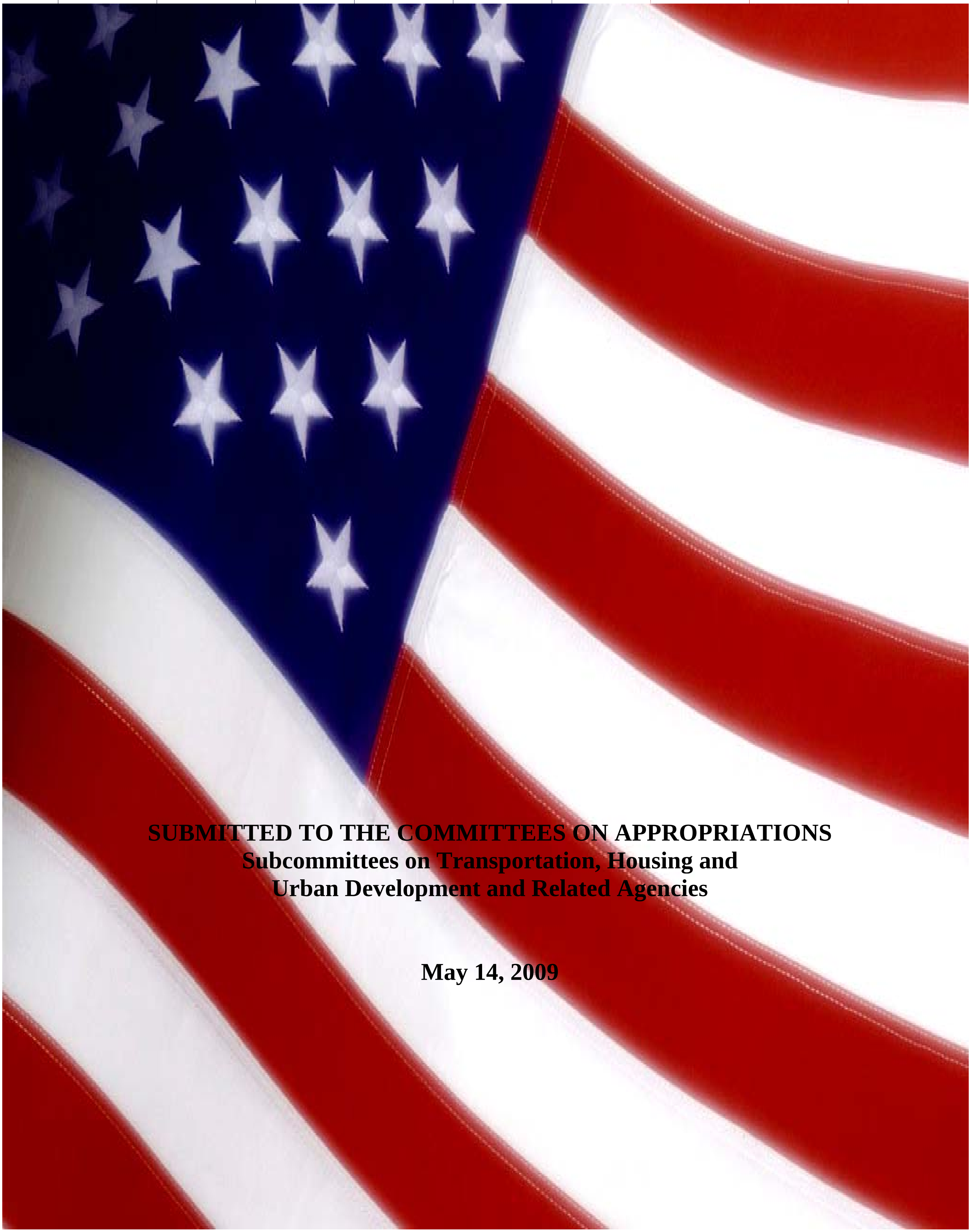
FEDERAL MARITIME COMMISSION

BUDGET ESTIMATES

FISCAL YEAR 2010



SUBMITTED TO THE COMMITTEES ON APPROPRIATIONS

Subcommittees on Transportation, Housing and Urban Development and Related Agencies

May 14, 2009

Fiscal Year 2010 Budget Estimates

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Alphabetical Listing of Abbreviations

-#-	
1920 Act	Section 19 of the Merchant Marine Act, 1920
1984 Act	Shipping Act of 1984
1978 Act	Inspector General Act of 1978
-A-	
ACE/ITDS	Automated Commercial Environment/International Trade Data System
ADR	Alternative Dispute Resolution
Agency	Federal Maritime Commission
ALJ	Administrative Law Judge
APEC	Asian-Pacific Economic Cooperation
AR	Area Representative
ASPI	American Security Programs Incorporated
-B-	
BCL	Bureau of Certification and Licensing
BOE	Bureau of Enforcement
BPD	Bureau of Public Debt
BTA	Bureau of Trade Analysis
-C-	
CADRS	Consumer Affairs and Dispute Resolution Services
CBP	U.S. Bureau of Customs and Border Protection
CFR	Code of Federal Regulations
CIO	Chief Information Officer
Commission	Federal Maritime Commission
COOP	Continuity of Operations
CTP	Clean Truck Program
-D-	
DCIA	Debt Collection Improvement Act
DHS	Department of Homeland Security
DOT	Department of Transportation
-E-	
EC	European Commission
ECC	Exemption Council Regulation
ECIE	Executive Council on Integrity and Efficiency
EEO	Equal Employment Opportunity
eOPF	Electronic Official Personnel Folder
ERT	Emergency Response Team
ES	Executive Service
EU	European Union
EX	Executive Schedule

-F-

FAEC	Federal Audit Executive Council
FDCC	Federal Desktop Core Configuration
FISMA	Federal Information Security Management Act of 2002
FMC	Federal Maritime Commission
Flanagan	Robert L. Flanagan and F. Brooks Royster, III
FPS	Federal Protective Service
FSPA	Foreign Shipping Practices Act of 1988
FTE	Full-time Equivalent
FWPIC	Federal Women's Program Interagency Council
FY	Fiscal Year

-G-

GM	A GS employee formerly covered by the Performance Management and Recognition System
GPEA	Government Paperwork Elimination Act
GPRA	Government Performance and Results Act
GS	General Schedule
GSA	Government Services Administration

-H-

HSPD-12	Homeland Security Presidential Directive 12
HQ	Headquarters (FMC)
HUD	Housing and Urban Development

-I-

IAG	Interagency Agreement
IG	Inspector General
Intership	International Shipping Agency, Inc.
IPv6	Internet Protocol Version 6
IT	Information Technology

-L-

LA	Los Angeles
Landstar	Landstar Global Logistics, Inc.
LMC	Licensed Motor Carrier

-M-

MD&A	Management's Discussion and Analysis
MOU	Memorandum of Understanding
MPA	Maryland Port Administration
MTO	Marine Terminal Operator

-N-

NEPA	National Environmental Policy Act of 1969
NFC	National Finance Center
NVOCC	Non-Vessel-Operating Common Carrier
NSA	NVOCC Service Arrangement

-O-

OA	Office of Administration
OALJ	Office of Administrative Law Judges
OECA	Office of Economics & Competition Analysis
OEP	Occupant Emergency Plan
OFM	Office of Financial Management
OGC	Office of General Counsel
OHR	Office of Human Resources
OIG	Office of the Inspector General
OIT	Office of Information Technology
OMB	Office of Management and Budget
OMS	Office of Management Services
OPM	Office of Personnel Management
OPS	Office of Operations
OS	Office of the Secretary
OSCT	Office of Service Contracts & Tariffs
OSRA	Ocean Shipping Reform Act of 1998
OTI	Ocean Transportation Intermediary

-P-

PAR	Performance and Accountability Report
PDA	Personal Digital Assistant
PIERS	Port Import Export Reporting Service
PII	Personally Identifiable Information
PIO	Performance Improvement Officer
P.L.	Public Law
Premier	Premier Automotive Services, Inc.
PRPA	Puerto Rico Ports Authority
PVO	Passenger Vessel Operator

-Q-

QI	Qualifying Individual

-R-

RPI	Regulated Persons Index

-S-

SAC	Small Agency Council
SBA	Small Business Administration
SES	Senior Executive Service
Shipping Act	Shipping Act of 1984

SQL	Structured Query Language

-T-

Team Ocean	Team Ocean Services, Inc.
the Ports	The Port of Los Angeles and the Port of Long Beach
TSA	Transpacific Stabilization Agreement

-U-

UPR	Unearned Passenger Revenue
U.S.	United States
U.S.C.	United States Code

-V-

VOCC	Vessel-Operating Common Carrier
VoIP	Voice over Internet Protocol
VSCG	Voluntary Service Contract Guidelines

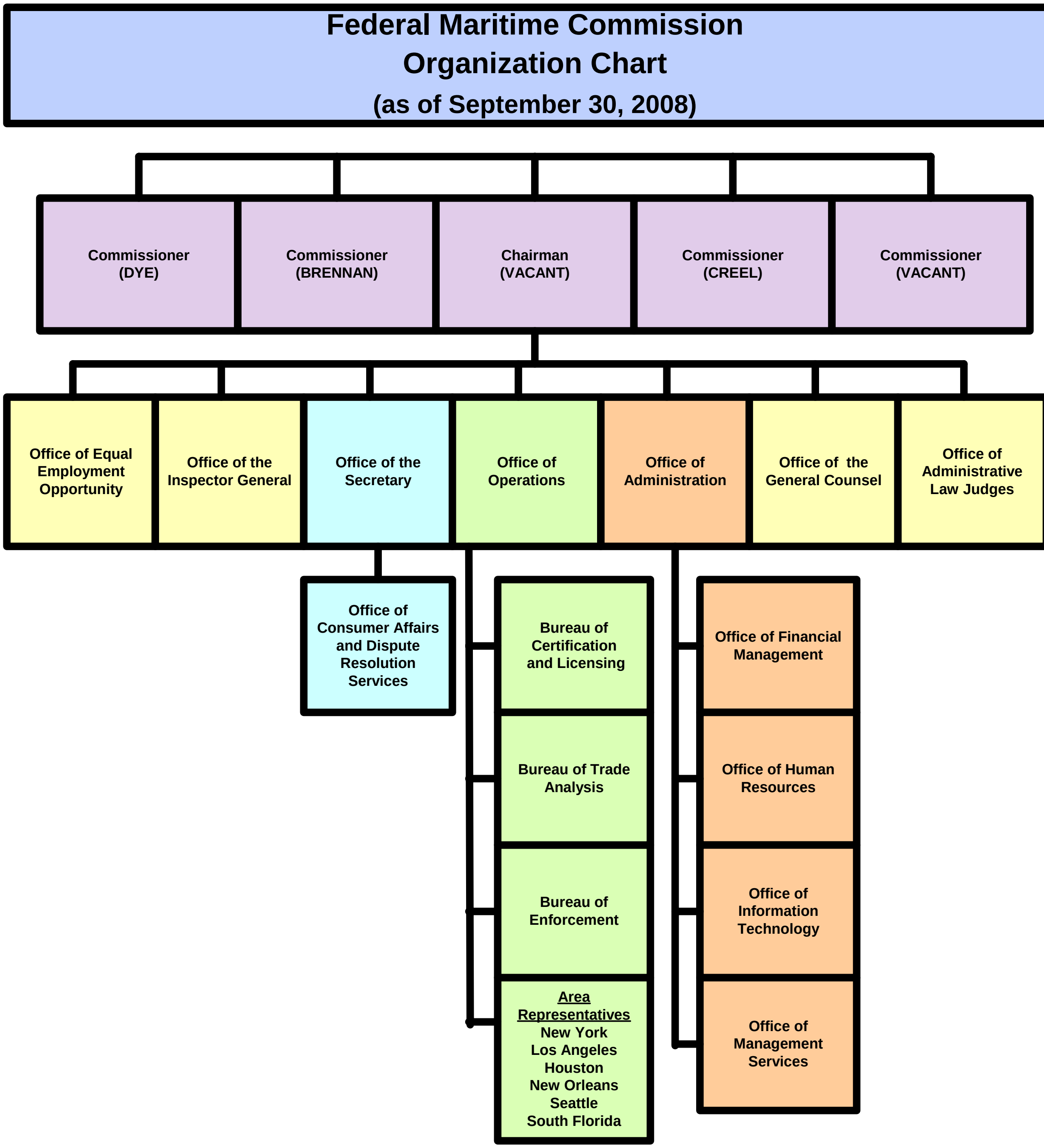
Message from the Commission

FMC Core Functions

The Federal Maritime Commission ("FMC", "Agency", or "Commission") is an independent regulatory agency which administers the Shipping Act of 1984 ("1984 Act" or "Shipping Act") as amended by the Ocean Shipping Reform Act of 1998 ("OSRA"); section 19 of the Merchant Marine Act, 1920 ("1920 Act"); the Foreign Shipping Practices Act of 1988 ("FSPA"); and Public Law ("P. L.") 89-777 (passenger vessel certification). The Commission: monitors the activities of ocean common carriers, marine terminal operators ("MTOs"), conferences, ports and ocean transportation intermediaries (non-vessel-operating common carriers and ocean freight forwarders) who operate in the U.S. foreign commerce to ensure they maintain just and reasonable practices; maintains a trade monitoring and enforcement program designed to assist regulated entities in achieving compliance and to detect and appropriately remedy malpractices and violations of the prohibited acts set forth in section 10 of the 1984 Act; monitors the laws and practices of foreign governments which could have a discriminatory or otherwise adverse impact on shipping conditions in U.S. trades, and imposes remedial action, as appropriate, pursuant to section 19 of the 1920 Act or FSPA; enforces special regulatory requirements applicable to carriers owned or controlled by foreign governments; processes and reviews agreements, service contracts, and service arrangements pursuant to the 1984 Act for compliance with statutory requirements; and reviews common carriers' privately published tariff systems for accessibility and accuracy, as required by OSRA. The Commission also issues licenses to qualified ocean transportation intermediaries ("OTIs") in the U.S., ensures that all OTIs are bonded or maintain other evidence of financial responsibility, and ensures that passenger vessel operators ("PVOs") demonstrate adequate financial responsibility in case of nonperformance of voyages or injury to passengers.

Organization

The FMC is composed of five Commissioners appointed for five-year terms by the President with the advice and consent of the Senate. No more than three members of the FMC may belong to the same political party. The President designates one of the Commissioners to serve as Chairman. The Chairman is the chief executive and administrative officer of the agency. The FMC's organizational units consist of: Office of the Commissioners; Office of the General Counsel ("OGC"); Office of the Secretary ("OS"), including the Library and Office of Consumer Affairs and Dispute Resolution Services ("CADRS"); Office of Administrative Law Judges ("OALJ"); Office of Equal Employment Opportunity ("EEO"); Office of the Inspector General ("OIG"); Office of Operations ("OPS"), including the Bureaus of Certification and Licensing ("BCL"), Enforcement ("BOE"), and Trade Analysis ("BTA"); and Office of Administration ("OA"), including the Offices of Financial Management ("OFM"), Human Resources ("OHR"), Information Technology ("OIT"), and Management Services ("OMS"). The majority of FMC personnel are located in Washington, D.C., with Area Representatives ("ARs") in New York, New Orleans, Los Angeles, Seattle, Houston and South Florida.


Federal Maritime Commission
Organization Chart
(as of September 30, 2008)
Commissioner (DYE)
Commissioner (BRENNAN)
Chairman (VACANT)
Commissioner (CREEL)
Commissioner (VACANT)
Office of Equal Employment Opportunity
Office of the Inspector General
Office of the Secretary
Office of Operations
Office of Administration
Office of the General Counsel
Office of Administrative Law Judges
Office of Consumer Affairs and Dispute Resolution Services
Bureau of Certification and Licensing
Bureau of Trade Analysis
Bureau of Enforcement
Area Representatives
New York
Los Angeles
Houston
New Orleans
Seattle
South Florida
Office of Financial Management
Office of Human Resources
Office of Information Technology
Office of Management Services

Summary and Highlight Statement for Fiscal Year 2010 Budget Estimates

The Commission's activities during fiscal year 2008 include the following:

- Issued an order to dismiss the proceeding in Docket No. 06-03, *Premier Automotive Services, Inc. v. Robert L. Flanagan and F. Brooks Royster, III*. Premier Automotive Services, Inc. ("Premier") filed a complaint against Robert L. Flanagan and F. Brooks Royster, III (collectively "Flanagan") alleging that Flanagan's marine terminal leasing practices violated the Shipping Act. Flanagan filed a Motion to Dismiss, arguing that (1) the case is barred by constitutional principles of state sovereign immunity; (2) the Shipping Act does not authorize private complaints for injunctive relief; and (3) the respondents should not be held liable as individuals under provisions of the Shipping Act which are specifically applicable to common carriers, OTIs and MTOs. Premier's response argued that the action is within the *Ex parte Young*, 209 U.S. 123 (1908) exception to state sovereign immunity and that the Shipping Act provides for prospective injunctive relief. The ALJ granted the motion to dismiss on March 31, 2006, finding that the complaint was barred by sovereign immunity since *Young* did not apply. Premier appealed the ALJ's decision, and the Commission upheld the ALJ and dismissed the proceeding on June 11, 2008.

- Issued an order in *Odyssea Stevedoring of Puerto Rico, Inc. v. Puerto Rico Ports Authority*, Docket No. 04-01, *International Shipping Agency, Inc. v. The Puerto Rico Ports Authority*, and Docket No. 04-06, *San Antonio Maritime Corp. and Antilles Cement Corp. v. Puerto Rico Ports Authority*. On a 3-2 vote, the Commission on November 30, 2006, found that the Puerto Rico Ports Authority ("PRPA") is not an arm of the Commonwealth of Puerto Rico and, therefore, is not entitled to sovereign immunity. Complainants had alleged that PRPA's marine terminal leasing practices violate the Shipping Act, and that PRPA's activities are contrary to the terms of an agreement filed with the Commission. PRPA sought dismissal of the action, arguing that the complaints are barred by PRPA's sovereign immunity as an arm of the Commonwealth of Puerto Rico. The Commission's decision affirmed the Administrative Law Judge's ("ALJ's") decision that PRPA was not entitled to sovereign immunity. PRPA sought review of the Commission's decision in the U.S. Court of Appeals for the D.C. Circuit. The Court heard oral argument on October 26, 2007. On July 8, 2008, the Court issued its opinion finding that PRPA is an arm of the Commonwealth of Puerto Rico and is, therefore, immune from suit absent its consent. The International Shipping Agency, Inc. ("Intership") filed a motion on August 25, 2008, to stay the Court's mandate pending filing of a petition for *writ of certiorari*. The Court granted Intership's motion on September 16, 2008. A petition for a *writ of certiorari* at the United States Supreme Court was filed by Intership on October 8, 2008. The Supreme Court denied Intership's writ on February 23, 2009.

- Issued an order in Docket 06-06 Eurousa Shipping, Inc., Tober Group, Inc. and Container Innovations, Inc. – Possible Violations, on an appeal of the ALJ's grant of summary judgment on December 18, 2008. This proceeding was instituted by Order of Investigation and Hearing served May 11, 2006, to determine whether respondents violated section 10(b)(11) of the Shipping Act and the Commission's regulations at 46 C.F.R. § 515.27, by knowingly and willfully accepting cargo from or transporting cargo for the account of an ocean transportation intermediary that did not have a tariff and a bond as required by sections 8 and 19 of the Act.

In overturning the grant of summary judgment, the Commission's order remands the proceeding back to the ALJ for further proceedings.

- Continued financial and documentary reviews of PVOs under section 3, P.L. 89-777 to evaluate PVO compliance in reporting unearned passenger revenue ("UPR"), and to determine whether passenger receipts are timely and accurately deposited by the cruise operators into the FMC-approved escrow accounts.

- Successfully implemented electronic filing of Form FMC-18, *Application for an Ocean Transportation Intermediary License*.

- Continued to modernize and expand the Regulated Persons Index ("RPI"), a Commission database containing up-to-date information on licensed OTIs, ocean common carriers and other entities. Among other data uses, the RPI is used to post on the Commission's website a list of OTIs which are compliant with OTI requirements so that carriers and others can ascertain whether an OTI is properly licensed, bonded, and, if required, has posted the location of its automated tariff. The OTI list also indicates whether an NVOCC has filed an optional rider for additional proof of NVOCC financial responsibility to their existing NVOCC bond to meet financial responsibility requirements imposed by the Chinese government.

- Initiated a plan to automate the PVO Application Form FMC-131, *Application for Certificate of Financial Responsibility*, and conducted a preliminary requirements analysis.

- Received an "unqualified opinion" from independent auditors on the Commission's Fiscal Year 2008 Financial Statements.

- Initiated a regular meeting schedule, meeting the second and fourth weeks of the month, to discuss industry and administrative matters before the Commission in both public and closed sessions.

- Issued an Order of Investigation and Hearing in Docket No. 08-05 to determine whether certain aspects of the respective Clean Air Action Plans of the Port of Los Angeles and the Port of Long Beach, CA, are "just and reasonable" within the meaning of section 10(d)(1) of the Shipping Act, 46 USC 41102(c); do not "give any undue or unreasonable preference or advantage or impose any undue or unreasonable prejudice or disadvantage with respect to any person" under section 10(d)(4), 46 USC 41106(2); or constitute an "unreasonable refusal to deal or negotiate" under section 10(b)(10), 46 USC 41106(3).

- Initiated a shipper/carrier forum for discussing export container and space shortages and exploring potential means of alleviating problems emanating from those shortages. As the problems are largely driven by economic and market conditions, the Commission used its Alternative Dispute Resolution ("ADR") program to facilitate discussions and assist carriers and shippers in exploring their options to secure containers.

In addition to the above, the Commission, as part of its ongoing activities:

- Collected penalties totaling $182,500. The revenues were deposited in the U.S. Treasury general fund account.

- Continued to accumulate information on the laws and practices of foreign governments and monitor activities in the U.S. foreign trades to address any condition which appears unfavorable to U.S. shipping interests.

- Continued to receive and evaluate semi-annual reports from U.S.-flag and Japanese-flag vessels operating in the trades with Japan pursuant to its proceeding in Docket No. 96-20, *Port Restrictions and Requirements in the United States/Japan Trade.*

- Continued its On-Site Monitoring Program that evaluates PVO financial responsibility under 47 U.S.C. 44103.

- Reviewed 80 bills, proposals and Congressional inquiries referred to the General Counsel for determination of impact on Commission programs, policies or operations; and to evaluate need for formal or informal contacts with Congressional staff.

- Provided mediation services in several matters, thus assisting parties in avoiding significant litigation costs and risks.

- Continued to make improvements to the Commission's website by adjusting how information is presented, increasing the amount of information available, and adding functionality by increasing the accessibility of information on filed agreements through website publishing of weekly agreement filing notices that appear in the Federal Register. This enhancement provides greater public awareness of agreement filings.

- Approved and issued 30 casualty and 37 performance certificates. Currently, 203 vessels and 48 operators have evidence of financial responsibility coverage on file with the Commission in excess of $339 million for nonperformance and over $725 million for casualty.

- Issued 474 OTI licenses and revoked 227 licenses. Bonds for 76 non-U.S.-based unlicensed NVOCCs were cancelled. At the end of fiscal year 2008, there were 5,304 licensed and/or bonded OTIs.

- Received and processed 990 original non-vessel-operating common carrier ("NVOCC") Service Arrangements ("NSAs") and 1,434 amendments that were filed by NVOCCs.

- Monitored service contracts and tariff filings to ensure fair and equitable trading conditions. Received and processed 44,438 new service contracts and 294,880 contract amendments.

- Continued an exchange of enforcement information with the U.S. Bureau of Customs and Border Protection ("CBP") in accordance with a Memorandum of Understanding ("MOU"). The two agencies have expanded into joint field operations to investigate entities suspected of violating both agencies' statutes or regulations. Such cooperation often includes local police and U.S. Citizenship and Immigration Services.

- Continued working with carriers, carrier agreements, MTOs, PVOs, and OTIs to obtain statutory compliance in all major trades and with all segments of the transportation industry. Particular emphasis was placed on service contract activities in order to ensure fair trading conditions and adequate protection of the public.

- Continued its program designed to identify controlled carriers effectively and quickly, and to ensure appropriate monitoring of controlled carrier activities. This included reviewing documents and information relating to the controlled carrier status of a number of carriers.

- Monitored agreement activities and trade conditions affecting oceanborne foreign commerce by reviewing, evaluating and processing 176 carrier and marine terminal agreement filings.

