demonstrates the new ITS interactive kiosk* for *Secretary* of *Transportation Federico Pena, The kiosk became a permanent part* of *the Smithsonian's Information Age exhibit in 1995.*

ON LINE VIA THE WORLD WIDE WEB

The volume of information about intelligent transportation systems increased dramatically in 1995. To accomodate an unprecedented demand for data, ITS America in September opened a new site on the World Wide Web, offering the public a broad range of material on the use of computer, electronic, and communications technology in surface transportation.

Access ITS America — the Society's Web site — has taken the early objectives of the ITS Clearinghouse, including the gathering and dissemination of information and establishing an international presence, to new heights. The public is able to retrieve a broad range of ITS-related documents, access the ITS calendar, order publications and obtain general ITS information from the Web site.

ITS America members with a password will be able to find member contact information, the latest Society and committee news, and detailed technical information from worldwide sources. Access ITS America is home to 10,000 pages of ITS information.

The Clearinghouse, with the addition of the World Wide Web, continues to systematically incorporate ITS data in keeping with the intent of the 1991 ISTEA legislation. The Clearinghouse provides a centralized depository and is the most complete single, on-line source of ITS information.

Dembo, Jones, Healy, Pennington & Ahalt, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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Michael R. Mason

Report of Independent Auditors

Board of Directors
Intelligent Transportation Society of America
Washington, D.C.

We have audited the accompanying statements of activities of **Intelligent Transportation Society of America** for the years ended **December 31, 1995 and 1994. These** financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the statements of activities referred to above present fairly, in all material respects, the changes **in** net assets of **Intelligent Transportation Society of America** for the years ended **December 31, 1995 and 1994,** in conformity with generally accepted accounting principles.

Dembo, Jones, Healy, Pennington & Ahalt, P.C.

Bethesda, Maryland
February 16, 1996

7250 Woodmont Avenue . Suite 300 . Bethesda, Maryland 20814 . 301/718-0900 . Fax 301/718-8822
MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND ASSOCIATED REGIONAL ACCOUNTING FIRMS

INTELLIGENT TRANSPORTATION SOCIETY OF AMERICA
STATEMENTS OF ACTIVITIES
Years Ended December 31, 1995 and 1994

	1995	1994
Changes in unrestricted net assets:		
Revenues and gains:		
Contract income - U.S. Department of Transportation	**$ 2,408,040**	**$ 3630,126**
Membership dues	**1,388,353**	1,616,182
Donated services	**1,286,509**	1,350,000
Annual meeting	**967,841**	963,458
World Congress	**463,994**	
Publications, clearinghouse and other revenue	**135,759**	84,893
Net realized and unrealized gain (loss) on investments	**114,824**	(71,537)
Other meetings and workshops	**79,345**	74,740
Interest and investment income	**54,330**	45,120
	6,898,995	7.692.982
Expenses		
Salaries	**1,991,785**	1,960,548
Donated compensation expenses	**1,286,509**	1,350,000
Consulting and contracted services	**673,927**	827,102
Rent	**483,329**	502,727
Printing	**354,908**	329,078
Annual meeting	**233,406**	544,650
Staff travel	**199,223**	199,330
Depreciation and amortization	**197,358**	188,904
TIAA - CREF pension	**191,613**	153,368
Postage	**158,813**	153,867
Payroll tax expense	**158,229**	153,746
Group health insurance	**157,592**	158,867
Other meeting expenses	**143,753**	223,222
Supplies	**130,022**	131,978
Telephone	**93,304**	107,274
Newsletter production and mailing	**87,391**	111,420
Non-staff travel	**79,162**	95,595
Miscellaneous and bank fees	**74,614**	36,066
Office expenses	**62,959**	61,073
Group life and other insurance	**54,721**	30,806
Accounting and legal	**34,659**	27,446
Staff member and membership costs	**17,286**	12,371
Software support and training	**12,114**	5,043
Subscriptions	**2,253**	4,494
Staff hiring costs		19,529
	6.878.930	7.388.504
Increase in unrestricted net assets	**20,065**	304,478
Change in temporarily restricted net assets:		
Contributions for Scholarship Program	**43,400**	
Change in net assets	**63,465**	304,478
Increase in net assets:		
Net assets at beginning of year	**1,425,080**	1,120,602
Net assets at end of year	**$ 1,488,545**	$ 1,425,080