- Received 1,016 sets of minutes of agreements meetings and 197 submissions of voluntary service contract guidelines, as well as 199 monitoring reports containing market share, cargo, revenue, and service data for agreement parties. Additionally, five applications for waiver requests were processed.

- Conducted, through the OIG, annual reviews of the agency's financial statement and information security and privacy assurance controls, as well as other audits and reviews of FMC programs and activities.

- Continued a program of semi-annual meetings with carrier representatives of the Trans-Pacific Stabilization Agreement ("TSA") pursuant to settlement terms agreed to in Fact Finding Investigation No. 25, *Practices of Transpacific Stabilization Agreement Members Covering the 2002-2003 Service Contract Season.*

- Posted 4,543 active/current tariff location addresses for carriers, conferences, and MTOs on the agency's website to ensure public access to tariff data. Commission staff also maintains a historical record of 2,456 inactive/cancelled tariff location addresses, which are available for public access.

- Conducted competitive impact analyses of agreements and agreement modifications and ongoing analyses of periodic data and information of effective agreements to ensure their compliance with the Shipping Act.

- Maintained an agreements database and library containing up-to-date information pertaining to effective agreements.

- Collected $306,946 in fees for publications and photocopies, ocean freight forwarder/NVOCC licensing, passenger vessel certifications, special permissions and other applications. These revenues were deposited in the U.S. Treasury general fund account.

- Provided consumer assistance consistent with the policies of Executive Order 12160, "Providing for Enhancement and Coordination of Federal Consumer Programs," while also assisting regulated entities in achieving compliance with statutory requirements.

- Developed internal controls vulnerability assessments in line with OMB Circular A-123, *Management Responsibility for Internal Controls*.

- Completed the agency's Program Performance Report for fiscal year 2007, finalized the agency's Strategic Plan for 2010-2015, developed the Initial Annual Performance Plan for 2010, and developed the Final Annual Performance Plan for fiscal year 2009 in accordance with the Government Performance and Results Act of 1993.

- Continued information technology efforts to ensure compliance with statutory requirements and to coordinate the Commission's automation program, including implementation of the government's new Internet Protocol Version 6 ("IPv6") telephone system.

- Continued electronically scanning/imaging Commission records, improving staff response time to public inquiries and facilitating public access to electronic files.

- Continued, through the Small Agency Human Resources Consortium, to develop and implement the Electronic Official Personnel Folder ("eOPF") system to convert all agency personnel records to digital format.

- Continued an investigation into the operations of unlicensed, unbonded OTIs that provide transportation of household goods and personal effects, including enforcement of the prohibition on Vessel-Operating Common Carriers ("VOCCs") and licensed NVOCCs providing service to such unlawful operators.

- Prepared budget justifications and estimates for the fiscal year 2009 Congressional budget and fiscal year 2010 Baseline budget documents requested by the Office of Management and Budget ("OMB"), and produced the agency's fiscal year 2007 Management's Discussion and Analysis ("MD&A"), and the agency's Performance and Accountability Report ("PAR").

- Converted 28 bound volumes of the Commission's official decisions to electronic format.

As part of its program objectives for fiscal years 2009 and 2010, the Commission plans to:

- Expand the agency's outreach efforts, raise public awareness of agency regulations and services, and organize shipper/carrier forums to discuss export problems and other industry-wide problems, as appropriate.

- Continue to protect the shipping public from unlawful practices in the marketplace through use of investigative, liaison and outreach functions, review agency policies and regulations, and continue to focus on automating certain processes for the convenience of the public.

- Continue to pursue market-distorting, fraudulent, and anticompetitive practices harmful to the industry and the public and to monitor U.S. trades and the implementation of the Commission's regulations.

- Enhance public access to agreements and implement procedures for the electronic filing of agreements.

- Continue its outreach and programs to promote awareness of OTI and PVO requirements.

- Continue efforts to enhance the electronic Form FMC-18 system to expedite licensing, including the functionality for electronic payments, e-signature capability, and electronic filing of bond information.

- Analyze how vessel operators and MTOs are using antitrust immunity under the Shipping Act in the current market environment.

- Improve the Commission's monitoring program of agreements designed to address supply-chain and operational issues, such as port congestion, security, air pollution and environmental concerns that affect local communities and the industry.

- Continue implementation of Homeland Security Presidential Directive 12 ("HSPD-12"), the government-wide identification card system, and the credentialing of all employees.

- Continue, through the Commission's Inspector General, to conduct and supervise audits and investigations relating to the programs and operations of the FMC, and make recommendations designed to promote efficiency and effectiveness in agency administration and to combat fraud, waste, and abuse.

- Enhance the PVO monitoring program by performing one on-site review of a cruise line's unearned passenger revenue each year; conduct quarterly reviews of the PVO monitoring files to ensure cruise line operators provide timely and accurate information with respect to the submission of reports and records; and make appropriate corrections in staff procedures and monitoring schedules, and follow up to ensure that the new procedures are timely implemented.

- Migrate to an updated platform for paperless check conversion for financial transactions, and implement use of Pay.gov for agencywide acceptance of electronic payments.

- Continue the update of the Commission's technology infrastructure, including completion of the IPv6 upgrade and implementing Voice over Internet Protocol ("VoIP").

- Complete migration to eOPF-compliant electronic records system, including scanning of applicable employee records now in paper format and train human resources staff and agency employees as to the new system.

- Consider expanding the agency's telework program to encourage employee use and advance efficiency of operations.

- Complete implementation of an on-line catalogue of the Commission's reference and law library materials, facilitating desktop access for agency employees.

FMC Mission

To foster a fair, efficient and reliable international ocean transportation system and to protect the public from unfair and deceptive practices

FTE and Positions by Program

FY 2008 - FY 2010

Program/Office	FY 2008 Actual		FY 2009 Estimate		FY 2010 Request		Percent Difference From FY 09	
	FTE	Positions*	FTE	Positions*	FTE	Positions*	FTE	Positions*
Headquarters	**106.54**	**111.00**	**115.94**	**124.00**	**122.50**	**124.00**	**5.66%**	**0.00%**
Area Representatives	**8.00**	**8.00**	**8.08**	**8.00**	**8.00**	**8.00**	**-0.99%**	**0.00%**
Agency Total	**114.54**	**119.00**	**124.02**	**132.00**	**130.50**	**132.00**	**5.22%**	**0.00%**
Formal Proceedings								
Office of the Chairman	0.00	0.00	0.75	3.00	3.00	3.00	300.00%	0.00%
Office of the Commissioners	6.42	5.00	5.75	8.00	8.00	8.00	39.13%	0.00%
Office of the Secretary	5.15	5.00	5.92	7.00	7.00	7.00	18.24%	0.00%
CADRS	7.49	8.00	7.60	8.00	7.60	8.00	0.00%	0.00%
Library	1.20	1.00	1.00	1.00	1.00	1.00	0.00%	0.00%
Office of the General Counsel	8.21	10.00	10.00	10.00	9.60	10.00	-4.00%	0.00%
Office of Administrative Law Judges	2.00	2.00	2.25	3.00	3.00	3.00	33.33%	0.00%
Formal Proceedings Total	**30.47**	**31.00**	**33.27**	**40.00**	**39.20**	**40.00**	**17.82%**	**0.00%**
Equal Employment Opportunity	**0.15**	**0.00**	**0.75**	**1.00**	**1.00**	**1.00**	**33.33%**	**0.00%**
Inspector General	**2.45**	**3.00**	**2.60**	**3.00**	**2.60**	**3.00**	**0.00%**	**0.00%**
Operations								
Office of the Director	4.32	4.00	3.62	4.00	4.00	4.00	10.50%	0.00%
Area Representatives	8.00	8.00	8.08	8.00	8.00	8.00	-0.99%	0.00%
Bureau of Trade Analysis								
Office of the Director	4.42	4.00	4.00	4.00	3.90	4.00	-2.50%	0.00%
Office of Service Contracts & Tariffs	5.02	5.00	5.40	6.00	6.00	6.00	11.11%	0.00%
Office of Economics & Competition Analysis	4.94	6.00	6.00	6.00	6.00	6.00	0.00%	0.00%
Office of Agreements	4.00	4.00	4.00	4.00	4.00	4.00	0.00%	0.00%
Bureau of Certification & Licensing								
Office of the Director	4.14	4.00	4.00	4.00	3.90	4.00	-2.50%	0.00%
Office of Passenger Vessels & Information Processing	5.38	6.00	5.59	6.00	6.00	6.00	7.33%	0.00%
Office of Transportation Intermediaries	7.93	8.00	8.11	9.00	9.00	9.00	10.97%	0.00%
Bureau of Enforcement	9.69	11.00	12.00	12.00	11.90	12.00	-0.83%	0.00%
Operations Total	**57.84**	**60.00**	**60.80**	**63.00**	**62.70**	**63.00**	**3.13%**	**0.00%**
Administration								
Office of the Director	3.82	3.00	3.31	4.00	4.00	4.00	20.85%	0.00%
Office of Information Technology	5.92	7.00	7.00	7.00	7.00	7.00	0.00%	0.00%
Office of Human Resources**	4.12	5.00	6.29	4.00	4.00	4.00	-36.41%	0.00%
Office of Financial Management	5.00	5.00	5.00	5.00	5.00	5.00	0.00%	0.00%
Office of Management Services	4.77	5.00	5.00	5.00	5.00	5.00	0.00%	0.00%
Administration Total	**23.63**	**25.00**	**26.60**	**25.00**	**25.00**	**25.00**	**-6.02%**	**0.00%**
Total FTEs and Positions	**114.54**	**119.00**	**124.02**	**132.00**	**130.50**	**132.00**	**5.22%**	**0.00%**

* Denotes positions on September 30.

** FY 2009 FTE level includes 2.14 FTEs for a Summer Hire Program.

Obligations by Object Class

FY 2008 - FY 2010

Category	FY 2008 Actual	FY 2009 Estimate	FY 2010 Estimate
Personnel Compensation & Benefits			
Full-time Permanent Employees (11.9)	$ 11,309,548.00	$ 12,702,000.00	$ 14,206,000.00
Other Than Full-time Permanent Employees (11.3)	$ 88,293.00	$ 129,000.00	$ 73,000.00
Awards (11.7)	$ 421,571.00	$ 24,000.00	$ -
Civilian Personnel Benefits (12.1)	$ 2,560,336.00	$ 2,964,000.00	$ 3,491,000.00
Total Personnel Compensation & Benefits	**$ 14,379,748.00**	**$ 15,819,000.00**	**$ 17,770,000.00**
Travel and Administrative Expenses			
Travel & Transportation of Personnel (21.0)	$ 231,218.00	$ 283,000.00	$ 283,000.00
Transportation of Things (FEDEX) (22.0)	$ 10,988.00	$ 15,000.00	$ 18,000.00
Rent, Communications & Utilities			
Rental Payments to GSA (23.1)	$ 3,014,766.00	$ 3,260,000.00	$ 3,260,000.00
Rental Payments to Others (23.2)	$ 43,111.00	$ 28,000.00	$ 28,000.00
Local & Long Distance, Cellular & FTS Telephones (23.5)	$ 361,834.00	$ 190,000.00	$ 165,000.00
Postage (28.3)	$ 2,902.00	$ 18,000.00	$ 18,000.00
Printing (24.0)	$ 122,500.00	$ 125,000.00	$ 138,000.00
Consulting Services (25.1)	$ 218,257.00	$ 188,000.00	$ 183,000.00
Purchase of Goods & Services from Commercial Accounts (25.2)	$ 1,226,720.00	$ 1,061,000.00	$ 1,050,000.00
Purchase of Goods & Services from Government Accounts (25.3)	$ 1,619,935.00	$ 1,163,000.00	$ 1,267,000.00
Equipment Maintenance (25.7)	$ 73,292.00	$ 102,000.00	$ 102,000.00
Supplies & Materials (26.0)	$ 149,235.00	$ 285,000.00	$ 255,000.00
Furniture & Equipment (31.0)	$ 169,915.00	$ 263,000.00	$ 21,000.00
Total Travel and Administrative Expenses	**$ 7,244,673.00**	**$ 6,981,000.00**	**$ 6,788,000.00**
Total Obligations	**$ 21,624,421.00**	**$ 22,800,000.00**	**$ 24,558,000.00**

Average Salary & Grade
FY 2008 - FY 2010

Category	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request
Average Salary			
Full-time Permanent GS	$9,290,755.64	$10,281,994.45	$10,835,979.90
Full-time Permanent GM	$395,349.60	$422,146.69	$427,791.96
Part-time	$88,293.24	$129,021.80	$73,395.60
Other (Schedule-C, EX, ALJs, SES)	$2,045,013.04	$1,964,992.92	$2,941,832.54
Overall Average Salary	**$96,092.78**	**$96,955.73**	**$109,328.40**
Average Grade (includes part-time positions)			
General Schedule			
GS-04	2.00	1.00	1.00
GS-05	1.00	1.00	1.00
GS-06			
GS-07	5.00	5.00	5.00
GS-08	4.00	2.00	3.00
GS-09	2.00	3.00	1.00
GS-10			
GS-11	4.00	7.00	6.00
GS-12	25.00	27.00	23.00
GS-13	25.00	23.00	25.00
GS-14	25.00	29.00	32.00
GS-15	13.00	19.00	19.00
Average GS	**12.30**	**12.63**	**12.73**
GM-14	2.00	2.00	2.00
GM-15	1.00	1.00	1.00
Average GM	**14.33**	**14.33**	**14.33**
ES-03	1.00	1.00	1.00
ES-04	5.00	5.00	6.00
Average ES	**3.83**	**3.83**	**3.86**
AL-3/E	1.00	1.00	1.00
Average AL	**3.00**	**3.00**	**3.00**
Presidential Appointees	3.00	5.00	5.00
Average EX	**EX**	**EX**	**EX**
Total Positions	**119.00**	**132.00**	**132.00**

Federal Maritime Commission
Request by Strategic Goal and Program
FY 2010

Program/Office	FY 2008 Actual	FY 2009 Enacted	FY 2010 Request: Strategic Goal # 1 Maintain an efficient and competitive international ocean transportation system	FY 2010 Request: Strategic Goal # 2 Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	FY 2010 Request: Strategic Goal # 3 Advance agency objectives through high-performance leadership and efficient stewardship of resources	FY 2010 Request	Changes Over FY 2008 Actual	Changes Over FY 2009 Enacted
Formal Proceedings								
Office of the Chairman	$5,088.01	$219,949.43	$103,334.16	$413,626.10	$206,668.33	$723,628.59	$718,540.58	$503,679.16
Office of the Commissioners	$1,461,104.92	$1,429,429.47	$285,052.65	$1,141,009.07	$570,105.31	$1,996,167.03	$535,062.11	$566,737.56
Office of the Secretary	$929,178.38	$1,017,375.26	$172,428.73	$890,060.68	$87,035.45	$1,149,524.86	$220,346.48	$132,149.60
CADRS	$1,278,110.96	$1,301,909.46	$0.00	$1,268,937.23	$70,496.51	$1,339,433.74	$61,322.78	$37,524.28
Library	$205,176.97	$428,885.21	$45,793.79	$328,188.81	$7,632.30	$381,614.90	$176,437.93	($47,270.31)
Office of the General Counsel	$1,434,277.82	$1,906,853.17	$511,521.34	$973,796.28	$379,634.27	$1,864,951.89	$430,674.07	($41,901.28)
Ethics	$1,015.95	$3,932.82	$1,241.18	$1,241.18	$1,241.18	$3,723.54	$2,707.59	($209.28)
Office of Administrative Law Judges	$367,974.77	$483,771.15	$79,376.65	$317,728.96	$158,753.30	$555,858.91	$187,884.14	$72,087.76
Formal Proceedings Total	**$5,681,927.78**	**$6,792,105.97**	**$1,198,748.50**	**$5,334,588.31**	**$1,481,566.65**	**$8,014,903.46**	**$2,332,975.68**	**$1,222,797.49**
Equal Employment Opportunity	**$163,814.15**	**$181,913.03**	**$34,063.00**	**$136,347.40**	**$68,126.00**	**$238,536.40**	**$74,722.25**	**$56,623.37**
Inspector General	**$575,535.80**	**$572,113.92**	**$0.00**	**$0.00**	**$583,779.32**	**$583,779.32**	**$8,243.52**	**$11,665.40**
Operations								
Office of the Director	$950,386.62	$955,947.59	$300,284.56	$538,009.84	$162,654.14	$1,000,948.54	$50,561.92	$45,000.95
Area Representatives	$1,541,250.18	$1,618,327.91	$147,127.91	$1,471,279.09	$16,347.54	$1,634,754.54	$93,504.36	$16,426.63
Bureau of Trade Analysis	$2,932,810.80	$3,126,454.36	$1,775,936.24	$1,071,860.27	$416,135.44	$3,263,931.95	$331,121.15	$137,477.59
Bureau of Certification & Licensing	$2,518,474.84	$2,679,313.36	$0.00	$2,317,801.02	$419,955.35	$2,737,756.37	$219,281.53	$58,443.01
Bureau of Enforcement	$1,790,610.10	$2,198,041.71	$386,100.55	$1,790,362.52	$91,996.80	$2,268,459.87	$477,849.77	$70,418.16
Operations Total	**$9,733,532.54**	**$10,578,084.93**	**$2,609,449.26**	**$7,189,312.74**	**$1,107,089.27**	**$10,905,851.27**	**$1,172,318.73**	**$327,766.34**
Administration								
Office of the Director	$850,468.97	$592,174.90	$120,620.93	$201,034.87	$482,483.70	$804,139.50	($46,329.47)	$211,964.60
Office of Information Technology	$2,752,419.45	$2,074,003.27	$295,450.79	$492,417.98	$1,181,803.15	$1,969,671.92	($782,747.53)	($104,331.35)
Office of Human Resources	$560,101.49	$604,330.31	$90,873.38	$151,455.64	$363,493.53	$605,822.55	$45,721.06	$1,492.24
Office of Financial Management	$616,890.89	$665,985.75	$94,450.22	$296,843.55	$283,350.66	$674,644.43	$57,753.54	$8,658.68
Office of Management Services	$689,729.66	$739,287.92	$114,097.67	$190,162.79	$456,390.69	$760,651.15	$70,921.49	$21,363.23
Administration Total	**$5,469,610.46**	**$4,675,782.15**	**$715,492.99**	**$1,331,914.83**	**$2,767,521.73**	**$4,814,929.55**	**($654,680.91)**	**$139,147.40**
Totals	**$21,624,420.73**	**$22,800,000.00**	**$4,557,753.75**	**$13,992,163.28**	**$6,008,082.97**	**$24,558,000.00**	**$2,933,579.27**	**$1,758,000.00**

Summary of Changes
FY 2009 - FY 2010

Category	FY 2009 Enacted	FY 2010 Request	Net Change
Spending Authority	$22,800,000.00	$24,558,000.00	$1,758,000.00
Full-time Equivalents *	124.02	130.50	6.48
Positions *	132.00	132.00	0.00

Explanation of Changes :	Amount
Annualization of FY 2009 Salary Increases and Staff Hired in FY 2009	$1,137,000.00
Annualization of 2009 Cost of Living Increase (4.78%)	$134,000.00
2010 Cost of Living Increase (2.5%)	$353,000.00
2010 Career Promotions and WIGs for Eligible Staff	$33,000.00
Costs Associated With Employee Benefits	$527,000.00
Unspecified Attrition	($153,000.00)
Cash Awards	($24,000.00)
Part-time Employment	($56,000.00)
Total Personnel Compensation and Benefits	**$1,951,000.00**
Travel and Administrative Expenses	
Travel & Transportation of Personnel (21.0)	$0.00
Transportation of Things (FEDEX) (22.0)	$3,000.00
Rent, Communications & Utilities	
Rental Payments to GSA (23.1)	$0.00
Rental Payments to Others (23.2)	$0.00
Local & Long Distance, Cellular & FTS Telephones (23.5)	($25,000.00)
Equipment Rentals (23.7)	$0.00
Postage (28.3)	$0.00
Printing (24.0)	$13,000.00
Consulting Services (25.1)	($5,000.00)
Purchase of Goods & Services from Commercial Accounts (25.2)	($11,000.00)
Purchase of Goods & Services from Government Accounts (25.3)	$104,000.00
Equipment Maintenance (25.7)	$0.00
Supplies & Materials (26.0)	($30,000.00)
Furniture & Equipment (31.0)	($242,000.00)
Total Travel and Administrative Expenses	**($193,000.00)**
Total Changes	**$1,758,000.00**

Appropriation Language

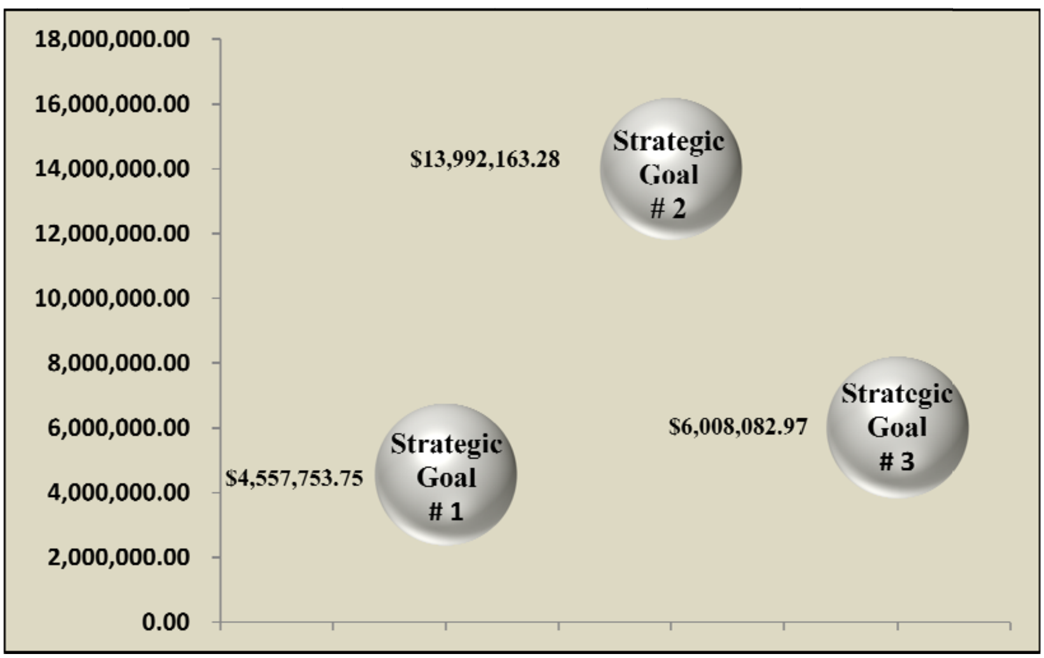
For necessary expenses of the Federal Maritime Commission as authorized by section 201(d) of the Merchant Marine Act, 1936, as amended (46 U.S.C. App. 1111), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); and uniforms or allowances therefore, as authorized by 5 U.S.C. 5901-5902, $22,800,000: [$24,558,000] *Provided*, That not to exceed $2,000 shall be available for official reception and representation expenses. (Omnibus Appropriations Act, 2009).

FY 2010 Budget Request by Strategic Goal

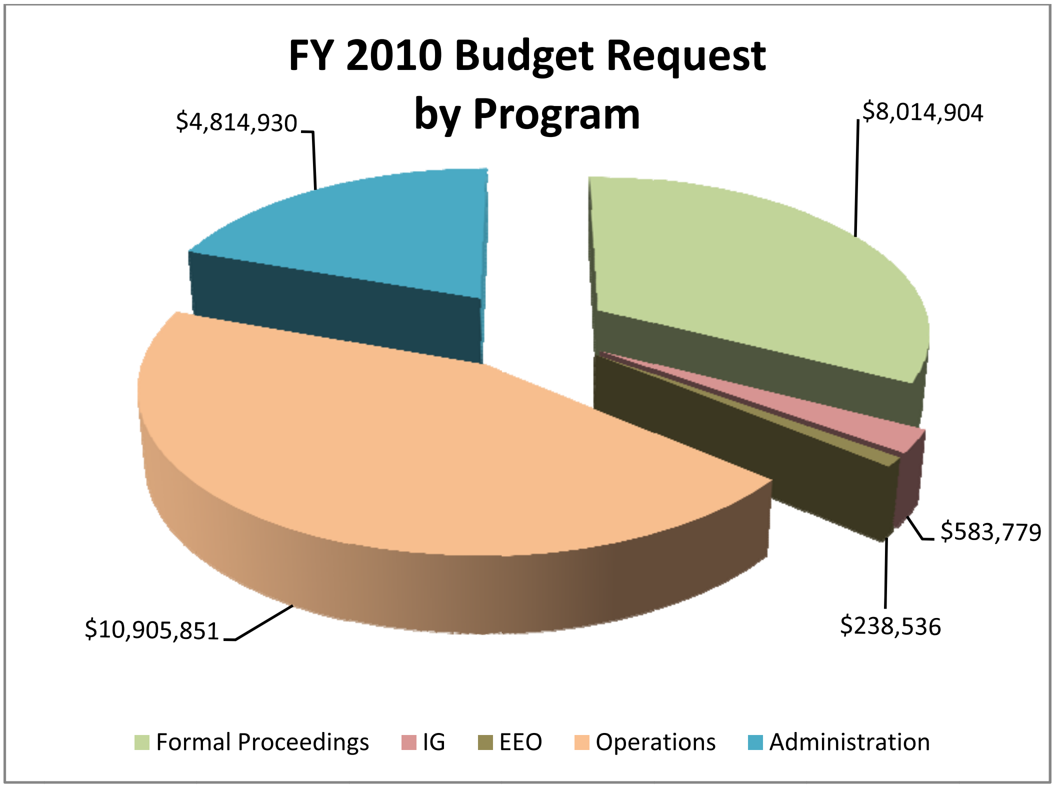
The mission of the Federal Maritime Commission is to foster a fair, efficient and reliable international ocean transportation system and to protect the public from unfair and deceptive practices. The FMC is responsible for the regulation of oceanborne transportation in the foreign commerce of the United States pursuant to the provisions of the Shipping Act. The FMC has oversight over certain commercial activities of ocean common carriers, MTOs, ports, and OTIs who operate in the U.S. foreign commerce. These activities include the filing of agreements, licensing of qualified OTIs, and overseeing the financial responsibility of PVOs. The FMC's oversight responsibilities have a direct impact on the financial well-being of every American that purchases goods which arrive in the United States through our ports.

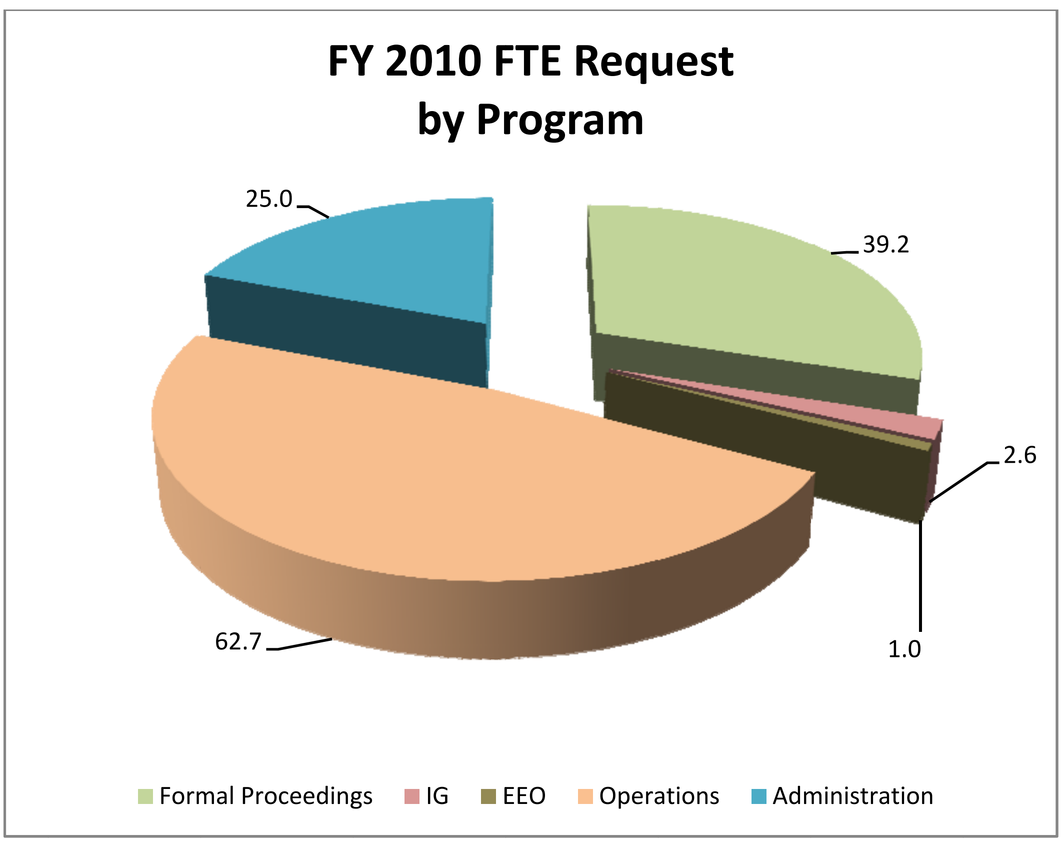
The FMC's budget is focused on achieving the goals and objectives identified in the agency's strategic plan. The FMC's fiscal year 2010 budget request totals $24,558,000 and funds 130.5 FTEs. This is an increase of $1,758,000 over the agency's fiscal year 2009 appropriation level.

FY 2010 Request by Strategic Goal



- Strategic Goal # 1: Maintain an efficient and competitive international ocean transportation system
- Strategic Goal # 2: Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
- Strategic Goal # 3: Advance agency objectives through high-performance leadership and efficient stewardship of resources


FY 2010 Budget Request
by Program
$4,814,930
$8,014,904
$583,779
$238,536
$10,905,851
Formal Proceedings
IG
EEO
Operations
Administration


FY 2010 FTE Request
by Program
25.0
39.2
2.6
1.0
62.7
Formal Proceedings
IG
EEO
Operations
Administration

Relationship of Obligations to Outlays FY 2008 - FY 2010			
Program	FY 2008 Actual	FY 2009 Enacted	FY 2010 Requested
Formal Proceedings	$5,681,927.78	$6,792,105.97	$8,014,903.46
Equal Employment Opportunity	$163,814.15	$181,913.03	$238,536.40
Inspector General	$575,535.80	$572,113.92	$583,779.32
Operations	$9,733,532.54	$10,578,084.93	$10,905,851.27
Administration	$5,469,610.46	$4,675,782.15	$4,814,929.55
Unobligated	$445,579.27	$0.00	$0.00
Budget Authority	**$22,070,000.00**	**$22,800,000.00**	**$24,558,000.00**
Obligations	**$22,070,000.00**	**$22,800,000.00**	**$24,558,000.00**
Outlays*	**$18,843,366.00**	**$19,466,640.00**	**$20,967,620.40**
Outlay Rate (Obligation to Outlay)**	**85.38%**	**85.38%**	**85.38%**
Obligation Rate	**97.98%**	**100.00%**	**100.00%**

Gross Outlays for FY 2008	
Total outlays for fiscal year 2004 disbursed in fiscal year 2008	$2,852.77
Total outlays for fiscal year 2005 disbursed in fiscal year 2008	($248.97)
Total outlays for fiscal year 2006 disbursed in fiscal year 2008	$30,255.58
Total outlays for fiscal year 2007 disbursed in fiscal year 2008	$2,301,676.92
Total outlays for fiscal year 2008	$18,463,234.54
Outlays	**$20,797,770.84**

* Represents Outlays for FY 2008 only.

** Represents the percentage of FY 2008 obligations that were disbursed during FY 2008.

Formal Proceedings Program

The Offices of Commissioners, Secretary, General Counsel and Administrative Law Judges comprise the Formal Proceedings Program. Within this program, the Commission conducts hearings, renders formal decisions in the disposition of docketed cases, compiles and maintains all official documents arising from proceedings, and conducts external representation activities before the Congress, courts of law, and other agencies.

Federal Maritime Commission

Formal Proceedings

		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Chairman**	0.00	0.75	3.00
	Commissioners	6.42	5.75	8.00
	Secretary	5.15	5.92	7.00
	CADRS	7.49	7.60	7.60
	Library	1.20	1.00	1.00
	General Counsel	8.21	10.00	9.60
	Administrative Law Judges	2.00	2.25	3.00
	Total FTEs	**30.47**	**33.27**	**39.20**
Cost:	**Salaries & Benefits**	$4,179,258.00	$4,771,169.43	$5,976,545.24
	Non-Personnel Expenses	$1,502,669.78	$2,020,936.54	$2,038,358.22
	Total Cost	**$5,681,927.78**	**$6,792,105.97**	**$8,014,903.46**

FY 2010 FTE by FMC Strategic Goal

Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
5.80	**26.50**	**6.90**

FY 2010 Cost by FMC Strategic Goal

Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$1,198,748.50	**$5,334,588.31**	**$1,481,566.65**

Office of the Chairman

The Chairman of the Commission is designated by the President of the United States and serves as the agency's chief executive and administrative officer. As a result, the Chairman has exclusive authority over agency personnel matters, organization and supervision, distribution of business and use of funds for administrative purposes. During fiscal year 2008 there was a vacancy in the Commission's chairmanship. The authority to execute administrative functions was therefore transferred to the remaining Commissioners, who will retain this authority until a new Chairman is confirmed. During the fiscal year, the Commission initiated a regular meeting schedule, initially meeting the second and fourth weeks of the month, to discuss and act upon industry and administrative matters before the Commission in both public and closed sessions.

Federal Maritime Commission

Formal Proceedings
Office of the Chairman

		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Chairman**	0.00	0.75	3.00
Cost:	**Salaries & Benefits**	$0.00	$137,572.45	$552,217.40
	Non-Personnel Expenses	$5,088.01	$82,376.98	$171,411.19
	Total Cost	**$5,088.01**	**$219,949.43**	**$723,628.59**

FY 2010 FTE by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2	Strategic Goal 3
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.43	**1.71**	**0.86**

FY 2010 Cost by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2	Strategic Goal 3
$103,334.16	**$413,626.10**	**$206,668.33**

Office of the Commissioners

The Chairman and the other four Commissioners are responsible for making decisions and determinations in the disposition of docketed cases, and ensuring the efficient, equitable and expeditious resolution of all matters arising under statutes administered by the Commission. The Commission promulgates rules and regulations and issues decisions which interpret, enforce and assure compliance with the 1984 Act, as amended by OSRA, the 1920 Act, FSPA, and P. L. 89-777.

Federal Maritime Commission				
Formal Proceedings Office of the Commissioners				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Commissioners**	6.42	5.75	8.00
Cost:	**Salaries & Benefits**	$1,113,360.00	$1,084,545.29	$1,567,098.76
	Non-Personnel Expenses	$347,744.92	$344,884.18	$429,068.27
	Total Cost	**$1,461,104.92**	**$1,429,429.47**	**$1,996,167.03**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
1.14	**4.58**	**2.28**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$285,052.65	**$1,141,009.07**	**$570,105.31**

During the fiscal year ending September 30, 2008, the Commission issued 20 orders and notices in docketed proceedings.

Office of the Secretary ("OS")

The OS serves as the focal point for matters submitted to and emanating from the Commission. It is the public's main contact point with the FMC. The Office receives and processes a variety of documents filed by the public, including: complaints initiating adjudicatory proceedings for alleged violations of the shipping statutes and other applicable laws; special docket applications and applications to correct clerical or administrative errors in service contracts or NSAs; all communications, petitions, notices, pleadings, briefs, or other legal instruments in administrative proceedings; and subpoenas served on the FMC, its members or employees.

The Office is responsible for preparing and submitting regular and notation agenda matters for consideration by the Commission and preparing and maintaining the minutes of actions taken by the Commission on these matters; issuing orders and notices of actions of the Commission; maintaining official files and records of all formal proceedings and Commission regulations; issuing publications; and authenticating instruments and documents of the Commission. The Office also responds to information requests from Commission staff, the maritime industry, press, and the public; administers the Freedom of Information, Government in the Sunshine, and Privacy Acts; compiles historical Commission decisions; maintains a public reference/law library and a Docket Activity Library; manages the Commission's Internet website; and participates in the development and coordination of agency-wide public relations/outreach strategies and initiatives. The Office of the Secretary also oversees the Office of Consumer Affairs and Dispute Resolution Services.

Federal Maritime Commission				
Formal Proceedings Office of the Secretary				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Secretary**	5.15	5.92	7.00
Cost:	**Salaries & Benefits**	$652,498.00	$698,933.60	$830,731.05
	Non-Personnel Expenses	$276,680.38	$318,441.66	$318,793.81
	Total Cost	**$929,178.38**	**$1,017,375.26**	**$1,149,524.86**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
1.05	**5.42**	**0.53**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$172,428.73	**$890,060.68**	**$87,035.45**

During fiscal year 2008, the OS continued to administratively process and direct all major filings addressed to the Commission and its component offices, including agreements filed under section 5 of the 1984 Act. The Office also issued 20 orders in docketed proceedings on behalf of the Commission.

The Office serves as the Commission's public information/press office. Accordingly, it prepares or coordinates the preparation of Commission news releases; responds to public and press inquiries or directs inquiries to the appropriate Commission bureau/office; and monitors the trade press for matters of agency interest for referral to the Chairman, Commissioners and staff.

The Office remained involved in the Commission's ongoing effort to expand contact with all segments of the maritime community and the public during the fiscal year. Several initiatives were undertaken by Commission staff to improve industry outreach, including participating on industry discussion panels, hosting industry briefings and updating informational material. During fiscal year 2008, the Office also initiated and implemented a regular Commission meeting schedule to facilitate Commission discussion and action on industry and administrative matters before the Commission.

During fiscal year 2008, the Office also began developing plans to upgrade and modernize the Commission's hearing room, including communication technology improvements. Communication improvements, due for implementation during fiscal years 2009 and 2010, are designed to enhance the Commission's ability to more effectively communicate both internally and externally. Through these improvements the Commission will be able to more timely disseminate information on its actions and activities, better communicate its mission strategies and objectives, and reach a wider audience. Included are plans to digitally archive and broadcast Commission meetings in public session over the Internet.

Also during fiscal year 2008, the Office continued to improve the Commission's website by adjusting how information is presented, increasing the amount of information available, and adding functionality. For example, in August 2008, the Office increased the accessibility of information on filed agreements through website publishing of weekly agreement filing notices that appear in the Federal Register. This enhancement provides greater public awareness of agreement filings. The Office continues to evaluate the overall usefulness of the site and works closely with other offices and bureaus to improve its content and user-friendliness. Also during this fiscal year, the Office began discussing with the OIT alternatives for redesigning the agency's intranet. The scope of the agency's intranet redesign project has been expanded to encompass OIT's plans to improve the agency's collaborative capabilities and enhance efficiency in administrative business processes.

The process of electronically scanning/imaging Commission records also continued during fiscal year 2008. The document management system that the Office oversees helps support the agency's initiatives for continuity of operations ("COOP") by improving preservation of and Commission staff access to Commission documents, as well as improving Commission staff response time to public inquiries and public access to electronic files. In addition to electronically converting all official Commission files (both current and historical), the Office has in place a program to systematically scan documents from other agency components. For example, during the fiscal year, the Office completed conversion of all historical case files for the Bureau of Enforcement and two-thirds of the General Counsel's administrative files.

In fiscal year 2008, the Office completed a needs assessment and evaluated recommendations for the development of an online catalogue for the Commission's law/reference library collection. In fiscal years 2009 and 2010, the Office will implement the adopted plan to replace the current paper catalogue. This plan will employ technology to improve workforce productivity by providing an in-house library access station, as well as online access of the catalogue to all staff on their individual desktops. It is also anticipated that the automated library catalogue entries will be directly linked to other electronic library resources. This will reduce redundancy and increase administrative efficiencies.

During fiscal year 2008, the Office continued to take the lead in accomplishing the agency's performance goals related to making more Commission information and filed documents available electronically and to improving responsiveness to requests for public information. Specifically, the Office continued to make key documents filed in formal proceedings available through its website. In addition, the Office converted 28 bound volumes of the Commission's official decisions to electronic format. These historical decisions are no longer available to the public in bound volume form. The Office is developing plans to post these decisions to the Commission's website during fiscal year 2009.

In fiscal years 2009 and 2010, the Office's objectives include participation in efforts to upgrade and modernize the Commission's hearing room with, for example, communication technology that will digitally archive and facilitate internet broadcast of Commission open meetings.

Office of Consumer Affairs and Dispute Resolution Services ("CADRS")

CADRS is responsible for developing and implementing the Commission's Alternative Dispute Resolution ("ADR") program. Through this program, the Commission provides services to assist parties in resolving disputes and shipping problems in the U.S. ocean shipping commerce. The Office provides a broad range of services designed to avoid the expense and delays inherent in litigation, and to facilitate the flow of U.S. ocean commerce. With respect to matters already in litigation, or moving toward litigation, parties to a dispute are encouraged to avail themselves of mediation or other ADR processes such as conciliation, facilitation, fact-finding, mini-trials, or arbitration as means to resolve disputes. The Commission makes trained neutrals available to facilitate the resolution of shipping disputes at all stages. Outside neutrals also may be hired, as needed. During fiscal year 2008, Commission mediators provided mediation services in several matters, thus assisting parties in avoiding significant litigation costs and risks.

CADRS also provides *ombudsman* services to participants in ocean shipping transactions. Typical complaints include situations where an NVOCC or VOCC has placed a lien on cargo in its possession, often for sums owed under a different contract of carriage, and cases in which an NVOCC has received cargo from its customer and taken payment for the transportation of the cargo, but failed to deliver the cargo. Tracking the whereabouts of a shipment can be difficult, and often additional charges have accrued, necessitating payment of additional funds to obtain release of the shipment. A number of these cases require urgent resolution of problems that are interfering with delivery of a shipment. CADRS also receives a significant number of passenger complaints involving issues with cruise lines.

Federal Maritime Commission				
Formal Proceedings Consumer Affairs and Dispute Resolution Services				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**CADRS**	7.49	7.60	7.60
Cost:	**Salaries & Benefits**	$962,410.00	$984,074.20	$1,037,022.97
	Non-Personnel Expenses	$315,700.96	$317,835.26	$302,410.77
	Total Cost	**$1,278,110.96**	**$1,301,909.46**	**$1,339,433.74**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.00	**7.20**	**0.40**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$0.00	**$1,268,937.23**	**$70,496.51**

During fiscal year 2008, 568 complaints were received that necessitated the opening of cases to provide dispute resolution services. These included 189 passenger complaints about cruise line issues, 198 complaints with respect to household goods shipments, and 181 complaints involving other cargo shipment matters. During 2008, the number of cruise complaints declined 14% while the number of household good complaints increased by 37.5% and the number of other cargo cases increased by approximately 25% over the previous fiscal year. Cargo shipment complaints continued to be of increasing complexity. Of note, CADRS received a significantly greater number of complaints involving goods released to an improper party and without appropriate documentation than in the past, and an increased number of situations where difficulties arose in presenting an original bill of lading to receive the shipment. Problems involving co-loaded shipments continue to be a significant issue. In addition to the above complaints, approximately 1,000 information requests were processed.

In addition to the cases reported above, the Office was involved in facilitating discussions to address container and space shortage, termed the “exporters’ dilemma.” In early 2008, CADRS began receiving an increasing number of inquiries concerning difficulties U.S. exporters were having with respect to obtaining containers or space for outbound shipments. Essentially, the increasing profitability of the Europe-Asia and intra-Asia trades, coupled with slower growth in U.S. demand for imports from Asia, resulted in carriers repositioning their vessels away from the U.S. Pacific trades. At the same time, the growth of Asian economies, coupled with the reduction in the value of the U.S.

dollar, lead to a significant increase in demand for U.S. export products. Consequently, many U.S. exporters encountered difficulty obtaining space on outbound vessels. These factors, along with rising fuel costs, made it difficult to obtain containers. Under the umbrella of the Commission's ADR program, the office facilitated initial discussions among carriers and shippers in an attempt to alleviate difficulties for exporters. The problem was overtaken by the worldwide economic downturn at the end of the fiscal year causing the demand for U.S. exports to drop sharply and, therefore, the demand for export containers. However, direct lines of communication were established between at least one major carrier and agricultural exporters that should help alleviate export issues in the future.

Another function of CADRS includes the adjudication of small claims through informal proceedings under 46 Code of Federal Regulations ("CFR") Part 502, Subpart S. Office personnel serve as Settlement Officers in such cases, which involve complaints seeking reparations up to $50,000 for violations of the shipping statutes. Those claims generally involve alleged prohibited acts in connection with the international transportation of goods, or the failure to establish, observe, and enforce just and reasonable regulations and practices. CADRS staff also evaluate and adjudicate applications for permission to apply other than tariff rates, and to waive or refund freight charges arising from various errors in tariff publications, an inadvertent failure to publish an intended rate, or a misquotation of a rate. One application was received in fiscal year 2008.

In fiscal years 2009 and 2010, CADRS intends to further expand awareness of the ADR program through education, training and other outreach efforts. Further efforts will be made to increase shipping industry awareness of less adversarial, more cost-effective means of resolving disputes in a manner that enables the parties to control the outcome. Use of mediation, in particular, will be promoted to assist in resolving formal proceedings and other significant disputes. CADRS will continue to make consumer protection information available and will expand its outreach through various websites and media sources. The real value of these efforts will be the number of consumers that are forewarned and thereby avoid problems. Through this means, assistance may be provided to many more consumers than could be possible through post-shipment problem resolution.

Also, during fiscal year 2009, CADRS plans to establish dialogue between carriers and shippers to address industry-wide issues, such as space and equipment shortages for exports. Additional forums or conferences will be planned.

Library

The OS also administers the Commission's Library. The Library serves the Commission's research and information needs and is a specialized repository of current and basic materials primarily covering the shipping industry, the history of shipping, and regulations covering all phases of shipping in the U.S. foreign trade. It contains a variety of books, directories, encyclopedias, journals, magazines, reports, microforms, and videos. The Library also contains material on several related fields such as engineering, economics, political science, and a collection of legal publications. The Library collection includes law encyclopedias, engineering textbooks, legal treatises, legislative materials, and selected titles of the National Reporter system. The Library's holdings consist of approximately 8,700 volumes and numerous microfiches, CD-ROMs, and on-line services.

Federal Maritime Commission

Formal Proceedings

Library

		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Library**	1.20	1.00	1.00
Cost:	**Salaries & Benefits**	$99,194.00	$102,063.52	$106,461.77
	Non-Personnel Expenses	$105,982.97	$326,821.69	$275,153.13
	Total Cost	**$205,176.97**	**$428,885.21**	**$381,614.90**

FY 2010 FTE by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2	Strategic Goal 3
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.12	**0.86**	**0.02**

FY 2010 Cost by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2	Strategic Goal 3
$45,793.79	**$328,188.81**	**$7,632.30**

Office of the General Counsel ("OGC")

The OGC provides legal counsel to the Commission. This includes reviewing staff recommendations for Commission action for legal sufficiency, drafting proposed rules to implement Commission policies, and preparing final decisions, orders, and regulations for Commission review. In addition, the OGC provides written and oral legal opinions to the Commission, its staff, and the general public, in appropriate cases. As described in more detail below, the OGC also represents the Commission before the courts and Congress and administers the Commission's international affairs program.

Federal Maritime Commission				
Formal Proceedings Office of the General Counsel				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**General Counsel**	8.21	10.00	9.60
Cost:	**Salaries & Benefits**	$1,080,440.00	$1,453,653.68	$1,453,165.57
	Non-Personnel Expenses	$353,837.82	$453,199.49	$411,786.32
	Total Cost	**$1,434,277.82**	**$1,906,853.17**	**$1,864,951.89**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
2.63	**5.02**	**1.95**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$511,521.34	**$973,796.28**	**$379,634.27**

Decisions

The following are adjudications representative of matters prepared by the OGC:

***Odyssea Stevedoring of Puerto Rico, Inc. v. Puerto Rico Ports Authority*, [Docket No. 02-08]; *International Shipping Agency, Inc. v. The Puerto Rico Ports Authority*, [Docket No. 04-01]*; and San Antonio Maritime Corp. and Antilles Cement Corp. v. Puerto Rico Ports Authority*, [Docket No. 04-06], 30 S.R.R. 1339 (March 5, 2007)**

These cases came before the Commission for a determination of whether PRPA is an arm of the Commonwealth of Puerto Rico and, therefore, entitled to sovereign immunity. Odyssea Stevedoring of Puerto Rico, Inc., International Shipping Agency, Inc. ("Intership"), San Antonio Maritime Corp.