The accompanying notes are an integral part of *these* financial *statements.*

INTELLIGENT TRANSPORTATION SOCIETY OF AMERICA
NOTES TO FINANCIAL STATEMENTS
Years Ended December *31, 1995* and 1994

Note 1. Organization and Operations

The Intelligent Transportation Society of America is a nonprofit organization incorporated under the laws of the District of Columbia. The purpose of the Society is to coordinate and promote the research and development of intelligent or "smart" Transportation systems in the United States. ITS America serves as a chartered Federal Advisory Committee for the U.S. Department of Transportation. The Society is jointly funded by federal, state and local government, private industry and academia.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Society prepares its financial statements on the accrual basis of accounting.

Depreciation and Amortization

Office furniture and equipment is being depreciated using the straight-line method over the estimated useful lives of the assets of five to seven years. Computer hardware and software are depreciated over three years.

Income Taxes

The Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization which is not a private foundation. Income taxes are payable only on business activity income unrelated to the Society's tax exempt purpose. There was no unrelated business income tax expense for the years ended December 31, 1995 and 1994.

Contract Income

Contract income is deemed to be earned when contract requirements are fulfilled. The income recognized to date represents the billings for benchmarks met, and costs incurred, through December 31, 1995.

Membership Dues Income

Membership dues income is recognized over a twelve month period beginning with the month in which the dues are received.

Cash and Cash Equivalents

The Society considers all demand deposit accounts, money market accounts and certificates of deposit to be cash equivalents.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Society classifies all U.S. Treasury obligations, bonds and marketable equity securities as current trading investments. These investments are recorded at fair market value.

Donor-lmposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future period or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Society reports the support as unrestricted.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ form those estimates.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 3. **PENSION PLAN**

Beginning in August 1992, eligible employees are covered under a non-contributory retirement plan which is funded through the purchase of individual annuity contracts from the Teachers Insurance and Annuity Association. The funding level is based on 10% of salaries.

The Society follows the practice of recording as expense the total premiums paid on such contracts in each fiscal year. Charges on account or retirement insurance premiums for the years ended December 31, 1995 and 1994 amounted to $191,613 and $153,368, respectively. Credits upon termination revert to the individual covered by the contract.

NOTE 4. **LEASE COMMITMENTS**

The Society entered into a lease agreement for new office space effective December 1993. This lease expires in December 2001, and includes an option for an additional five years. The lease is subject to escalation for a proportionate share of building operating expense increases and a percentage of increases in the consumer price index. Deferred rent is amortized over the term of the lease. Rent expense under this lease agreement totalled $483,329 and $487,144 for the years ended December 31,1995 and 1994, respectively.

The following is a schedule of the future minimum rental payments required under this lease.

Year ending December 31:	
1996	$ 495,936
1997	495,936
1998	495,936
1999	495,936
2000	495,936
2001	454,608
Total minimum payments required	$ 2,934,288

Note 5. Donated Services

Donated services are reflected in the statement of activities since they are an integral part of the efforts of the Society. They have been valued based on comparable fees for similar services.

INTELLIGENT TRANSPORTATION SOCIETY OF AMERICA
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 1995 and 1994

NOTE 6. INVESTMENTS

Investments are professionally managed by an associate at Merrill Lynch. Investments are carried at market value at the balance sheet date. The market value exceeded cost by $55,465 at December 31, 1995. At December 31, 1994, cost exceeded market value by $71,537.

NOTE 7. WORLD CONGRESS

Included in current assets is a receivable for $199,787 in connection with the Society's participation in the 1995 World Congress event. Prepaid expenses include $131,445 for the 1996 World Congress. Revenue has been recognized to the extent of the 1995 Congress expenses. The receivable will be collected through the excess cash flows from the 1996 event.

NOTE 8. FUNCTIONAL EXPENSES

Expenses shown on the Statements of Activities are attributable to the following programs of the Society:

	1995
Department of Transportation	$ 3,237,991
World Congress	237,947
Membership	915,442
Annual Meeting	599,689
General and Administrative	601,352
Subtotal	5,592,421
Donated Compensation Expenses	1,286,509
Total	$ 6,878,930

In accordance with the Society's contract, Department of Transportation expenses are not reimbursed in full for all activities performed. The excess expenses are funded by the Society's other programs. Donated services benefit all of the Society's programs.