These cases came before the Commission for a determination of whether PRPA is an arm of the Commonwealth of Puerto Rico and, therefore, entitled to sovereign immunity. Odyssea Stevedoring of Puerto Rico, Inc., International Shipping Agency, Inc. ("Intership"), San Antonio Maritime Corp. and Antilles Cement Corp. alleged that PRPA's marine terminal leasing practices violated sections 10(b)(10), 10(d)(1), 10(d)(3), and 10(d)(4) of the Shipping Act. Further, Intership alleged PRPA violated section 10(a) (3) of the Shipping Act by failing to act in accordance with the terms of an agreement filed with the Commission. PRPA filed motions for summary judgment or motions to dismiss in all three cases, arguing that the complaints were barred by PRPA's sovereign immunity as an arm of the Commonwealth of Puerto Rico. In *Odyssea* and *Intership*, the ALJ ruled that PRPA was not entitled to sovereign immunity. The Commission, *sua sponte*, decided to review the ALJ's decision. On November 30, 2006, the Commission issued an order, on a 3-2 vote, finding that PRPA is not an arm of the Commonwealth of Puerto Rico and is, therefore, not entitled to sovereign immunity.

The Commission's order was appealed to the U.S. Court of Appeals for the D.C. Circuit (Case No. 06-1407). The Court heard oral argument on October 26, 2007. On July 8, 2008, the Court issued its opinion finding that PRPA is an arm of the Commonwealth of Puerto Rico and is, therefore, immune from suit absent its consent. Intership filed a motion on August 25, 2008, to stay the Court's mandate pending filing of a petition for *writ of certiorari*. The Court granted Intership's motion on September 16, 2008. A petition for a *writ of certiorari* at the United States Supreme Court was filed by Intership on October 8, 2008. The Supreme Court denied Intership's writ on February 23, 2009.

***Premier Automotive Services, Inc. v. Robert L. Flanagan and F. Brooks Royster, III,* [Docket No. 06-03], 30 S.R.R. 970 (March 31, 2006)**

Premier Automotive Services, Inc. ("Premier") filed a complaint against Robert L. Flanagan and F. Brooks Royster, III (collectively "Flanagan") alleging that Flanagan's marine terminal leasing practices violated sections 10(b)(10), 10(d)(1) and 10(d)(4) of the Shipping Act, 46 U.S.C. §§ 41102, 41104 and 41106. Mr. Flanagan and Mr. Royster were the Maryland Secretary of Transportation and the Executive Director of the Maryland Port Administration ("MPA"), respectively, and were sued because MPA possesses sovereign immunity. Flanagan filed a Motion to Dismiss arguing that (1) the case is barred by constitutional principles of state sovereign immunity; (2) the Shipping Act does not authorize private complaints for injunctive relief; and (3) the respondents should not be held liable as individuals under provisions of the Shipping Act which are specifically applicable to common carriers, OTIs and MTOs. Premier responded to the motion arguing that the action is within the *Ex parte Young*, 209 U.S. 123 (1908), exception to state sovereign immunity and that the Shipping Act provides for prospective injunctive relief. The ALJ granted the motion to dismiss on March 31, 2006, finding that the complaint was barred by sovereign immunity since *Young* did not apply. Premier appealed the ALJ's decision to the Commission and oral argument was heard on June 13, 2007. The Commission dismissed the proceeding on June 11, 2008, finding that this proceeding is barred by the sovereign immunity interests of the State of Maryland.

Litigation

The OGC represents the Commission in litigation before courts and other administrative agencies. Although the litigation work largely consists of representing the Commission upon petitions for review of its orders filed with the U.S. Courts of Appeals, the OGC also participates in actions for injunctions, enforcement of Commission orders, actions to collect civil penalties, and other cases where the Commission's interest may be affected by litigation.

The following is representative of matters litigated by the OGC:

***Puerto Rico Ports Authority v. The Federal Maritime Commission and the United States of America*, D.C. Circuit, Case No. 06-1407**

This proceeding is an appeal of the Commission's November 30, 2006, order in Docket No. 02-08 *(Odyssea Stevedoring of Puerto Rico, Inc. v. Puerto Rico Ports Authority);* Docket No. 04-01 *(International Shipping Agency, Inc. v. The Puerto Rico Ports Authority);* and Docket No. 04-06 *(San Antonio Maritime Corp. and Antilles Cement Corp. v. Puerto Rico Ports Authority)*. The Commission, on a 3-2 vote, found that the PRPA is not an arm of the Commonwealth of Puerto Rico and is, therefore, not entitled to sovereign immunity. PRPA appealed the order, arguing that it is entitled to sovereign immunity. The Commission proceedings had been stayed by the Court pending resolution of the appeal. The Commission's brief was submitted on June 28, 2007, and oral argument was heard on October 26, 2007. On July 8, 2008, the U.S. Court of Appeals for the D.C. Circuit issued its opinion finding that the PRPA is an arm of the Commonwealth of Puerto Rico and is, therefore, immune from suit absent its consent. Intership filed a motion on August 25, 2008, to stay the Court's mandate pending filing of a petition for *writ of certiorari*. The Court granted Intership's motion on September 16, 2008. A petition for a *writ of certiorari* at the United States Supreme Court was filed by Intership on October 8, 2008. The Supreme Court denied Intership's writ on February 23, 2009.

***Landstar Express America, Inc. and Landstar Global Logistics, Inc. v. Federal Maritime Commission*, D.C. Circuit, Case No. 08-1152**

This proceeding is an appeal of the Commission's February 15, 2008 order in Commission Docket No. 06-08, *In the Matter of the Lawfulness of Unlicensed Persons Acting as Agents for Licensed Ocean Transportation Intermediaries – Petition for Declaratory Order*. The Commission denied the petition filed by Team Ocean Services, Inc., following review of the petition and three comments submitted thereon, including the comments of Landstar America, Inc. and Landstar Global Logistics, Inc. On April 14, 2008, Landstar filed a Petition to Review the Commission's Order, asserting in its Petition that it is a party aggrieved by the Commission's denial of Team Ocean's Petition. Petitioners submitted a single issue to be raised to the Court:

> Whether the FMC Order's determination that it is unlawful under The Shipping Act of 1984, as amended, for an unlicensed agent to provide Non-Vessel Operating Common Carrier ("NVOCC") services in the name of and on behalf of a licensed NVOCC is arbitrary, capricious, contrary to the FMC's statutory authority, jurisdiction and existing precedent, inconsistent with the plain language of the applicable statute, an abuse of discretion, unsupported by substantial evidence, or otherwise contrary to law.

Pursuant to the schedule ordered by the Court, Landstar filed its opening brief December 4, 2008 and the Commission filed its brief on January 12, 2009, with Landstar filing its reply brief January 26. Oral argument was held on April 21, 2009.

Federal Maritime Commission v. City of Los Angeles, California, Harbor Department of the City of Los Angeles, Board of Harbor Commissioners of the City of Los Angeles, City of Long Beach, California, Harbor Department of the City of Long Beach, and the Board of Harbor Commissioners of the City of Long Beach, U. S. District Court for the District of Columbia, Case No. 08-1895.

On October 31, 2008, the Commission filed a complaint seeking a permanent injunction pursuant to section 6(g) of the Shipping Act against certain aspects of the Ports of Los Angeles and Long Beach Clean Truck Plan ("CTP") and harmonized concession agreements. The CTP and concession agreements are designed to require new, less-polluting trucks to serve the Ports. However, following a competitive impact assessment, the Commission determined that certain elements of the program would likely, by a reduction in competition, produce an unreasonable reduction in transportation service or an unreasonable increase in transportation costs. In a ruling April 15, 2009, Judge Richard Leon denied the Commission's request for a preliminary injunction. Nevertheless, the core elements of our case under section 6(g) have been preserved for a determination on the merits. The Commission is currently examining its prospects as to appeal and in pursuing a permanent injunction.

***National Resources Defense Council, Inc., Sierra Club, Inc. and Coalition for Clean Air, Inc. v. Federal Maritime Commission,* U.S. District Court for the Central District of California, Case No. 08-07436**

On November 10, 2008, the Complainants filed a complaint asserting that the Commission cannot take action that would impact the implementation of the Ports of LA and Long Beach Clean Trucks Program without first complying with the National Environmental Policy Act of 1969 ("NEPA") and other environmental regulations. Attorneys from the Department of Justice and U.S. Attorney's Office for the Central District of California are defending the Commission.

Legislative Activities

The OGC represents the Commission's interests in all matters before Congress. This includes preparing testimony for Commission officials, responding to Congressional requests for information, commenting on proposed legislation, and responding to OMB requests for views on proposed bills and testimony.

During fiscal year 2008, 80 bills, proposals and Congressional inquiries were referred to the OGC for review or comment. The Office prepared and coordinated testimony, responses to Questions for the Record and a 60-day written report in relation to the agency's fiscal year 2009 budget authorization hearing before the U.S. House of Representatives Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation. In addition, the Office assisted in the written testimony and responses to Questions for the Record for the agency's fiscal year 2009 budget requests submitted to the U.S. House of Representatives Committee on Appropriations, Subcommittee on Transportation, Housing and Urban Development ("HUD"), and Related Agencies. The office also prepared and coordinated testimony, responses to Questions for the Record and a 90-day written report in relation to the U.S. House of Representatives Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation's oversight hearing regarding Federal Maritime Commission management and regulation of international shipping.

In fiscal years 2009 and 2010, the OGC will continue to take the lead in providing assistance and technical advice to Congress regarding issues for possible legislative consideration. The Office may also recommend legislative amendments as necessary to ensure uniformity with other Federal initiatives and to allow for the efficient and secure flow of ocean transportation.

Other Significant Activity

The Port of Los Angeles and Port of Long Beach Proposed Clean Trucks Program, and FMC Agreement No. 201170, Los Angeles and Long Beach Port Infrastructure and Environmental Programs Cooperative Working Agreement and FMC Agreement No. 201178, Los Angeles/Long Beach Port/Terminal Operator Administration and Implementation Agreement, **Docket No. 05-08**

The Ports are members of the Los Angeles and Long Beach Port Infrastructure and Environmental Programs Cooperative Working Agreement (FMC Agreement No. 201170), currently on file with the Commission, that permits them to discuss, consult, and agree on the establishment and implementation of programs and strategies to improve port-related transportation infrastructure and to decrease port-related air pollution. This agreement became effective on August 10, 2006. The Ports' goal is to significantly reduce air pollution from port drayage trucks by replacing or retrofitting an estimated 16,000 trucks servicing the Ports over a five-year period.

On September 24, 2008, the Commission initiated FMC Docket No. 08-05, an investigation to determine whether certain practices of the Ports violate the Shipping Act. Practices under investigation include: the mandate, on a phased-in basis, that Licensed Motor Carriers ("LMCs") that serve the Port of Los Angeles utilize only employee drivers and not independent owners and operators; the ban on independent owner-operators providing drayage service at the Port of LA; port payments to certain motor carriers as an incentive to provide drayage service at the Port, but not to other similarly situated motor carriers; exemption of some cargo owners from paying a Clean Truck Fee but not others, despite the fact that their cargo is moved in compliant trucks; the requirement that motor carriers provide container drayage service at the Port to submit an application for a concession, but not publishing standards or criteria by which such applications will be granted or denied; and, refusal to deal or negotiate with motor carriers otherwise authorized to provide drayage service at the Port who conduct their Port operations using independent owner-operators. This proceeding is distinct from the Commission's section 6(g) injunction proceeding in the U.S. District Court for the District of Columbia discussed above (*i.e.*, Case No. 08-1895).

Foreign Shipping Restrictions and International Affairs

The OGC is responsible for the administration of the Commission's international affairs program. The OGC monitors potentially restrictive foreign shipping laws and practices, and makes recommendations to the Commission for investigating and addressing such practices. The Commission has the authority to address restrictive foreign shipping practices under section 19 of the 1920 Act and the FSPA. Section 19 empowers the Commission to make rules and regulations governing shipping in the foreign trade to adjust or meet conditions unfavorable to shipping. The FSPA directs the Commission to address adverse conditions that affect U.S. carriers in foreign trade and that do not exist for foreign carriers in the U.S.

In fiscal year 2008, the Commission continued to monitor potentially restrictive shipping practices of the Government of Japan, including the effects of amendments to the Port Transportation Business Law enacted in 2000 and 2005. The Commission continued to receive and evaluate semi-annual reports from U.S.-flag and Japan-flag vessels operating in the trades with Japan pursuant to its proceeding in Docket No. 96-20, *Port Restrictions and Requirements in the United States/Japan Trade.* The OGC also pursued informally several matters that involved potentially restrictive foreign practices including new legislation, new interpretations of existing legislation and new regulations of non-domestic carriers' terminal handling charges.

OGC staff served as technical advisors to the U.S. delegation to the semi-annual U.S.-Japan Regulatory Reform talks held in Washington, D.C. in April, 2008. OGC acted as technical advisor and presented views on the possible effects of the European Union's elimination (in October 2008) of the block exemption of liner conferences. OGC also served as advisor to the United States' delegation at the Asian-Pacific Economic Cooperation ("APEC") conference in Lima, Peru in August 2008, including review of a report conducted on APEC's behalf relating to the impacts of non-ratemaking agreements among vessel-operating common carriers.

Another responsibility of the OGC is the identification and verification of controlled carriers subject to section 9 of the Shipping Act. Common carriers that are owned or controlled by foreign governments are required to adhere to certain requirements under the Shipping Act, and their rates are subject to Commission review. The OGC investigates and makes appropriate recommendations to the Commission regarding the status of potential controlled carriers. The OGC, in conjunction with other Commission components, also monitors the activities of controlled carriers.

The OGC continues to take the lead in accomplishing the agency's performance goals relating to eliminating restrictions that unjustly disadvantage U.S. interests. Through the Permanent Task Force on International Affairs, OGC will monitor foreign laws and practices to determine whether there are any unjust non-market barriers to trade. The OGC will recommend appropriate action to the Commission.

Designated Agency Ethics Official

The Designated Agency Ethics Official is administratively within the Office of the Chairman, but the position's functions are performed presently as a collateral duty by an attorney in the OGC.

The Commission's Ethics Official is responsible for administering public and confidential financial disclosure systems in order to prevent conflicts of interest from arising in the execution of the agency's regulatory functions. The Ethics Official conducts annual ethics training and provides day-to-day advice and guidance to ensure compliance with the standards of ethical conduct that apply to Executive Branch officials.

Federal Maritime Commission				
Formal Proceedings				
Ethics				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Ethics**	0.00	0.00	0.00
Cost:	**Salaries & Benefits**	$0.00	$0.00	$0.00
	Non-Personnel Expenses	$1,015.95	$3,932.82	$3,723.54
	Total Cost	**$1,015.95**	**$3,932.82**	**$3,723.54**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.00	**0.00**	**0.00**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$1,241.18	**$1,241.18**	**$1,241.18**

Office of Administrative Law Judges ("OALJ")

Administrative Law Judges regulate the course of proceedings, conduct hearings, approve settlements, and render decisions in adjudicatory proceedings held after receipt of a private complaint or when instituted by the Commission. ALJs have authority to administer oaths and affirmations; issue subpoenas; rule upon motions and offers of proof; receive evidence; authorize depositions; regulate the course of hearings; hold pre-hearing conferences for the settlement or simplification of the issues involved; refer matters to mediation when appropriate; dispose of procedural requests; act as settlement judges in particular cases; and take any other action authorized by agency rule or the Administrative Procedure Act.

The case load of the Office is governed by the number of complaints and applications filed, the number of formal proceedings instituted by the Commission on its own motion, and other matters assigned in furtherance of the Commission's regulatory functions. Proceedings which come before the Office include, but are not limited to, the adjudication of discriminatory or unfair and unreasonable practices between various parties subject to the Shipping Acts, and adjudication of shipper complaints. ALJs also can process special docket applications on an as-needed basis.

Federal Maritime Commission				
Formal Proceedings				
Office of Administrative Law Judges				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Administrative Law Judges**	2.00	2.25	3.00
Cost:	**Salaries & Benefits**	$271,356.00	$310,326.69	$429,847.72
	Non-Personnel Expenses	$96,618.77	$173,444.46	$126,011.19
	Total Cost	**$367,974.77**	**$483,771.15**	**$555,858.91**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.43	**1.71**	**0.86**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$79,376.65	**$317,728.96**	**$158,753.30**

At the beginning of fiscal year 2008, 18 formal proceedings were pending before the OALJ. During the year, five formal proceedings were added. The Office dismissed three respondents in two formal proceedings and two formal proceedings were settled. The Office also dismissed one case that the Commission reinstated on appeal. The ALJs entered an Initial Decision in one case that the Commission approved and entered a Partial Summary Judgment in one other case.

Equal Employment Opportunity Program

In fiscal year 2008, the Office of EEO ("EEO") provided support and assistance to managers and supervisors in maintaining and effectively managing a diverse workforce. Counseling was provided to employees and managers, and refresher training courses for the "No FEAR Act" and Sexual Harassment Prevention were coordinated to keep the Commission staff informed. The Office was successful in providing interesting commemorative programs including a documentary on American Indians, video clips promoting diversity awareness, and a Volunteer Poetry Slam in honor of Black History Month, as well as retaining its presence within the Federal Women's Program Interagency Council ("FWPIC").

Federal Maritime Commission				
Equal Employment Opportunity Program				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Headquarters**	0.15	0.75	1.00
Cost:	**Salaries & Benefits**	$59,534.00	$116,890.72	$165,685.43
	Non-Personnel Expenses	$104,280.15	$65,022.31	$72,850.97
	Total Cost	**$163,814.15**	**$181,913.03**	**$238,536.40**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.14	**0.57**	**0.29**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$34,063.00	**$136,347.40**	**$68,126.00**

Also, during fiscal year 2008, EEO counseled employees and managers, and assisted managers and supervisors in maintaining a diverse workforce. Refresher training courses were provided to all FMC employees and Commissioners, commemorative programs were held to further raise diversity awareness.

During fiscal years 2009 and 2010, EEO will continue to provide support and assistance to managers and supervisors in maintaining and effectively managing a diverse workforce. Diversity training will be provided for all staff, EEO commemorative programs will be used to further raise diversity awareness to the entire Commission. The Office is committed to maintaining its strong presence in its current programs including the FWPIC, while working to evaluate other programs such as the Emerging Leaders Program, and exploring the possibility of bringing new programs to the Commission.

The Office will continue, and strive to improve, all of its counseling and education programs, while exploring new opportunities for training, diversity programs, and new outlets to increase EEO awareness at the Commission.

Inspector General Program

The Office of Inspector General ("OIG") operates pursuant to the Inspector General Act of 1978 ("1978 Act") (5 U.S.C. App. 3) as amended in 1988. The 1988 amendments created additional statutory offices of inspector general at various designated Federal entities, including the FMC.

The purpose of the 1978 Act, as amended, and as applicable to the FMC, is to create an independent and objective unit to conduct audits; review operations and programs; investigate possible fraud, waste, and mismanagement of Commission resources; and promote economy, efficiency and effectiveness in programs and operations administered by the FMC.

The OIG is staffed by an Inspector General ("IG"), an Assistant Inspector General for audit, and an administrative assistant.

The IG works independently under the general supervision of the Chairman. The IG does not report to, and is not subject to supervision by, any other officer or employee of the FMC. The OIG has MOUs with Inspector General Offices at the Social Security Administration for criminal investigative assistance and the Federal Trade Commission for legal counsel and audit quality assurance support. In addition, the Office utilizes the expertise of private sector accountants and information security analysts to assist it in performing specialized audits and reviews.

During fiscal year 2008, the Office issued an audit of the agency's fiscal year 2007 financial statements and a companion report to management containing financial-related findings and recommendations resulting from the audit. The OIG also issued reports to management on agency compliance with Federal Information Security Management Act of 2002 ("FISMA"), based, in part, on its review of FMC's three major IT systems/applications, a vulnerability scan of the agency's wireless network and an assessment of the agency's maintenance and protection of personally identifiable information ("PII").

In fiscal year 2008, the OIG reviewed processes used by the agency to establish user fees for agency activities that convey special benefits to recipients beyond those accruing to the general public, assessed controls in place to monitor Congressional limitations on redecorating the offices of Presidential appointees, and performed an evaluation of how well the agency manages telephone services. The latter audit identified $24,000 of potential cost savings through implementation of OIG recommendations. Additionally, the OIG audited the agency's budget execution practices for the fiscal year 2007 budget and assessed how well the agency manages its personal digital assistant ("PDA") program.

The OIG did not open any formal investigations into allegations of wrongdoing by FMC staff and/or individuals doing business with the agency. However, it forwarded several "hotline" complaints to FMC bureaus/offices, maritime and/or law enforcement agencies for disposition.

The OIG also worked with the agency's webmaster to enhance the utility of the OIG's webpage and to comply with legislative requirements, began work on revising the Office's investigative manual, responded to a request from the Chairman, House Committee on Oversight and Reform for information on recommendations made by the OIG dating back to 2001, and met with staff from the Senate Committee on Commerce, Science and Transportation, Subcommittee on Surface

Transportation and Merchant Marine to discuss agency operations and administration. The Office also prepared a narrative summary of management challenges facing the FMC for inclusion in the Fiscal Year 2007 PAR. The OIG contracted with an independent public accounting firm to assist the IG in issuing an opinion on the agency's fiscal year 2007 financial statements. Finally, the OIG issued two semiannual reports to Congress discussing the Office's audit and investigative activity for the fiscal year.

During fiscal years 2009 and 2010, the OIG will continue to place high priority on audits and reviews with the objective of improving agency programs and operations. The OIG will complete statutorily-required reviews to include an audit of the agency's annual financial statements and an evaluation of the agency's information security program and privacy assurance controls as required by FISMA. We will visit FMC AR offices to assess operations and begin to focus on audits and reviews of agency mission-based programs.

The OIG will continue to actively participate in IG community activities and maintain membership in the Executive Council of Inspectors General on Integrity and Efficiency ("ECIE") and the Federal Audit Executive Council ("FAEC"). The OIG will continue to work with the OMB, ECIE and FAEC on joint projects which affect the IG community. The Office will also continue to keep the FMC Chairman, Commissioners, OMB and the Congress fully informed regarding its audit and investigative activities.

Federal Maritime Commission				
Inspector General Program				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Inspector General**	2.45	2.60	2.60
Cost:	**Salaries & Benefits**	$328,474.00	$349,756.80	$364,737.81
	Non-Personnel Expenses	$247,061.80	$222,357.12	$219,041.51
	Total Cost	**$575,535.80**	**$572,113.92**	**$583,779.32**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.00	**0.00**	**2.60**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$0.00	**$0.00**	**$583,779.32**

Operations Program

Federal Maritime Commission				
Operations				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of the Director**	4.32	3.62	4.00
	Area Representatives	8.00	8.08	8.00
	Bureau of Trade Analysis	18.38	19.40	19.90
	Bureau of Certification and Licensing	17.45	17.70	18.90
	Bureau of Enforcement	9.69	12.00	11.90
	Total FTEs	**57.84**	**60.80**	**62.70**
Cost:	**Salaries & Benefits**	$6,980,764.38	$7,665,710.00	$8,161,260.33
	Non-Personnel Expenses	$2,752,768.16	$2,912,374.93	$2,744,590.94
	Total Cost	**$9,733,532.54**	**$10,578,084.93**	**$10,905,851.27**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
14.90	**42.21**	**5.59**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$2,609,449.26	**$7,189,312.74**	**$1,107,089.27**

Office of the Director

The Director of Operations is responsible to the Chairman for the management and coordination of the:

Bureau of Trade Analysis;
Bureau of Certification and Licensing;
Bureau of Enforcement; and
Area Representatives.

The Office of Operations ("OPs") oversees the development and operation of various Commission programs and recommends new programs and necessary changes in staff objectives. The Director of Operations has been designated as the agency's Performance Improvement Officer ("PIO"). Subject to the direction of the Chairman, the PIO supervises the Commission's performance management activities, including development of the goals, plans and performance reports.

Federal Maritime Commission				
Operations				
Office of the Director (Including Area Representatives)				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of the Director**	4.32	3.62	4.00
	Area Representatives	8.00	8.08	8.00
	Total FTEs	**12.32**	**11.70**	**12.00**
Cost:	**Salaries & Benefits**	$1,696,244.00	$1,708,995.16	$1,810,307.98
	Non-Personnel Expenses	$795,392.80	$865,280.34	$825,395.10
	Total Cost	**$2,491,636.80**	**$2,574,275.50**	**$2,635,703.08**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
1.92	**9.35**	**0.73**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$447,412.47	**$2,009,288.93**	**$179,001.68**

In the PIO capacity, in fiscal year 2008, OPs led the development and draft of the agency Strategic Plan for Fiscal Years 2010-2015. The new strategic plan revises the agency's mission statement and strategic goals. The plan reflects a more streamlined and mission-focused description of the agency, its functions, and direction to achieve these goals. It highlights the Commission's primary program activities and sets performance goals designed to measure the impact of those activities on the shipping public. The Office of Management and Budget reviewed the plan, and after opportunity for public comment, the plan was submitted to Congress in December 2008.

In fiscal year 2008, OPs led the operational bureaus through oversight and guidance towards the accomplishment of many programmatic achievements. In particular, the Office worked with the bureaus and other agency offices to review and report to the Commission on emerging industry changes in all sectors. This fiscal year saw a rise in the number of OTI licenses sought and granted as well as a significant increase in the number of MTO agreements filed. In fiscal year 2008, the Commission considered some notable agreements including the Los Angeles/Long Beach/Terminal Operator Administration and Implementation Agreement, and the Los Angeles and Long Beach Port Infrastructure and Environmental Programs Cooperative Working Agreement. The Office coordinated and assisted in the bureaus' recommendations and consideration of these high-profile agreements.

The Commission's ARs act as liaisons with the shipping industry at a local level and as a resource to all bureaus and offices in the Commission. The Commission maintains a presence in Los Angeles, South Florida, New Orleans, New York, Houston and Seattle, through ARs based in each of those cities. These ARs serve other major port cities and transportation centers within their respective areas. In addition to monitoring and investigative functions, ARs represent the Commission within their jurisdictions, provide liaison between the Commission and the maritime industry and the shipping public, collect and analyze information of regulatory significance, and assess industry conditions. Liaison activities involve cooperation and coordination with other governmental agencies and departments, providing regulatory information and relaying Commission policy to the shipping industry and the public, and handling informal complaints within each representative's area of responsibility. ARs also work on Commission outreach through seminars, participation at various conferences and trade shows, presentations, and local community contacts.

In fiscal year 2008, hundreds of informal complaints were handled by the ARs. These complaints often involved unlawful activity that could not be resolved and compliance achieved informally. In other cases as required, investigations were opened by the Office of Operations. If a potential violation remains unresolved, a proceeding will be referred to the Bureau of Enforcement for further action as described later in this report.

The ARs were instrumental in the development and distribution of public service announcements issued by the Office of Operations for each major port area in fiscal year 2008, warning against the use of unlicensed OTIs. The ARs led this effort through selection of appropriate local publications. These warnings led to numerous inquiries and reports to ARs regarding licensed and unlicensed OTI activity and an apparent decrease in complaints about the activities of unlicensed entities in communities in which they were published.

In fiscal year 2008, ARs made presentations with the assistance of BCL on OTI licensing requirements and compliance for recently licensed companies, current applicants and persons interested in becoming licensed, to audiences in Florida and Hawaii. ARs also briefed or addressed key officials of the New York and New Jersey Port Authority, the New Jersey State Police, the Houston Air Cargo Association, the Houston Maritime Area Safety and Security Team, the Houston Maritime Awareness Security Terrorism Training Conference, the Memphis Multi-Modal Conference and U.S. Customs and Border Patrol.

Area Representatives participated in task forces and initiatives sponsored by local law enforcement agencies, the U.S. Department of Justice, the Department of Homeland Security, Customs and Border Patrol or Immigration and Customs Enforcement, and the Department of Commerce. This participation facilitates sharing of information on illegal activities primarily involving export.

During fiscal year 2008, the Office continued to lead BOE and BCL in review and coordination of compliance and enforcement policy. The Office worked with other Commission offices toward the integration and modernization of agency databases and the automation of key agency forms to facilitate ease of access and efficiency of agency processes.
The Office's key objectives for fiscal years 2009 and 2010 include enhancing agency programs and operations. In particular, OPs will build upon the agency's outreach efforts and raise public awareness of agency regulations and services. Through the ARs, OPs will use investigative, liaison and outreach functions to continue to increase protection of the shipping public from unlawful practices in the marketplace. OPs will review agency policies and regulations and focus on automating certain processes for the convenience of the public. OPs will continue to refine the Commission's strategic and annual performance planning and reporting process, working to focus performance goals and measures. Finally, OPs will continue to refine cooperation and integration of the three agency bureaus.

Bureau of Trade Analysis ("BTA")

The BTA plans, develops, and administers the following activities: (1) monitoring general trade conditions and economic developments in liner shipping; (2) overseeing individual and concerted carrier and MTO activity; (3) developing economic studies and analyses in support of the Commission's regulatory responsibilities; (4) processing and analyzing carrier and marine terminal agreements; (5) providing expert economic testimony and support in formal proceedings, particularly regarding unfair foreign shipping practices; (6) processing, reviewing, and monitoring confidential service contracts and amendments filed by ocean common carriers, conferences, and agreements and NSAs filed by NVOCCs; (7) reviewing requests to correct clerical or administrative errors in service contracts; (8) ensuring that statements of certain essential terms associated with service contracts are published in tariffs and made available to the public; (9) auditing tariff publishing systems to ensure that tariffs are accessible and accurate; (10) processing FMC-1 registration forms submitted by carriers and conferences and posting and updating the location of carrier tariffs on the Commission's website; (11) acting on special permission applications to deviate from tariff publishing rules; (12) monitoring the activities of state-controlled carriers; and (13) supporting other Commission components with regard to the Commission's regulatory requirements.

Federal Maritime Commission				
Bureau of Trade Analysis				
Office of the Director				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of the Director**	4.42	4.00	3.90
Cost:	**Salaries & Benefits**	$685,089.92	$584,630.80	$578,011.52
	Non-Personnel Expenses	$791,951.20	$852,648.97	$824,811.78
	Total Cost	**$1,477,041.12**	**$1,437,279.77**	**$1,402,823.30**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
2.05	**1.17**	**0.68**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$736,482.23	**$420,846.99**	**$245,494.08**

The three operating offices under the supervision of the Bureau Director are: the Office of Service Contracts and Tariffs, the Office of Economics and Competition Analysis, and the Office of Agreements. The Office of Service Contracts and Tariffs is responsible for processing, reviewing, and monitoring confidential service contracts and NSAs and ensuring that the statements of certain essential terms associated with service contracts and NSAs are published and made available to the public. Further, the Office ensures that carrier tariffs are accessible and accurate; that the location of carrier tariffs as submitted in FMC-1 registration forms is correct; and that those locations are published on the Commission's website and updated on a periodic basis.

The Office of Economics and Competition Analysis develops and administers programs overseeing individual and concerted carrier activities, carriers' dealings with shippers and intermediaries, activities of state-controlled carriers in U.S. foreign commerce, foreign shipping practices, and overall U.S. liner trade conditions. The Office of Agreements is responsible for processing and analyzing carrier and marine terminal agreements filed with the Commission and maintaining various agreement databases.

Office of Service Contracts and Tariffs

The Shipping Act allows ocean common carriers, either individually or through agreements, to negotiate and execute service contracts with one or more shippers or shippers' associations. Under service contracts, shippers make a commitment to provide a certain volume or portion of cargo over a fixed period of time, and carriers commit to a specified rate and a defined service level. These contracts are filed confidentially with the Commission.

Contract flexibility enables carriers to tailor their transportation services to the specific commercial and operational needs of shippers. Overall, service contracts continue to be the predominant pricing mechanism due primarily to their efficiency, flexibility, and confidentiality.

Federal Maritime Commission				
Bureau of Trade Analysis				
Office of Service Contracts & Tariffs ("OSCT")				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**OSCT**	5.02	5.40	6.00
Cost:	**Salaries & Benefits**	$482,127.50	$557,933.61	$658,055.59
	Non-Personnel Expenses	$3,654.24	$0.00	$0.00
	Total Cost	**$485,781.74**	**$557,933.61**	**$658,055.59**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
2.80	**2.30**	**0.90**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$307,092.61	**$252,254.64**	**$98,708.34**

On December 4, 2008, the Commission's automated SERVCON system received the two millionth service contract filing. During fiscal year 2008, the Bureau received 44,438 service contracts and 294,880 contract amendments. There were 64 new service contract filing registrations in fiscal year 2008.

In fiscal years 2009 and 2010, the Bureau will continue to assess and evaluate the efficiency of the SERVCON system.

NVOCC Service Arrangement Program Activities

In January 2005, the Commission permitted NVOCCs to enter into NSAs with their shipper customers. Since NSAs were first allowed, more than 730 entities have registered to file NSAs. During fiscal year 2008 alone, 990 original NSAs and 1,434 amendments were filed by 63 NVOCCs.

Tariff Program Activities

The Shipping Act requires carriers and conferences to publish their tariffs electronically. Tariffs are to be made available, typically through Internet access, to any person, without time, quantity, or other limitation. Carriers are permitted under law to charge a reasonable fee for providing public access to their tariffs. The Bureau reviews and monitors the accessibility and accuracy of these private systems, and reviews published tariff material for compliance with the Shipping Act's requirements.

The Bureau evaluates applications for special permission to deviate from tariff publishing rules and regulations. During fiscal year 2008, the Bureau received and processed seven special permission applications.

Unlike carriers, MTOs have the option of publishing or not publishing schedules of their rates, regulations, and practices, including limitations of liability for cargo loss or damage. Last year, 152 MTOs made their schedules available to the public.

The Bureau monitors the tariff activity and the service contracts of controlled carriers. Under the Shipping Act, no controlled carrier (that is, a carrier whose majority ownership is controlled by a foreign government) may maintain rates or charges in its tariffs or service contracts that are below a level that is just and reasonable, or establish or maintain unjust or unreasonable classifications, rules, or regulations in those tariffs or service contracts. In addition to monitoring the activities of known controlled carriers, the Bureau reviews trade publications to identify carriers that might be controlled by a foreign government.

The Bureau also collects and processes information provided by carriers, MTOs, and OTIs concerning, among other things, the Internet location of their tariffs and schedules. These Internet locations are made available to the shipping public via the Commission's website. Last year, the Bureau posted on the agency's website 4,543 active/current tariff/schedule Internet addresses. Also, the Bureau posted the historical tariff addresses for 2,456 inactive/cancelled tariffs.

In fiscal year 2008, the Commission received, processed and reviewed 1,625 Form FMC-1 filings. At the end of the year, there were 4,061 NVOCCs, 324 VOCCs, 6 conferences and 152 MTOs with FMC-1 forms on file indicating the location of their tariffs or MTO schedule publications.

Formal Proceedings

The Bureau furnishes support in formal Commission proceedings arising in the areas of its expertise. The Bureau provides analyses and recommendations on petitions, information demand orders, and Commission-initiated rulemakings, and provides expert witness testimony in investigations of potential statutory violations and unfair foreign shipping practices. Further, the Bureau prepares economic testimony in Commission investigations.

In fiscal year 2008, the Bureau participated in the following matters: (1) providing cost data for, and a regulatory impact analysis of, a draft proposed rule to update the FMC's filing and service fees to reflect 2007 costs; (2) conducting semi-annual meetings with agreement representatives pursuant to the settlement terms of the Fact Finding Investigation No. 25, *Practices of Transpacific Stabilization Agreement Members Covering the 2002-2003 Service Contract Season*; and (3) issuance of Section 15 Orders to vessel-operating common carriers in the U.S.-Australia and New Zealand northbound and southbound trades.

BTA's support of formal proceedings during fiscal years 2009 and 2010 will depend on the number and subject matter of the proceedings initiated over the period. The Bureau anticipates the need for a rulemaking to modify the Commission's regulations for agreements in 46 CFR part 535 to provide for an electronic filing system and revise the Information Form and Monitoring Report requirements. In addition, the Bureau will support the Commission's continuing efforts to address unfair foreign shipping practices under 46 U.S.C. 42101-42307 and the pricing practices of controlled carriers.

<u>Office of Economics and Competition Analysis</u>

To keep the Commission apprised of current trade conditions, emerging commercial and economic trends, and the impact of regulations affecting ocean liner transportation, the Bureau prepares studies and profiles of major trades, monitoring reports, economic analyses, and agreement/carrier profiles, and undertakes special projects to identify and track relevant competitive and economic activity in major U.S. trade lanes. The Bureau's monitoring activities include surveillance programs to identify: (1) concerted activity without an effective agreement on file with the Commission, or concerted activity exceeding the scope or authority of an effective agreement; (2) activity contravening the mandatory conference agreement provisions required under 46 U.S.C. 40303; (3) the potential for, or emergence of, unreasonable service reductions/cost increases that contravene the general standard in 46 U.S.C. 41307(b)(1); (4) controlled carrier activity in accordance with the statutory requirements in 46 U.S.C. 40701-40706; (5) the occurrence of prohibited activities as proscribed in 46 U.S.C. 41101-41106; (6) economic harm associated with unfair trade practices of foreign governments; and (7) whether the continued operation of an effective agreement in its present form is consistent with the statutes and current Commission decisions, rules, and policies. Activities conducted under certain types of operational agreements among MTOs, particularly those with rate authority, also are monitored. The efficiency claims of these latter agreements are reviewed regularly. The Bureau also develops profiles of major trade areas to assess carrier behavior under agreements, to determine compliance with regulatory requirements, and to ascertain the competitive posture of carriers, shippers, and shippers' associations within each trade.

Federal Maritime Commission				
Bureau of Trade Analysis Office of Economics & Competition Analysis ("OECA")				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**OECA**	4.94	6.00	6.00
Cost:	**Salaries & Benefits**	$614,414.62	$737,692.43	$781,870.44
	Non-Personnel Expenses	$7,588.50	$0.00	$0.00
	Total Cost	**$622,003.12**	**$737,692.43**	**$781,870.44**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
3.60	**2.05**	**0.35**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$469,122.26	**$267,139.07**	**$45,609.11**

In fiscal year 2008, BTA administered its oversight activities of agreements and prepared various reports and analyses. These included: (1) an initial analysis and list of questions for the Commission's Request for Additional Information on the *Los Angeles/Long Beach/Terminal Operator Administration and Implementation Agreement*, a review of the parties' responses, and an impact analysis of the agreement; (2) the close monitoring of the parties' activities under the *Los Angeles and Long Beach Port Infrastructure and Environmental Programs Cooperative Working Agreement* regarding the CTP and related activities; this involved, *inter alia*, increasing the parties' reporting requirements, reviewing minutes of the parties' meetings, meeting with interested parties and groups, responding to Congressional inquiries, requiring amendment filings to the agreement, analyzing agreement amendments and recommending any necessary action under the Shipping Act; (3) an initial impact analysis of the *Port of NY/NJ Sustainable Services Agreement* between MTOs to discuss port-related environmental and security matters; (4) the initiation of a study to gauge the impact on the U.S. trades of the repeal by the European Union ("EU") of the block exemption [Council Regulation (ECC) No. 4056/86] for liner shipping conferences in the EU trades, with data spanning several years before and after the repeal; (5) an analysis of data and information for the Commission on the market variables currently affecting the availability of containers and vessel space, especially in the U.S. trades to Asian countries, for shippers of U.S. exported goods in response to informal complaints; (6) a study with recommendations to the Commission on conditions affecting competition created by carrier agreements in the U.S. trade with Australia/New Zealand; and (7) the development and implementation of a secured electronic filing system with search and retrieval functions for reports of data and information filed by agreements pursuant to the Commission's agreement reporting regulations.

Other Bureau projects and initiatives completed or begun in fiscal year 2008 included: (1) competitive impact analyses of agreements and agreement modifications and ongoing analyses of periodic data and information of effective agreements to ensure their compliance with the Shipping Act; (2) continued efforts to correct compliance issues and problems with the Monitoring Reports and minutes of agreement meetings filed by parties to agreements subject to the Commission's reporting regulations; (3) the development and implementation of modified Monitoring Report requirements for a number of rate discussion agreements between carriers; (4) a review of service contract and tariff data in response to informal complaints about emergency bunker fuel surcharges implemented by the carrier parties to the TSA due to the escalating cost of fuel; (5) a review of the effectiveness, after three years of operation, of the PierPASS program implemented under the *West Coast MTO Agreement* to relieve congestion at the Ports of Los Angeles/Long Beach; (6) an initial analysis assessing the competitive impact of capacity changes caused by membership and service modifications to the *U.S. Pacific Coast – Oceania Agreement*; (7) a report to the Commission, with updated data, assessing the competitive impact of the revenue pooling arrangement under the *Southern Africa/Oceania Agreement*; (8) an initial impact analysis of the *Port of Seattle/Port of Tacoma Puget Sound Air Quality Discussion Agreement* permitting the parties to discuss and address environmental matters relating to port and marine terminal operations; (9) an evaluation of the guidelines of the European Commission (EC) applying the competition laws of the EU to maritime transport; (10) monitoring of developments on the EC's review of its block exemption regulations for consortia agreements between carriers [Commission Regulation No. 823/2000]; (11) assistance with data and information on agreements and trade conditions for the Commission's hearings before Congress and the official speaking engagements of FMC Commissioners; and (12) responses to requests, inquiries, and informal complaints on carrier agreements and related agreement trade matters.

During the fiscal year, BTA received 1,016 sets of agreement meeting minutes and 199 monitoring reports containing market share, cargo volumes, revenue, and service data for agreement parties, including capacity and capacity utilization data for certain types of agreements. Monitoring reports are filed quarterly by agreements classified as potentially anticompetitive, such as conference agreements and agreements with rate and/or capacity rationalization authority. The Bureau reviews these reports for filing compliance and uses the data to support its monitoring activities. In fiscal year 2008, several carrier agreements began using, on a voluntary basis, the Bureau's new web-based system for filing meeting minutes, monitoring reports and voluntary service contract guidelines. A majority of such documents are now being received in this manner. In addition, in fiscal year 2008, five applications for waivers to the minutes and/or monitoring report filing requirements were reviewed and processed.

In fiscal years 2009 and 2010, the Bureau will continue to monitor agreement activities and trade conditions, to prepare reports and economic analyses on developments and issues in key U.S. trades, to report on the activities of controlled carriers, and to respond to inquiries and informal complaints. The Bureau also will focus on: (1) conducting research in support of the statutory standards and the requirements of relevant Commission regulations overseen by this Bureau, as well as other bureaus and offices in the agency; (2) assessing the impact and effectiveness of the regulations governing agreements in 46 CFR part 535; (3) expanding the Port Import Export Reporting Service ("PIERS") interactive system to incorporate additional data at the level of individual bills of lading and the representation of data cartographically; (4) improving the Commission's monitoring program of agreements designed to address such supply-chain and operational issues as port congestion, security, air pollution and environmental concerns that affect local communities and the industry; (5) conducting a thorough analysis of how vessel operators and MTOs are using antitrust immunity under the Shipping Act in the current market environment; and (6) completing major sections of the Bureau's impact study on the repeal of the European Union's block exemption for liner shipping conferences, especially those sections pertaining to historic periods prior to the repeal. In addition, the Bureau will continue to assist the Commission's investigative and enforcement initiatives, and oversee international trade issues, such as unfair foreign shipping practices. As a Commission representative, the Bureau will continue to participate with the U.S. Customs and Border Protection in development of the Automated Commercial Environment/International Trade Data System ("ACE/ITDS"). The Bureau also will participate in the Maritime Data Working Group and the Interagency Action Team for the National Committee on the Marine Transportation System dealing with data collection and information management issues.

<u>Office of Agreements</u>

The focus of BTA's Agreements Program is to analyze what impact carrier or terminal agreements will have on competition, in particular whether it is likely that agreements will result in an unreasonable increase in transportation cost or decrease in service.

Federal Maritime Commission				
Bureau of Trade Analysis Office of Agreements				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Agreements**	4.00	4.00	4.00
Cost:	**Salaries & Benefits**	$341,496.57	$393,548.55	$421,182.62
	Non-Personnel Expenses	$6,488.25	$0.00	$0.00
	Total Cost	**$347,984.82**	**$393,548.55**	**$421,182.62**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
2.50	**1.25**	**0.25**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$263,239.14	**$131,619.57**	**$26,323.91**

During fiscal year 2008, BTA received 183 agreement filings. The Bureau reviewed, evaluated, and processed 176 filings, including three pending from fiscal year 2007. Agreement filings in 2008 were only down by eight from 2007.

In 2008, there were 226 effective carrier agreements on file, an increase of three from fiscal year 2007. The number of carrier agreements on file has remained relatively stable since fiscal year 2003, when there were 231 agreements on file. Operational agreements, those involving the sharing of vessel space, continued to be the predominant type of agreement on file, accounting for 70% of agreements on file in 2008. Conferences, once the dominant pricing forum, accounting for 28% of all effective carrier agreements in 1983 and 12% in 1998, have lost much of their influence over the last ten years, amounting to just 3% of all effective agreements in 2008.

The number of marine terminal agreements on file continues to fall as terminal operators take advantage of the Commission's filing exemption for terminal leases and terminal services agreements. In 2008, there were 182 terminal agreements on file, down from 255 at the end of 2007. Although the fall in the number of agreements can be attributed mostly to the filing exemptions, BTA contacted various ports and ascertained that a number of older agreements that were on file had been terminated. The foregoing notwithstanding, the Bureau has seen an increase in the number of new discussion agreements among MTOs, especially those concerning environmental issues. Since fiscal year 2005, the number of MTO discussion agreements on file has increased by 85 percent, from 7 to 13. This increase represents the largest percentage gain by any class of MTO agreement~~s~~ during that period. During that same time frame, the number of MTO conferences dropped by 33%, from 15 to 10.

BTA also receives and reviews minutes of meetings and reports filed by various agreement parties. As discussed below, in fiscal year 2008 the Bureau received 1,016 sets of minutes, 199 monitoring reports, 197 Voluntary Contract Guidelines ("VSCGs"), 24 ad hoc reports, and 5 applications for waivers to the minutes and/or monitoring report filing requirements that were reviewed and processed.

Agreement regulations enacted in fiscal year 2005 allow for low market-share agreements without pricing or capacity rationalization authorities to become effective upon filing. From fiscal year 2005 through fiscal year 2007, the percentage of new agreements filed that qualified for the low market share exemption increased from 12% to almost 30%. In 2008, the percentage of agreement filings that qualified for the exemption dipped to 19%.

During the year, BTA analyzed the potential impacts of a number of significant agreement filings, including: a discussion agreement among MTOs in the Port of New York/New Jersey (*Port of NY/NJ Sustainable Services Agreement*); a non-compete agreement between vessel-operating common carriers related to a corporate acquisition (*Hoegh/Maersk Ancillary Agreement*); a cooperative working agreement between the cities of Los Angeles and Long Beach, acting through their respective boards of harbor commissioners, and the members of the West Coast MTO Agreement to collect and exchange information, engage in discussions, and reach agreement with respect to the administration and operation of environmental programs beneficial to the Los Angeles/Long Beach port community (*Los Angeles/Long Beach/Terminal Operator Administration and Implementation Agreement*); an information exchange agreement among carriers serving the European trades (*The Container Trades Statistics Agreement*) which replaced the conference that was in effect in the trade, and five marine terminal joint venture, cooperative working agreements that established joint ventures to operate marine terminal facilities in the Gulf, South Atlantic, and Pacific Northwest regions.

The Bureau maintains an agreements database and e-library containing up-to-date information pertaining to, and copies of, effective agreements. In fiscal year 2008, the Bureau completed links in its database to copies of its marine terminal agreements in its e-library, giving the public direct access to copies of such agreements through the agency's website. The number of hits on the agreements library on the agency's website averaged 706 per month during fiscal year 2008, a 45% increase from last year.

In fiscal years 2009 and 2010, the Bureau, in conjunction with the agency's Office of the Secretary and the Office of Information Technology, expects to enhance public access to agreements and to develop and implement procedures for the electronic filing of agreements.

Bureau of Certification and Licensing ("BCL")

The BCL licenses U.S.-based OTIs, including ocean freight forwarders and NVOCCs; receives surety bonds and processes registrations for foreign-based (unlicensed) NVOCCs; issues certificates to owners and operators of passenger vessels that have evidenced financial responsibility to satisfy liability incurred for nonperformance of voyages or for death or injury to passengers and other persons; manages programs assuring financial responsibility of OTIs and PVOs by developing policies and guidelines, and analyzing financial documents; and develops and maintains information systems that support the Bureau's programs and those of other Commission entities.

The Bureau is composed of two offices: the Office of Transportation Intermediaries, which has responsibility for reviewing and approving applications for OTI licenses, and maintaining and updating records about licensees; and the Office of Passenger Vessels and Information Processing, which has responsibility for reviewing applications for certificates of financial responsibility with respect to passenger vessels, managing all activities with respect to evidence of financial responsibility for OTIs and PVOs, and for developing and maintaining all Bureau databases.

Federal Maritime Commission

Bureau of Certification and Licensing

Office of the Director

		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of the Director**	4.14	4.00	3.90
Cost:	**Salaries & Benefits**	$601,315.00	$574,374.02	$589,924.65
	Non-Personnel Expenses	$589,151.99	$638,283.39	$602,890.48
	Total Cost	**$1,190,466.99**	**$1,212,657.41**	**$1,192,815.13**

FY 2010 FTE by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2	Strategic Goal 3
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.00	**2.95**	**0.95**

FY 2010 Cost by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2	Strategic Goal 3
$0.00	**$902,257.60**	**$290,557.53**

Office of Passenger Vessels and Information Processing

The Commission administers 46 U.S.C. §§ 44102-44103, which requires evidence of financial responsibility for vessels which have berth or stateroom accommodations for 50 or more passengers and embark passengers at U.S. ports and territories. The program now encompasses 203 vessels and 48 operators, which have evidence of financial responsibility coverage in excess of $339 million for nonperformance and over $725 million for casualty. Certificates of performance cover financial responsibility for indemnification of passengers for nonperformance of transportation. This requirement helps prevent unscrupulous or financially weak operators from entering or operating from U.S. ports. Some potential operators with unfavorable histories may find it difficult or impossible to obtain a bond from a reputable surety company. The financial responsibility requirement ensures that liability will be met even after an operator has ceased operations and dissolved its corporate existence because the evidence of financial responsibility is still valid and available to claimants against the guarantor. Certificates of casualty are required to meet any liability that may occur for death or injury to passengers or other persons on voyages to or from U.S. ports in the amounts established by the statute. The certificates issued pursuant to this program are necessary for U.S. Customs and Border Protection’s clearance of thousands of passenger vessel sailings annually. During fiscal year 2008, the Commission approved and issued 30 casualty certificates and 37 performance certificates, an increase of 20% and 6%, respectively, from the previous fiscal year.

In conjunction with CADRS, the Bureau offers information and guidance to the cruising public throughout the year on passenger rights and obligations regarding monies paid to cruise lines that fail to perform voyages. Over the past few years, a number of cruise operators discontinued operations or filed for bankruptcy. When cruise lines fail to perform because of bankruptcies or other failures, the Commission works closely with the cruise line and the financial responsibility provider, if necessary, to facilitate the refund process. The public is kept informed through press releases posted on the Commission’s website and advice given to passengers who contact FMC staff. During fiscal year 2008, one cruise operator under the Commission’s PVO program ceased operation and none filed for bankruptcy. Staff continued to assist passenger vessel operators and financial responsibility providers to resolve passenger claims for several cancelled cruises.

The Bureau examines PVO activities and operations by monitoring current industry events and reviewing cruise lines’ financial records. Oversight of cruise line operators’ operations and activities ensures compliance with applicable statutes and Commission regulations. One component of the Bureau’s PVO monitoring program is to perform on-site reviews of PVOs’ financial responsibility. The on-site review confirms the passenger vessel operator’s compliance with the Commission’s reporting requirements relating to unearned passenger revenue and the appropriate amount of coverage required to ensure adequate financial responsibility.

Federal Maritime Commission				
Bureau of Certification and Licensing				
Office of Passenger Vessels & Information Processing ("OPVIP")				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**OPVIP**	5.38	5.59	6.00
Cost:	**Salaries & Benefits**	$589,349.00	$643,522.75	$664,972.08
	Non-Personnel Expenses	$2,903.53	$0.00	$0.00
	Total Cost	**$592,252.53**	**$643,522.75**	**$664,972.08**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.00	**5.45**	**0.55**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$0.00	**$604,016.31**	**$60,955.77**

During fiscal year 2008, staff conducted an on-site review of a cruise line which established its financial responsibility with an escrow account; developed PVO procedures to assist staff review of the monitoring process; and completed two internal reviews of the PVO files to assess the internal control practices implemented to ensure cruise line operators provide timely and accurate information with respect to the submission of reports and records.

In fiscal years 2009 and 2010, BCL will continue to accomplish the Commission's goal related to assuring that the PVO program meets the contemporary needs of the cruising public. The Bureau will enhance the PVO monitoring program by performing one on-site review of a cruise line's unearned passenger revenue each year; conduct quarterly reviews of the PVO monitoring files to ensure cruise line operators provided timely and accurate information with respect to the submission of reports and records; and make appropriate corrections in staff procedures and monitoring schedules, and follow up to ensure that the new procedures are timely implemented.

Automated Database Systems

During fiscal year 2008, BCL continued to modernize and expand the RPI, a Commission database containing up-to-date records of licensed OTIs, ocean common carriers and other entities. Among other data uses, the RPI is used to post on the Commission's website a list of OTIs which are compliant with OTI requirements so that carriers and others can ascertain whether an OTI is properly licensed, bonded, and if required, has posted the location of its automated tariff. The OTI list also indicates whether an NVOCC has filed an optional rider for additional proof of NVOCC financial responsibility. Also, in conjunction with the agency's OIT, BCL developed a plan to automate the PVO Application Form FMC-131, *Application for Certificate of Financial Responsibility*, and conducted a corresponding requirements analysis to facilitate the filing of PVO applications.

In fiscal years 2009 and 2010, the Bureau also will continue to work with the OIT to initiate a redesign of the OTI list maintained on the Commission's website to increase accessibility to information, facilitate public search capability, and make it more interactive for users.

Office of Transportation Intermediaries

OTIs are transportation middlemen for oceanborne cargo moving in the U.S.-foreign trades. There are two types: NVOCCs and ocean freight forwarders. NVOCCs are common carriers who do not operate the vessels by which transportation is provided. Ocean freight forwarders in the U.S. arrange for the transportation of cargo with a common carrier on behalf of shippers and process documents related to those shipments. Both NVOCCs and ocean freight forwarders must be licensed by the Commission if they are located in the U.S. NVOCCs doing business in the U.S. foreign trades but located outside the U.S. (foreign NVOCCs) may choose to become licensed, but are not required to do so. Whether licensed or not, foreign NVOCCs must establish financial responsibility. All NVOCCs must publish electronic tariffs which contain the NVOCC's rates, charges, rules and practices.

Federal Maritime Commission				
Bureau of Certification and Licensing Office of Transportation Intermediaries				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Transportation Intermediaries**	7.93	8.11	9.00
Cost:	**Salaries & Benefits**	$723,018.00	$823,133.20	$879,969.16
	Non-Personnel Expenses	$12,737.32	$0.00	$0.00
	Total Cost	**$735,755.32**	**$823,133.20**	**$879,969.16**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.00	**8.30**	**0.70**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$0.00	**$811,527.11**	**$68,442.05**

To become licensed by the Commission, an OTI must establish that it, through its Qualifying Individual ("QI"), has a minimum of three years of experience in ocean transportation intermediary activities in the U.S. and the necessary character to render OTI services as well as establish its financial responsibility by means of a bond, insurance, or other instrument. An investigation of the applicant's qualifications addresses such issues as accuracy of information provided in its application; integrity and financial responsibility of the applicant; character of the applicant and its QI; and length and nature of the QI's experience handling OTI duties. Licensed ocean freight forwarders must establish financial responsibility in the amount of $50,000, and licensed NVOCCs, $75,000. An additional $10,000 of coverage is required for each unincorporated branch office in the United States other than the one used to establish a presence. If an OTI is a licensed NVOCC, it must file a Form FMC-1 and publish a tariff. Furthermore, non-U.S.-based NVOCCs that do not wish to be licensed must provide the Commission with proof of financial responsibility in the amount of $150,000, file a Form FMC-1, and ensure a tariff is published at the site listed on the Form FMC-1. A non-U.S.-based NVOCC must list in its tariff an agent for service of process in the United States, and it must use a licensed OTI for any OTI services performed on its behalf in the United States. The financial instrument must be available to pay claims against the OTI arising from its transportation-related activities, any order of reparation assessed under the Shipping Act, and any judgments for damages against an OTI arising from its transportation-related activities under the Shipping Act.

During fiscal year 2008, the Commission received 502 new OTI applications and 236 amended applications, issued 474 OTI licenses, revoked 227 licenses, and reissued 13 licenses. At the end of the fiscal year, 1,136 ocean freight forwarders, 1,720 U.S. NVOCCs, 1,367 joint NVOCC/ocean freight forwarders, and 49 foreign NVOCCs held active OTI licenses. An additional 1,032 foreign NVOCCs maintained proof of financial responsibility on file with the Commission, but chose not to be licensed. Overall, there has been a gain of 254 licensed and/or bonded OTIs, representing a 5% increase from 5,050 OTIs in fiscal year 2007 to 5,304 in fiscal year 2008. U.S. NVOCCs may file riders to their existing NVOCC bonds to meet financial responsibility requirements imposed by the Chinese government. The Commission received 103 riders providing optional proof of financial responsibility for NVOCCs serving in the U.S.-China trade.

The Bureau continues to experience a backlog of applications. Much of the delay in processing occurs because data provided with the initial submission is incomplete. This requires the staff to contact the applicant and request the necessary information before making a determination to issue a license. BCL continues to work diligently with OTI applicants, seeking to promote accurate and complete submissions and to process such applications within 90 business days of receipt.

In fiscal year 2008, the Bureau implemented electronic filing of an automated Form FMC-18, *Application for an Ocean Transportation Intermediary License*, permitting filers to complete an OTI application on-line, scan and attach required documents, and submit the application electronically. The filing system incorporates significant security features for the purpose of protecting applicant data, and detecting and preventing unauthorized system intrusions. At the present time, approximately 80% of all incoming OTI applications received are from the electronic system. The FMC continued its outreach program and promoted awareness of OTI licensing requirements. Specifically, in conjunction with the efforts of Hawaii State Representative John Mizuno's office, FMC personnel addressed the interests and needs of Representative Mizuno's constituents by presenting a general information session to those involved in OTI activities which necessitate licensing. Further, staff participated at the Florida Customs Brokers and Forwarders Association Seminar, *How to Obtain an OTI License/Responsibilities of an OTI under the Shipping Act and Regulations*.

In fiscal years 2009 and 2010, BCL will carry on efforts to design additional enhancements to the electronic Form FMC-18 system to expedite licensing, including the functionality for electronic payments, e-signature capability, electronic filing of bond information and further explore integration of FMC databases. Also, in fiscal year 2009, the Bureau will continue its outreach and programs to promote awareness of OTI requirements.

Bureau of Enforcement ("BOE")

The BOE has primary responsibility for ensuring compliance with the shipping statutes administered by the Commission, principally the Shipping Act. The Bureau is actively involved in the Commission's outreach activities and interacts regularly with all segments of the ocean transportation industry. The Bureau is also active in maritime security and works closely with the agency's BCL to promote prompt licensing of all qualified OTIs, and with the Department of Homeland Security's ("DHS") CBP to ensure submission of complete and accurate shipping data. Bureau attorneys also serve as legal advisors to the Director of OPs and to other bureaus and offices, and may be designated as Investigative Officers in nonadjudicatory fact finding proceedings. Additionally, Bureau attorneys work closely with the Commission's investigatory personnel and participate as trial counsel in formal adjudicatory proceedings. The Bureau monitors all other formal Commission proceedings and relevant court actions in order to identify major regulatory issues and to advise the Director of OPS and the other bureaus and offices. The Bureau also participates with other bureaus and offices in committees and task forces in the development of Commission policies, rules, and regulations. The Bureau also intervenes in formal complaint proceedings where appropriate.

With investigative personnel, the Bureau monitors and conducts investigations into the activities of ocean common carriers, OTIs (NVOCCs and freight forwarders), shippers, ports and terminals, and other persons to ensure compliance with the statutes and regulations administered by the Commission, thereby providing maximum protection to all participants in the ocean transportation shipping industry. Monitoring activities include: (1) service contract and NSA reviews to determine compliance with applicable statutes and regulations; (2) reviews of VOCC and OTI operations, including monitoring OTI compliance with bonding requirements and post-licensing and routine compliance checks of licensees to determine whether operations conform with regulatory requirements; and (3) monitoring operation of carrier and MTO agreements, including review of minutes and quarterly reports. Investigations are conducted into alleged violations of the full range of statutes and regulations administered by the Commission, including: illegal rebating, misdescriptions or misdeclarations of cargo, illegal or unfiled agreements, abuses of antitrust immunity, unlicensed OTI activity, untariffed cargo carriage, unbonded passenger vessel operations, unlawful MTO activity and various types of consumer abuses, such as failure of carriers or intermediaries to carry out transportation obligations, resulting in cargo delays and financial losses for shippers. Through these activities, the enforcement program supports the agency's objectives of obtaining statutory compliance and ensuring equitable trading conditions and focusing enforcement efforts on activities which have market-distorting effects and those which impact most directly on the shipping public.

BOE prepares and serves notices of violations of the shipping statutes and Commission regulations and may compromise and settle civil penalty demands arising out of those violations. If settlement is not reached, Bureau attorneys act as prosecutors in formal Commission proceedings that may result in settlement or in the assessment of civil penalties. The Bureau participates, in conjunction with other bureaus, in special enforcement initiatives, fact finding investigations, ADR processes, rulemaking efforts, and homeland security issues.

Federal Maritime Commission				
Bureau of Enforcement				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of the Director**	9.69	12.00	11.90
Cost:	**Salaries & Benefits**	$1,247,709.77	$1,641,879.48	$1,776,966.29
	Non-Personnel Expenses	$542,900.33	$556,162.23	$491,493.58
	Total Cost	**$1,790,610.10**	**$2,198,041.71**	**$2,268,459.87**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
2.03	**9.39**	**0.48**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$386,100.55	**$1,790,362.52**	**$91,996.80**

During fiscal year 2008, BOE worked to obtain statutory compliance in all major trades and with all segments of the transportation industry, i.e., carriers, carrier agreements, MTOs, PVOs, and OTIs. The Bureau also initiated actions to address and seek compliance for market-distorting activities such as various forms of secret rebates and absorptions, misdescriptions of commodities and misdeclarations of measurements, illegal equipment substitution, unlawful use of service contracts, as well as carriage of cargo by and for untariffed and unbonded NVOCCs and joint carrier activities outside the authority of existing agreements or pursuant to unfiled agreements. Particular emphasis was placed on industry service contracting activities to ensure fair trading conditions and protection of the public. Most of these malpractice investigations result in compromise settlements of civil penalties or are treated as compliance matters and closed without action. However, certain investigations of carrier and MTO practices have required the institution of formal adjudicatory proceedings in order to pursue remedies under the 1984 Act.

A major investigation was initiated late in fiscal year 2008 into the respective Clean Truck Programs of Los Angeles and Long Beach, CA, including the ports' operations and practices under several agreements filed with the Commission. The Bureau also continued its ongoing investigation of household goods movers operating as unlicensed OTIs, including investigation of the VOCCs and licensed NVOCCs that provide service to the unlicensed movers.

In fiscal year 2008, the compliance audit program continued as a major focus of BOE. This program, conducted from headquarters primarily by mail and telephone, reviews the operations of licensed OTIs to assist them in complying with the statutory requirements and the Commission's rules and regulations. The audit program also reviews entities holding themselves out as VOCCs, but with no indication of actual vessel operations. At the beginning of fiscal year 2008, six audits were pending. During the fiscal year, 117 audits were commenced, 116 audits were completed, and 7 were pending in the Bureau on September 30, 2008.

At the beginning of fiscal year 2008, 18 enforcement cases were pending final resolution by the Bureau, 7 formal proceedings were pending, and there were 78 matters pending legal advice. During the fiscal year, 21 new enforcement actions were commenced; 14 were compromised and settled, administratively closed, or referred for formal proceedings; and 25 enforcement cases were pending resolution at fiscal year's end. Also, four formal proceedings were initiated; two formal proceedings were completed, and nine were pending at the end of the fiscal year. Additionally, 77 matters involving investigation or legal advice were received during the fiscal year, 62 such matters were completed, and 93 were pending in the Bureau on September 30, 2008.

In fiscal years 2009 and 2010, the Bureau will continue to take steps against market-distorting, fraudulent, and anticompetitive practices harmful to the industry and the public and to monitor U.S. trades and the implementation of the Commission's revised regulations, including those resulting from OSRA, to the extent that resources permit. The Bureau will continue to take action against VOCCs and NVOCCs engaged in unfair service-contracting practices, particularly those which permit improper entities to compete unlawfully with carriers and OTIs operating in compliance with U.S. laws, and will expand the OTI monitoring and audit programs. The enforcement and monitoring activities will include focusing on the unlawful operations of household goods carriers - both licensed and unlicensed - which have increasingly caused economic harm to individual consumers, as well as competitive injury to those carriers operating lawfully.

BOE will continue to review the operations of MTOs and, together with other Commission bureaus and offices, will monitor MTO-filed agreements to ensure compliance with the Shipping Act and the Commission's regulations. The Bureau will also continue its monitoring of NVOCC activity involving NSAs. Public outreach efforts will continue to educate maritime transportation users and providers with regard to FMC statutes and regulations, and the program will continue to improve participation in security issues as they relate to U.S. ocean commerce, specifically to include efforts to coordinate the use of available database systems with other agencies or government groups engaged in homeland security to improve identification of entities providing and utilizing maritime transportation services.

Administration Program

Administration				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of the Director**	3.82	3.31	4.00
	Office of Information Technology	5.92	7.00	7.00
	Office of Human Resources	4.12	6.29	4.00
	Office of Financial Management	5.00	5.00	5.00
	Office of Management Services	4.77	5.00	5.00
	Total FTEs	**23.63**	**26.60**	**25.00**
Cost:	**Salaries & Benefits**	$2,720,931.00	$2,838,078.04	$3,136,771.18
	Non-Personnel Expenses	$2,748,679.46	$1,837,704.11	$1,678,158.37
	Total Cost	**$5,469,610.46**	**$4,675,782.15**	**$4,814,929.55**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
3.70	**7.20**	**14.10**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$715,492.99	**$1,331,914.83**	**$2,767,521.73**

Office of Administration ("OA")

Office of the Director

The OA provides administrative support to the program operations of the Commission. OA interprets governmental policies and programs and administers these consistent with Federal guidelines, including those involving procurement, information technology, financial management and human resources. OA initiates recommendations, collaborating with other elements of the Commission as warranted, for long-range plans, new or revised policies and standards, and rules and regulations, with respect to its program activities. The Director is responsible for the direct administration and coordination of the:

Office of Information Technology;
Office of Human Resources;
Office of Financial Management; and
Office of Management Services.

Many of the functions and achievements of OA are reflected below in the narratives for these offices.

The Director provides administrative guidance to the Offices of the Chairman, Commissioners, Secretary, General Counsel, Administrative Law Judges and Operations, and administrative assistance to the Offices of the Inspector General and Equal Employment Opportunity. The Director is the FMC's Chief Acquisition Officer, Audit Follow-up and Management (Internal) Controls Official, Senior Agency Official for Privacy, and Forms Control Officer. The Director also represents the FMC as Principal Management Official on the Small Agency Council ("SAC"). As the Chief Financial Officer, the Director provides program oversight for the agency's budget and financial management responsibilities, and ensures agency compliance with the Financial Integrity Act, the Antideficiency Act, and the Debt Collection Improvement Act of 1996. OA staff act as the point of contact for the Small Business Administration's E-forms initiative.

Federal Maritime Commission

Administration

Office of the Director

		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of the Director**	3.82	3.31	4.00
Cost:	**Salaries & Benefits**	$621,546.00	$458,674.62	$639,783.91
	Non-Personnel Expenses	$228,922.97	$133,500.28	$164,355.59
	Total Cost	**$850,468.97**	**$592,174.90**	**$804,139.50**

FY 2010 FTE by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2	Strategic Goal 3
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.60	**1.00**	**2.40**

FY 2010 Cost by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2	Strategic Goal 3
$120,620.93	**$201,034.87**	**$482,483.70**

The Deputy Director of Administration is the FMC's Chief Information Officer ("CIO"). The CIO oversees the Office of Information Technology operations and activities administered under the Clinger-Cohen Act of 1996, as well as other applicable laws which prescribe responsibility for operating the program. The Deputy Director also serves as the FMC's Competition Advocate and as Records Management Officer.

During fiscal year 2008, the Office of the Director guided the agency's continuing efforts to enhance its information technology ("IT") program. The agency received an unqualified opinion in its fiscal year 2008 financial statement audit. The Office engaged in the orderly transition to the Office of Operations of responsibility for preparation of the Annual Performance Plan, the Annual Program Performance Report, and the agency Strategic Plan, as required by the Government Performance and Results Act ("GPRA"). The Office prepared the Federal Activities Inventory Reform Act report, and the PAR (which included the MD&A and the Federal Managers Financial Integrity Act report). Also during the fiscal year, the Office directed the update of internal Commission issuances that specify procedures for a variety of programs and activities, guided Commission efforts to comply with the Government Paperwork Elimination Act ("GPEA") and FISMA, and responded to Congressional inquiries. Additionally, the Office guided the development of the fiscal year 2010 baseline documents to OMB and the fiscal year 2009 President's Budget submission, and directed the audit of the Commission's fiscal year 2008 financial statements. The Office also provided primary support for the OMB clearance and records management programs, and guided the further development of the agency's COOP.

OA's key objectives for fiscal years 2009 and 2010 are: continuing to refine and enhance agency administrative programs and operations by reviewing, developing and/or updating internal Commission Orders and Standard Operating Procedures; assessing agency records disposition requirements in accordance with the National Archives and Records Administration guidelines; monitoring the accomplishment of agency performance goals, particularly those related to the implementation of Pay.gov and General Services Administration's ("GSA") Smart Pay Program for agencywide and industry acceptance of electronic payments; initiating further information technology improvements, including the replacement, integration or update of agency database systems, the upgrading of network and desktop operating systems, and the implementation of VoIP; and working with senior managers to ensure effective strategic succession planning. The Office also will take the lead in assuring that the agency-wide computer security program is effective, that the agency's financial management system receives an unqualified opinion in annual financial audits, and that the agency complies fully with the government-wide HSPD-12 initiative.

Office of Information Technology ("OIT")

OIT provides management support and services with respect to IT systems facilitating the program and administrative operations of the Commission, and thus is responsible for ensuring that the Commission's IT program is administered in a manner consistent with applicable rules, regulations and guidelines. OIT receives program guidance from the agency's CIO.

The Director, OIT serves as the Commission's Information Technology Officer, Telecommunications Manager, and Help Desk and Database Administration Manager, and oversees the IT security program. The OIT Director plans, coordinates, and facilitates the use of automated information systems.

Federal Maritime Commission				
Administration				
Office of Information Technology				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of Information Technology**	5.92	7.00	7.00
Cost:	**Salaries & Benefits**	$669,785.00	$831,757.70	$888,887.03
	Non-Personnel Expenses	$2,082,634.45	$1,242,245.57	$1,080,784.89
	Total Cost	**$2,752,419.45**	**$2,074,003.27**	**$1,969,671.92**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
1.05	**1.75**	**4.20**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$295,450.79	**$492,417.98**	**$1,181,803.15**

During fiscal year 2008, significant OIT activities included the following: (1) developed the internal side of the automated Form FMC-18, *Application for a License as a Ocean Transportation Intermediary*; (2) redesigned the Commission's RPI system; (3) converted all databases from Structured Query Language ("SQL") 2003 to SQL 2005; (4) reported to OMB that the FMC is in full compliance with the Federal Desktop Core Configuration ("FDCC"); (5) reported to OMB that the FMC is in full compliance with the IPv6 implementation mandate; (6) updated policies and procedures associated with technical assistance provided to FMC staff and changes in the IT infrastructure; (7) administered the agency's IT technical support and assistance contracts; (8) initiated a contract with Verizon, through GSA, to upgrade the FMC's phone system to VoIP; (9) furnished agency-wide advice and coordination on electronic records; (10) reviewed and completed security assessments for all FMC systems; (11) coordinated and monitored the FMC's IT Security Awareness training; (12) improved compliance with FISMA and other Federal IT initiatives; (13) relocated the data held at the FMC's COOP site in San Antonio, TX to a new COOP site in Germantown, MD; (14) worked with OMS and GSA regarding renovations to the FMC's data center and air conditioning requirements; (15) coordinated with OMS to initiate a technology upgrade of the Commission's hearing room and conference areas; and (16) commenced a study of current databases maintained by the FMC to begin the process of creating enterprise-wide interconnection between all applicable FMC databases.

For fiscal years 2009 and 2010, major initiatives include plans to: (1) become fully compliant with FISMA requirements; (2) complete implementation of VoIP; (3) create an FMC Enterprise Architecture Plan; (4) subject to adequate funding, upgrade the existing desktop operating system, software applications, and equipment; (5) improve the Virtual Private Network security infrastructure; (6) incorporate the Pay.gov initiative; (7) subject to adequate funding, complete the technology upgrade of the Commission's hearing room and conference rooms; and (8) complete the entire Form FMC-18, so that the Commission can not only receive applications but also process the applications electronically.

Office of Human Resources ("OHR")

OHR plans and administers a complete human resources management program including: recruitment and placement, position classification and pay administration, occupational safety and health, employee assistance, workforce discipline, performance management and incentive awards, employee benefits, retirement, employee development and training, and personnel security.

Federal Maritime Commission				
Administration Office of Human Resources				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of Human Resources**	4.12	6.29	4.00
Cost:	**Salaries & Benefits**	$425,527.00	$463,355.97	$475,102.73
	Non-Personnel Expenses	$134,574.49	$140,974.34	$130,719.82
	Total Cost	**$560,101.49**	**$604,330.31**	**$605,822.55**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.60	**1.00**	**2.40**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$90,873.38	**$151,455.64**	**$363,493.53**

Major accomplishments during fiscal year 2008 include the following: (1) monitored activities of the agency's payroll/personnel service provider, the National Finance Center ("NFC"), and worked with OA staff to ensure security, continuity and accuracy of payroll and personnel services; (2) coordinated with senior management in administering certain employee development programs and activities to address succession planning, i.e., Senior Executive Service ("SES") Candidate Development Program and the Emerging Leaders Program; (3) conducted a comprehensive training program in accordance with the agency's budget and strategic and performance plans, promoting e-learning and on-line training opportunities, continuing the college tuition reimbursement program, ensuring training for new employees on the No Fear Act, and participating in the SAC Training Program; (4) planned, implemented, and promoted new programs for Personal Financial Literacy Education and Volunteer/Community Service Awareness and issued newsletters highlighting appropriate information and activities; (5) conducted a comprehensive personnel and information security program, including initiating and adjudicating security investigations for new and reinvestigated employees, and collaborating with the CBP to gain access to the ACE/ITDS; (6) coordinated with the Office of Personnel Management ("OPM") in administering the Federal Human Capital Survey and worked with senior management to identify areas needing improvement; (7) implemented provisions of the Federal Workforce Flexibility Act and contracted for development of a Human Capital Plan, Workforce Succession Plan, and Accountability System Policy and Plan in accordance with OPM's Human Capital Assessment and Accountability Framework; (8) conducted a comprehensive performance management and incentive awards program; (9) conducted a comprehensive recruitment program; (10) coordinated with OPM, OMB, and others on human capital initiatives related to the President's Management Agenda; (11) maintained the partnership for acquisition of assistive devices through the Department of Defense's Computer/Electronic Accommodations Program; (12) continued to work with the SAC, OPM and NG Integic officials to complete program activities to implement e-OPF; (13) promoted the Preventive Health and Awareness Program and OPM's *Healthier Feds* initiatives and hosted wellness seminars sponsored by the Employee Assistance and Federal Occupational Health Programs; (14) managed and conducted employee benefit and charitable contributions programs and Open Seasons, such as the Combined Federal Campaign, Long-Term Care Insurance Program, Flexible Spending Accounts, the annual Benefits Open Season and FMC Health Fair, etc.; (15) oversaw preparation for implementation of the Enterprise Human Resources Integration Project, and administered other e-Gov initiatives such as Recruitment One-Stop, e-payroll, e-clearances, and e-learning; (16) conducted a proactive retirement program that included computing benefits, providing retirement seminars, related training and one-on-one counseling, and processing all retirements; (17) coordinated with other administrative units and GSA to implement pertinent provisions of HSPD-12 and meet OMB requirements related to issuance of Federal employee credentials; (18) evaluated contractor performance in the area of classification/position management; and (19) worked with contractors to facilitate agency-wide implementation of the automated training data management reporting system required by OPM.

In fiscal years 2009 and 2010, OHR plans to: (1) advise agency management and staff on all human resources matters and maintain a sound and progressive human resources program; (2) implement pertinent portions of the agency's strategic, training and related performance plans, particularly performance goals related to the management of human resources; (3) explore and implement simplification, flexibility, and accountability of human resources management programs, including investigating automated solutions to address program requirements; (4) in conjunction with administrative components and the GSA, evaluate the implementation of e-OPF and conversion of HR records to electronic format to address program requirements and meet agency business needs; (5) complete implementation of HSPD-12 and the credentialing of all employees; (6) monitor the processes and database modernization activities of the NFC in conjunction with the government-wide e-payroll initiative and ensure timely and accurate payroll and personnel services; and (7) implement and evaluate agency Human Capital, Workforce Planning and Accountability Plans and associated metrics to assess progress in meeting strategic and performance goals and to determine necessary modifications.

Office of Financial Management ("OFM")

OFM administers the Commission's financial management program and is responsible for offering guidance on optimal use of the Commission's fiscal resources. OFM's main responsibilities are to: (1) produce, submit and support annual budget justifications and estimates to OMB and the Congress; (2) execute annual budgets to ensure that appropriated funds are properly expended; (3) review audited financial reports; (4) administer the control system over workyears of employment; (5) collect and deposit all fees and forfeitures due the Commission and pursue collections of debts; (6) process accounts payable documents; (7) verify financial, accounting and payroll reports generated by the agency's fiscal services agents; (8) process travel orders and vouchers; and (9) manage the Commission's Travel Charge Card and Cash Management Programs.

Federal Maritime Commission				
Administration Office of Financial Management				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of Financial Management**	5.00	5.00	5.00
Cost:	**Salaries & Benefits**	$476,618.00	$515,755.09	$534,351.55
	Non-Personnel Expenses	$140,272.89	$150,230.66	$140,292.88
	Total Cost	**$616,890.89**	**$665,985.75**	**$674,644.43**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.70	**2.20**	**2.10**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$94,450.22	**$296,843.55**	**$283,350.66**

The Commission has an interagency agreement (“IAG”) with the Bureau of Public Debt (“BPD”) to provide such services as general ledger accounting, travel, procurement, and financial reporting. OFM serves as the Commission’s primary contact with BPD and verifies all accounting transactions, oversees the timely submission of quarterly financial statements to OMB, and works to ensure that an unqualified opinion is received on the annual financial statement audit. The NFC provides the Commission with payroll services via an IAG. OFM serves as the primary contact with NFC regarding time card transmission and verifies all payroll disbursement costs. NFC transmits documentation of payroll costs directly to BPD for inclusion in the agency’s accounting records.

During fiscal year 2008, OFM’s important accomplishments include: (1) managed the Commission’s Cash Management Program and collected and deposited $489,446 to the U.S. Treasury from fines and penalty collections, publications, reproductions, and user fees; (2) coordinated and prepared budget justifications and estimates for the fiscal year 2009 Congressional budget and fiscal year 2010 baseline budget documents for OMB; (3) prepared required external reports; (4) prepared monthly status reports on budget matters; (5) maintained procedures for forecasting the cost of performance goals; (6) pursued delinquent receivables and referred applicable debts to the Treasury Department for collection; (7) worked with BPD staff and independent auditors regarding the Audit of the Fiscal Years 2007 and 2008 Financial Statements (resulting in unqualified opinions for both years); (8)

worked with the Director of Administration to finalize FMC's 2007 MD&A and 2007 PAR and to initiate work on the 2008 versions of those documents; (9) worked with Office of the Director of Administration to complete the FAIR Act Report and post results to OMB's MAX database; (10) updated the agency's internal control forms (Form FMC-29 and Form FMC-30) in compliance with OMB A-123; (11) implemented the transfer of invoice processing and function from OMS; (12) participated in the development of the agency's new strategic plan; (13) assisted in the preparation of materials requested by the Congressional Oversight Subcommittee; and (14) prepared detailed responses to Questions for the Record submitted by the House Committee on Appropriations, Subcommittee on Transportation, and Urban Development, and Related Agencies.

Goals for fiscal years 2009 and 2010 include: (1) facilitating implementation of Pay.gov and GSA's Smart Pay Program for agencywide and industry acceptance of electronic payments; (2) continuing to pursue initiatives leading to economy and efficiency in budget and financial operations; and (3) improving the Cash Management Program, including migrating to updated platforms for the Paperless Check Conversion through the Federal Reserve Bank in Cleveland.

Office of Management Services ("OMS")

OMS is responsible for procuring and furnishing all services, office equipment and supplies necessary to support the day-to-day operations and performance goals of the Commission. To accomplish this responsibility, OMS administers a variety of management service functions, including: (1) administering Commission procurement and contracting; (2) controlling and administering the Commission's property utilization, maintenance, inventory and disposition programs; (3) planning and administering programs for improvement of the workplace environment and other space utilization operations for all Commission locations, including office space and provision of office furnishings; (4) managing the receipt, storage, distribution and inventory of all supplies, forms and accessories; (5) coordinating and fulfilling all printing, copying, and graphic service requirements; (6) coordinating the use of the building's physical facilities with respect to maintenance, security, and parking; (7) conducting safety inspections and coordinating the Commission's emergency planning and evacuation plan; and (8) directing the Commission's participation, development and goal-setting efforts under the Small Business Act.

Federal Maritime Commission				
Administration Office of Management Services				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Office of Management Services**	4.77	5.00	5.00
Cost:	**Salaries & Benefits**	$527,455.00	$568,534.66	$598,645.96
	Non-Personnel Expenses	$162,274.66	$170,753.26	$162,005.19
	Total Cost	**$689,729.66**	**$739,287.92**	**$760,651.15**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
0.75	**1.25**	**3.00**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$114,097.67	**$190,162.79**	**$456,390.69**

During fiscal year 2008, OMS: (1) coordinated with the Small Business Administration ("SBA") and OIT to use SBA's 8(a) procurement preference program to award contracts for Technical Writing support to address agency FISMA concerns, and for Laserfiche maintenance service in support of the agency's scanning program; (2) provided OA and OIG with detailed procurement information and material to address questions and concerns expressed by the House Oversight Subcommittee; (3) arranged for HQ building-wide Emergency Response Team ("ERT") training through the Federal Protective Service ("FPS") in connection with the building's Occupant Emergency Plan ("OEP") on threat assessments; (4) coordinated with OS and BPD to resolicit and award a new five-year contract for scanning services; (5) established an HQ-wide annual shredding services program; (6) hosted a "Meet and Greet" meeting with BPD's Deputy Director for Procurement to discuss the agency's procurement support requirements and how BPD could better assist the agency in this area; (7) worked with the CIO to develop a full scale FISMA support package of required support services and coordinated with BPD to solicit pricing information to establish an acquisition plan to acquire the support in the near future; (8) continued to work with FPS and the HQ building's Security Force Contractor ("ASPI") on the day-to-day guard services operations as required, and meet with the new FPS Operations Officer on the building security issues and concerns; (9) worked with GSA to address office space concerns in the FMC's field office locations; (10) reviewed the agency's Transit Subsidy

Benefits program for HQ and revised the Commission Order to increase the monthly subsidy amount, arranged for staff to enroll in Metro's SmarTrip program, and took over the responsibility for quarterly metro-check distribution to staff from the Department of Transportation; (11) coordinated with OFM and arranged for the smooth and orderly transfer of the invoice processing tasks and function to their control; and (12) worked with GSA on the installation of auto door openers for the 9th and 10th floors at HQ to ensure handicap accessibility.

In fiscal years 2009 and 2010, OMS' objectives include: (1) continuing to work with GSA, FPS, and other tenant agencies at our HQ facilities and field locations to upgrade and/or improve the buildings' security measures and emergency preparedness; (2) in conjunction with the agency's other administrative offices, continuing the research methods and practices for the enhancement and improvement in support services; (3) continuing to work with BPD on streamlining the FMC's acquisition and procurement program for better efficiency; and (4) continuing to provide advice and assistance regarding innovative support-service approaches to FMC activities.

FY 2010 Strategic Goals

Federal Maritime Commission				
Executive Summary				
		FY 2008 Actual	FY 2009 Enacted	FY 2010 Request
FTE:	**Headquarters & Field**	**114.54**	**124.02**	**130.50**
Cost:	**Salaries & Benefits**	$14,268,961.38	$15,819,000.00	$17,770,000.00
	Non-Personnel Expenses	$7,355,459.35	$6,981,000.00	$6,788,000.00
	Total Cost	**$21,624,420.73**	**$22,800,000.00**	**$24,558,000.00**

FY 2010 FTE by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes	Advance agency objectives through high-performance leadership and efficient stewardship of resources
24.54	**76.48**	**29.48**

FY 2010 Cost by FMC Strategic Goal		
Strategic Goal 1	**Strategic Goal 2**	**Strategic Goal 3**
$4,557,753.75	**$13,992,163.28**	**$6,008,082.97**

Factors Affecting the Achievement of Goals

The FMC is a small agency that has established considerable in-house expertise in the legal, economic and organizational aspects of international liner shipping and the intermodal movement of ocean cargo. That expertise allows the FMC to effectively pursue its goals of maintaining a competitive international ocean transportation system and protecting the public from unlawful, unfair and deceptive practices efficiently at a very modest cost to the taxpayer and with a minimum regulatory burden on stakeholder industries.

To continue to accomplish its goals, the agency will need to maintain its relevant expertise through the recruitment, training and retention of highly qualified attorneys, economists, industry specialists, and information technology experts. The importance of the recruitment and retention issue is likely to increase as the agency's experienced personnel reach retirement age, and in the face of competition from other Federal agencies seeking to replace their retiring personnel.

Expanding and enhancing the use of information technologies is one way that the FMC is able to improve its efficiencies. The increasing importance of information technologies results not only from its contribution to the agency's ability to collect and process information more efficiently and accurately, but also because of the agency's need to keep up with the electronic-business practices of the industries it regulates. Greater use of information technology also helps make many of the aspects of licensing, certification and information filing simpler and easier to accomplish for the agency's stakeholders. IT is critical to the maintenance and effective use of various key agency databases.

The security of agency databases, confidential business reports and associated documents filed with the FMC has received increasing attention in recent years. Enhanced and extended applications of information technologies helps ensure that security.

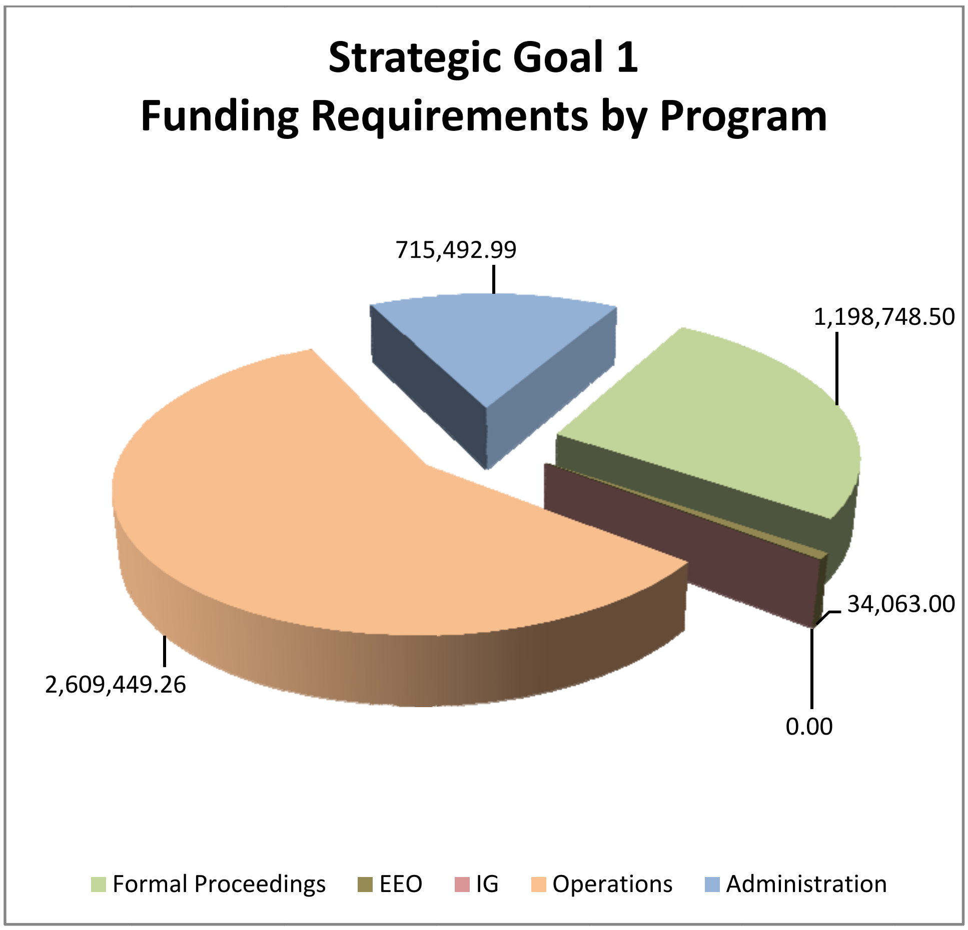
Although the FMC primarily regulates international ocean liner transportation, it is also involved, through its regulation of marine terminal operators, with aspects of the intermodal movement of ocean cargo in the U.S. In addition, foreign-based ocean transportation intermediaries are subject to statutory bonding requirements under FMC jurisdiction. To the extent that there are changes in the regulatory treatment of international liner operations by foreign governments, as will be the case in Europe beginning in late 2008, the FMC will need to conduct research to determine the likely effect of such changes on U.S. trades. Over time, regulatory changes in other regions could also provide an impetus for a review of U.S. statutes or regulations on liner shipping. Consequently, FMC analyses of possible future proposals for statutory revisions may be required.

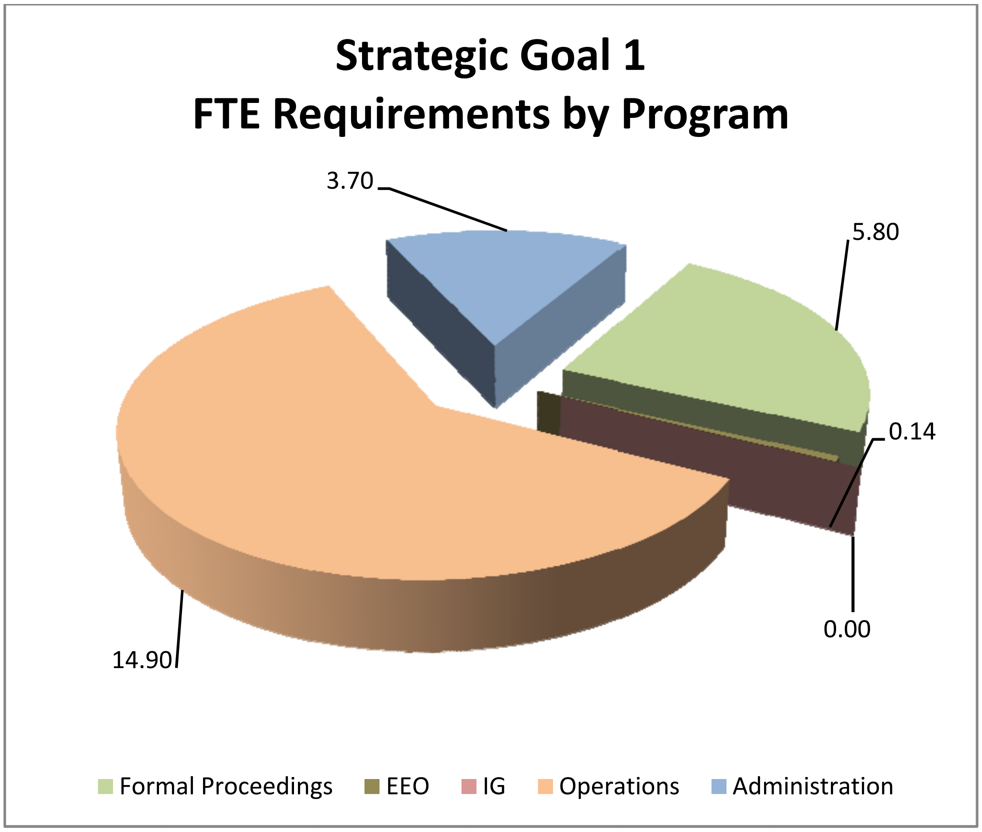
Finally, in recent years the FMC has witnessed the filing of new types of agreements, especially marine terminal agreements, which address nontraditional issues such as traffic congestion, environmental protection, terminal operational efficiencies, and infrastructure funding. These nontraditional agreements tend to involve industries (drayage trucking and rail service), operations (pooling of chassis), and issues (air pollution, public health, infrastructure finance) which require the development by agency staff of additional information sources and areas of expertise. Not infrequently, these nontraditional agreements have potentially significant pricing and service consequences. To the extent that the filing of nontraditional agreements increases in coming years, which seems to be the likely trend, they will continue to weigh heavily on the agency's limited resources.

Strategic Goal Number 1:

Maintain an efficient and competitive international ocean transportation system.

The Commission is responsible for the regulation of oceanborne transportation in the foreign commerce of the United States pursuant to the provisions of the Shipping Act. A stated policy objective of the Shipping Act is "to promote the growth and development of United States exports through competitive and efficient ocean transportation and by placing a greater reliance on the marketplace." The Commission's oversight of carrier and terminal operator antitrust immunity, as part of a non-discriminatory regulatory process, works to provide an efficient and economic transportation system in the ocean commerce of the United States. In addition, the Commission addresses unfavorable conditions affecting U.S. carriers in U.S. oceanborne trades when such conditions do not exist for foreign carriers.





Objective 1:

Identify and take actions to address substantially anti-competitive conduct or unfavorable trade conditions in U.S. trades.

The FMC is charged with protecting the shipping public, and ultimately American exporters and consumers, from possible abuse of the limited antitrust immunity granted by Congress to international liner carriers and domestic marine terminal operators under the Shipping Act. In addition, the FMC is responsible, under the Foreign Shipping Practices Act of 1988, for investigating whether laws, rules, regulations or practices of foreign governments, or the practices of foreign carriers result in the existence of unfavorable conditions in U.S. trades.

The Shipping Act requires that VOCCs and MTOs that benefit from antitrust immunity by agreeing among themselves file copies of those agreements with the FMC. FMC staff review these proposed agreements when they are initially filed, and before they take effect. The FMC is authorized, pursuant to section 6(g) of the Shipping Act, to seek appropriate injunctive relief against any agreement which is likely to result in a significant reduction in competition of the sort that could be expected to unreasonably raise transportation costs or reduce transportation service.

The Shipping Act and implementing regulations also authorize the FMC to require that agreement parties: (a) provide accompanying information needed to assess certain categories of agreements upon request; (b) file certain standard types of reports -- including quarterly economic data and/or minutes of meetings held by the agreement parties -- depending on the authorities sought in the agreement; and (c) submit special informational reports, if the FMC requires them, once the agreement goes into effect. These reporting requirements, and the economic data and information about agreement activities they provide, allow the FMC to initially evaluate, and continue to monitor on an on-going basis, the conduct of the parties to VOCC and MTO agreements with limited antitrust immunity.

Under the FSPA the Commission can address adverse conditions affecting U.S. carriers in the U.S. oceanborne trades, when such conditions do not exist for foreign carriers or others providing maritime or maritime-related services in the U.S. Section 9 of the Shipping Act also charges the Commission with regulating the rates, charges, and rules of government-owned or –controlled carriers to ensure that they are just and reasonable.

Strategic Goal 1: Maintain an efficient and competitive international ocean transportation system		
Objective 1: Identify and take action to address substantially anticompetitive conduct or unfavorable trade conditions in U.S. trades		
Performance Measure 1: Percentage share of total U.S. international oceanborne trade moved by containership, as an indicator of liner efficiency		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
18.00%	18.50%	19.00%

Strategy for accomplishing Strategic Goal #1, Objective #1

- Review initial agreements and amendments, including any additional information requested by the FMC, to determine the likelihood that the agreement parties could engage in substantially anticompetitive conduct with respect to transportation costs or services.

- Review, on a regular, on-going basis, the data and information provided in standard reports and special reporting measures to assess the existence or likelihood of substantially anti-competitive conduct or unfavorable trade conditions.

- Initiate meetings with representatives of the FMC's various stakeholder industries to help determine whether anti-competitive behavior or unfavorable trade conditions exist in U.S. trades.

- Conduct research studies on current competition issues with respect to U.S. trades.

- Actively monitor for and record the presence of all foreign-controlled carriers in U.S. trades, and regularly review their pricing practices.

- Obtain information via inquiries and/or complaints about conduct or conditions that impede the efficient movement of cargo.

- Assure competitive conditions in the U.S. foreign oceanborne trades by working with agreement parties on an informal basis to negotiate changes in agreements that raise competitive concerns.

- Preserve competition in ocean transportation by seeking appropriate injunctive relief under section 6 of the Shipping Act for agreements likely, by a reduction in competition, to produce an unreasonable reduction in transportation service or an unreasonable increase in transportation cost.

- Address disruptions in the ocean transportation marketplace by investigating carrier and marine terminal operator violations of the Shipping Act.

- Take action under the FSPA to address adverse conditions affecting U.S. carriers in the U.S. oceanborne trades, when such conditions do not exist for foreign carriers or others providing maritime or maritime-related services in the U.S.

- Make rules and regulations affecting shipping in the foreign trade not in conflict with law in order to adjust or meet general or special conditions unfavorable to shipping in the foreign trade.

- Ensure timely action on formal proceedings undertaken to protect competition.

- Maintain and keep up-to-date an electronic library, accessible from the FMC's website, of agreement documents to allow interested parties to easily search for and download those documents.

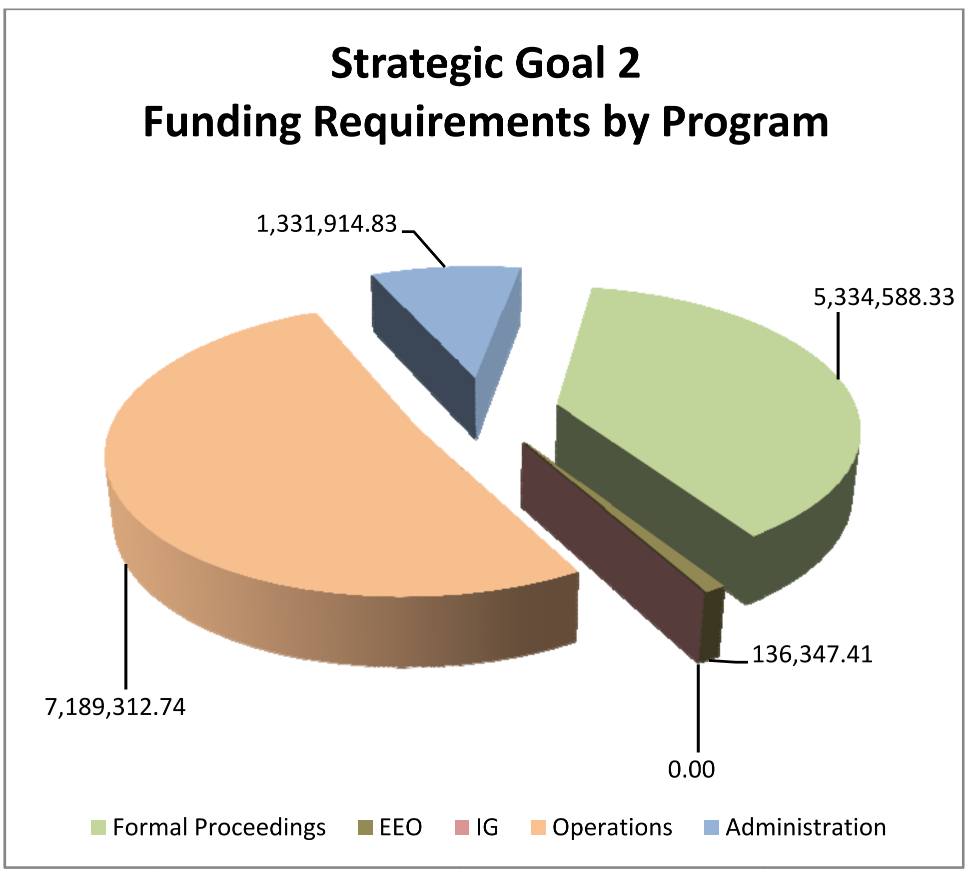
Strategic Goal Number 2:

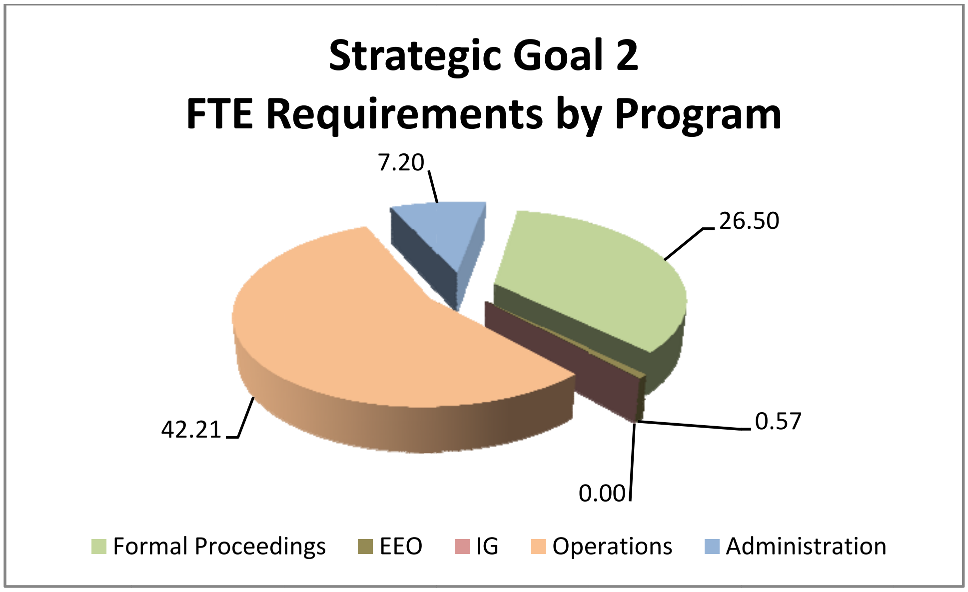
Protect the public from unlawful, unfair and deceptive ocean transportation practices and resolve shipping disputes.

The FMC has jurisdiction over activities of ocean carriers and marine terminal operators in a variety of their commercial activities in international ocean commerce. The FMC has a wide variety of responsibilities in protecting the shipping public from financial harm.

Those responsibilities include the licensing of ocean transportation intermediaries that serve U.S. trades; assisting the public in the resolution of informal complaints related to the shipment of goods or to passenger vessel cruises; the identification and prosecution of unreasonable or unjust practices by carrier or marine terminals; and the investigation and satisfaction of formal complaints alleging violations of the Shipping Act. To carry out its broad mission, the FMC uses various means including monitoring, investigation, education, enforcement, and *ombuds* services.

The Commission, and its regional ARs, also have a role in the education of the public and of industry groups involved in U.S. international trade with respect to their rights and/or responsibilities under the Shipping Act – including informing them of available Commission resources which might be of use to them.





Objective 1:

Identify and take action to end unlawful, unfair and deceptive practices.

The FMC is responsible for ensuring that individual carriers and marine terminal operators, as well as those permitted by agreement to act in concert, treat shippers and other members of the shipping public fairly by not engaging in prohibited acts as set out in the Shipping Act. In the effort to identify such practices, the FMC maintains a visible presence amongst regulated entities, collects intelligence in a variety of ways and exchanges intelligence with other regulatory and law enforcement agencies.

In order to ensure compliance with laws and regulations under the jurisdiction of the FMC, various formal and informal actions may be taken by the Commission. Formal investigations are initiated when violations are discovered, though often the Commission enters into settlement agreements ending violative activities.

Strategic Goal 2: Protect the public from unlawful, unfair and deceptive ocean transportation practices and resolve shipping disputes		
Objective 1: Identify and take action to address substantially anticompetitive conduct or unfavorable trade conditions in U.S. trades		
Performance Measure 1: Percentage of enforcement actions taken under the Shipping Act of 1984 successfully resolved through favorable judgment, settlement, issuance of default judgment or compliance letter or notice		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
70.00%	72.00%	74.00%

Strategy for accomplishing Strategic Goal #2, Objective #1

- Gather intelligence through visible and accessible presence in the regulated community in order to identify unlicensed OTIs and other violations.
- Monitor advertising in print, television, radio and online to identify illegal practices.
- Gather information related to potential unlicensed OTIs.
- Receive and respond to complaints regarding egregious violations and practices.
- Identify subjects who offer, advertise or provide passage on vessels having berths or staterooms to accommodate 50 or more passengers and have not met FMC financial requirements.
- Audit ocean carriers and OTIs based upon information received and on a random basis.
- Exchange information and liaise with other Federal, state and local investigative and regulatory agencies and bureaus.
- Review tariffs for accessibility and accuracy.
- Investigate allegations of unlawful, unfair and deceptive practices.
- Efficiently prosecute alleged violations of the Shipping Act.
- Reach voluntary agreement with alleged violators to cease unlawful, unfair and deceptive practices.
- Respond to inquiries regarding complaint history of transportation providers and advise consumers of means to protect themselves.

Objective 2:

Prevent public harm through licensing and financial responsibility requirements.

The FMC licenses and regulates OTIs, including ocean freight forwarders and NVOCCs, and ensures that OTIs have sufficient financial responsibility. As well, the FMC issues certificates to owners and operators of PVOs that have evidenced financial responsibility to satisfy liability incurred for nonperformance of voyages and for death or injury to passengers and other persons.

Strategic Goal 2: Protect the public from unlawful, unfair and deceptive ocean transportation practices and resolve shipping disputes		
Objective 2: Prevent public harm through licensing and financial responsibility requirements		
Performance Measure 1: Percentage of decisions completed on OTI license applications rendered within 90 business days, facilitating lawful operation of OTIs with the appropriate character requirements		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
55%	57.00%	59.00%

Strategy for accomplishing Strategic Goal #2, Objective #2

- License OTIs with the requisite character, experience and financial responsibility.
- Issue PVO certificates to cruise line operators that have met regulatory requirements for proof of financial responsibility.
- Monitor PVO unearned passenger revenue reports and conduct on-site review of PVOs' UPR receipts.
- Review and update OTI bonds and coverage amounts.

OBJECTIVE 3:

Enhance public awareness of agency resources, remedies and regulatory requirements through education and outreach.

Protection of the public requires knowledge on the part of regulated parties and users of their services as to FMC regulatory requirements. As well, the public needs to be well informed of the services offered by the FMC and the remedies available in the event of noncompliance, injury or unresolved disputes.

Strategic Goal 2: Protect the public from unlawful, unfair and deceptive ocean transportation practices and resolve shipping disputes		
Objective 3: Enhance public awareness of agency resources, remedies and regulatory requirements through education and outreach		
Performance Measure 1: Percentage of attendees at agency-sponsored outreach presentations that rate the program as "Useful" in their compliance efforts		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
70.00%	75.00%	80.00%

Strategy for accomplishing Strategic Goal #2, Objective #3

- Maintain an accessible presence in local regulated communities.
- Proactively educate regulated parties of regulatory requirements through educational presentations.
- Maintain VOCC and NVOCC tariff location information on the agency website.
- Emphasize OTI requirements to new licensees by letter.
- Promote awareness of FMC licensing and financial responsibility requirements by conference participation and seminars.
- Make available to the public key documents in all Commission formal proceedings through the Commission website.
- Create and produce brochures to educate industry and public about FMC requirements and services.

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- Promote general awareness of resources available through the Commission's website.
- Continuously expand and update information available to the public through the website, including the list of licensed OTIs.

OBJECTIVE 4:

Impartially resolve international shipping disputes through alternative dispute resolution and adjudication.

The Commission has several means by which the public or entities in the shipping industry may seek resolution of disputes or complaints. The Commission provides *ombuds* services to assist parties in resolving complaints informally through its Office of Consumer Affairs and Dispute Resolution and its ARs. Formal complaints of alleged Shipping Act violations may be filed for adjudication by an ALJ. Parties may seek the assistance of a trained neutral at any stage in a formal proceeding or in the first instance for resolution using ADR processes.

Strategic Goal 2: Protect the public from unlawful, unfair and deceptive ocean transportation practices and resolve shipping disputes		
Objective 4: Impartially resolve international shipping disputes through alternative dispute resolution and adjudication		
Performance Measure 1: Number of cases opened and closed each fiscal year using *ombuds or* ADR services assisting consumers to recover goods or funds		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
550	625	700

Strategy for accomplishing Strategic Goal #2, Objective #4

- Provide *ombuds* services to informally resolve passenger vessel, household goods and other shipper complaints.
- Encourage the use of and provide ADR services to parties who request the services of a trained neutral in resolving disputes and shipping problems that affect international ocean shipping.
- Adjudicate disputes under the jurisdiction of the agency before an ALJ, with the possibility of appeal to the Commission.
- Timely conduct Commission proceedings so that litigants and industry can adjust behavior accordingly.

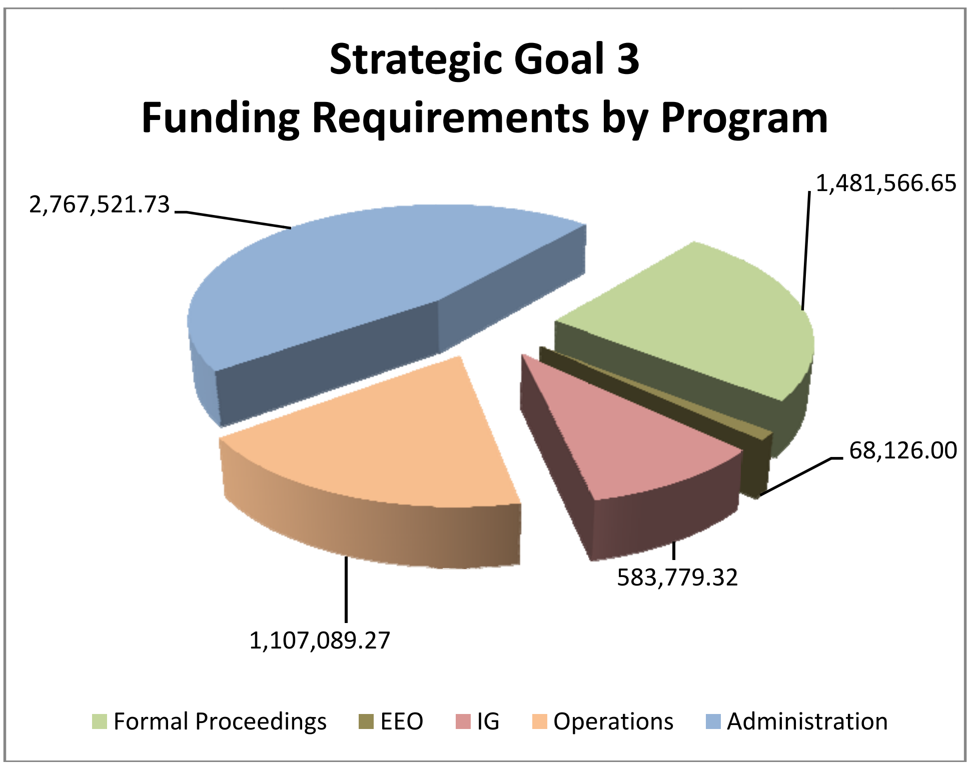
Strategic Goal Number 3:

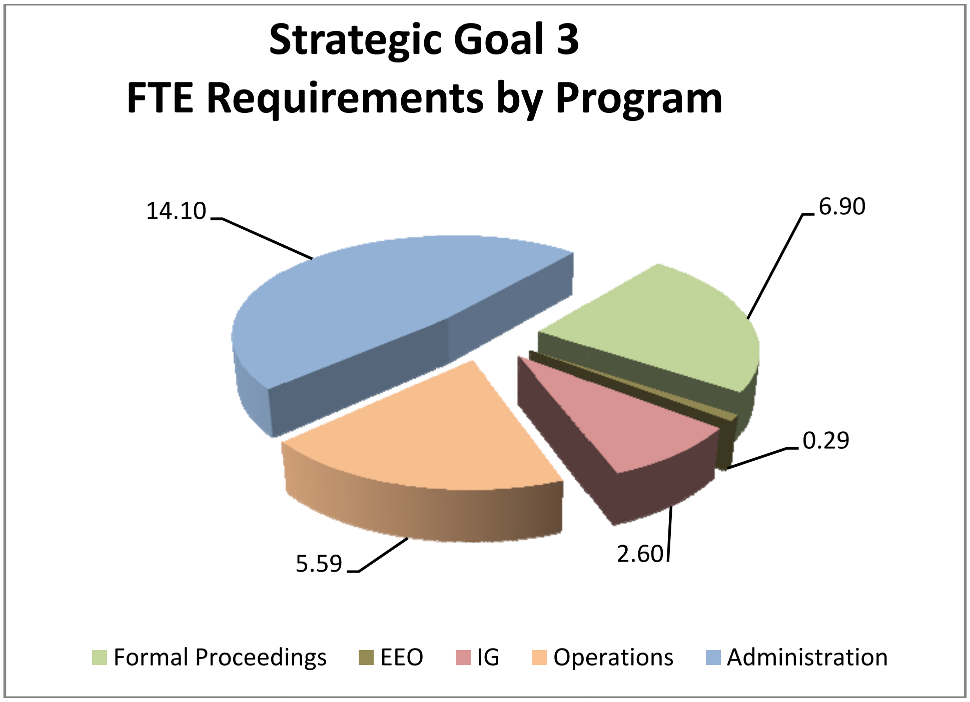
Advance agency objectives through high-performance leadership and efficient stewardship of resources.

In pursuing its core strategic goals of maintaining an efficient and competitive international transportation system and protecting the shipping public from unlawful, unfair and deceptive ocean transportation practices, the FMC recognizes the critical importance of providing effective, performance-oriented management and of ensuring that all resources allocated to its mission are wisely employed.

Given the importance of maintaining agency expertise in carrying out its various regulatory responsibilities, the strategic management of our human resources will remain a primary concern. In addition, on-going review and streamlining of current agency work processes, particularly through the effective use of new technologies to enhance and improve performance is seen as a critical function.

By carefully and closely monitoring all of its operational programs, personnel needs, planning processes, financial and procurement practices, and vital support activities, the agency strives to ensure that its strategic goals are not only being met – but being advanced in ways that make the most productive use of the scarce resources with which it has been entrusted.





Strategic Goal 3: Advance agency objectives through high-performance leadership and efficient stewardship of resources		
Objective 1: Ensure performance of agency programs through performance-oriented management and planning		
Performance Measure 1: Attain an "unqualified" opinion on financial and performance monitoring systems through FY 2015		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
Unqualified	Unqualified	Unqualified

Strategy for accomplishing Strategic Goal #3, Objective #1

- Develop annual budget directly linked to strategic and annual performance plans for submission to Congress and OMB.

- Annually measure performance as established in the strategic plan and assess the efficacy of performance measures for preparation of the annual performance plan.

- Identify and alleviate current and future skill gaps by fostering human resources management principles, including recruitment and placement, position classification and pay administration, occupational safety and health, employee assistance, employee relations, workforce discipline, performance management and incentive awards, employee benefits, career transition, retirement, employee development and training, personnel security, and equal employment opportunity.

- Promote economy and efficiency by detecting waste, fraud and abuse in the agency's programs via auditing agency operations.

- Ensure program compliance with various rules and regulations regarding such areas as forms clearance, Paperwork Reduction, Small Business Paperwork Reduction Act, and other Federally required reports and submissions.

Objective Number 2:

Allocate technological, financial and human resources efficiently and effectively toward support of agency programs.

Strategic Goal 3: Advance agency objectives through high-performance leadership and efficient stewardship of resources		
Objetive 2: Allocate technological, financial and human resources efficiently and effectively toward support of agency programs		
Performance Measure 2: Percentage of all recruitment actions for GS positions are completed within OPM's 45 day hiring model and within 30 days for SES positions		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
60.00%	65.00%	70.00%

Strategy for accomplishing Strategic Goal #3, Objective #2

- Execute financial management policies and programs, manage agency appropriations, administer internal control systems for agency funds, travel and cash management, and coordinate with contractors who provide accounting and payroll services.

- Monitor performance to ensure the agency's program operations are effectively supported via telecommunications, procurement of administrative goods and services, property management, space, printing and copying, mail and records services, facilities and equipment maintenance, and transportation.

- Provide guidance to staff regarding administrative matters, including procurement, personnel and contracting issues.

- Utilize technology and IT expertise to streamline the agency's work processes and enhance the productivity of the workforce to support the needs of the Commission.

Appendix A

Workload Statistics:

Office of the Secretary

Formal Proceedings Program
Office of the Secretary
Statistical Workload Summary *

Workload Units		FY 2008 Actual			FY 2009 Estimate			FY 2010 Estimate		
	On Hand 09/30/07	Receipts	Output	On Hand 09/30/08	Receipts	Output	On Hand 09/30/09	Receipts	Output	On Hand 09/30/10
Commission Docketed Proceedings (Formal, Special & Informal)	8	22	20	10	25	25	10	25	25	10
Commission Non-Docketed Proceedings	0	1	0	1	5	6	0	5	5	0
Service Contract Correction Applications	0	2	2	0	2	2	0	2	2	0
Non-Docketed Informal Complaints	196	568	631	133	770	740	163	750	740	173
Docketed Informal Complaints	20	4	4	20	6	10	16	10	12	14
Agenda Items	0	310	310	0	320	320	0	150	150	0
Pages of Minutes	0	335	335	0	340	340	0	170	170	0
Federal Register Notices	0	247	247	0	300	300	0	300	300	0
FOIA Requests	4	10	2	12	10	12	10	20	20	10
Certifications	0	23	23	0	24	24	0	10	10	0

* Statistics for "Special Dockets" have been eliminated from this table. Information for this workload item will appear in the Office of Consumer Affairs and Dispute Resolution Services narrative.

Office of the General Counsel

Formal Proceedings Program Office of the General Counsel Statistical Workload Summary										
Workload Units		FY 2008 Actual			FY 2009 Estimate			FY 2010 Estimate		
	On Hand 09/30/07	Receipts	Output	On Hand 09/30/08	Receipts	Output	On Hand 09/30/09	Receipts	Output	On Hand 09/30/10
Litigation	2	2	0	4	2	2	4	2	3	3
Legislation	0	80	80	0	90	90	0	100	100	0
Legal Opinions, Case Summaries, Decisions and Final Orders	0	70	60	10	80	80	10	90	90	10
Sec. 19/sec. 13 (b)(5) FSPA Proceedings	1	0	0	1	2	1	2	1	1	2
International Affairs Reports, Policy Papers, Briefings, Controlled Carrier Recommendations	0	30	30	0	35	35	0	40	40	0
Speeches, Articles, Presentations	0	15	15	0	20	20	0	25	25	0
Interagency & International Group Participation	0	30	30	0	35	35	0	40	40	0
Response to Requests for Information (Oral & Written)	0	275	275	0	280	280	0	285	285	0

Office of the Administrative Law Judges

Formal Proceedings Program
Office of the Administrative Law Judges

Statistical Workload Summary

Workload Units		FY 2008 Actual			FY 2009 Estimate			FY 2010 Estimate	
	On Hand 09/30/07	Receipts	Output	On Hand 9/30/08	Receipts	Output	On Hand 09/30/09	Receipts	Output	On Hand 09/30/10
Formal Proceedings	18	5	7	16	6	9	13	8	9	12
Special Proceedings	0	0	0	0	0	0	0	0	0	0
Informal Proceedings	0	0	0	0	0	0	0	0	0	0

Bureau of Trade Analysis

Operations Program
Bureau of Trade Analysis

Statistical Workload Summary

Workload Units		FY 2008 Actual			FY 2009 Estimate			FY 2010 Estimate		
	On Hand 09/30/07	Receipts	Output	On Hand 09/30/08	Receipts	Output	On Hand 09/30/09	Receipts	Output	On Hand 09/30/10
Agreements Filed:	3	183	176	10	148	152	6	141	140	7
Rulemakings, Proceedings, Petitions,Demand Orders	0	0	0	0	1	1	0	1	0	1
Waiver Requests	0	5	5	0	5	5	0	5	5	0
Bureau Reports *	0	104	104	0	104	104	0	104	104	0
Agreement Reports				0			0			0
Minutes	15	1,016	1,016	15	1,085	1,085	15	1,130	1,130	15
Monitoring	0	199	199	0	225	225	0	250	250	0
VSCG	5	197	197	5	205	205	5	215	215	5
Service Contracts	0	44,438	44,438	0	50,000	50,000	0	52,000	52,000	0
Contract Amds	0	294,880	294,880	0	275,000	275,000	0	280,000	280,000	0
Special Permissions	1	7	7	1	8	9	1	8	9	0
NVOCC Service				0			0			0
Arrangements	0	990	990	0	1,100	1,100	0	1,200	1,200	0
Arrangement Amds.	0	1,434	1,434	0	1,500	1,500	0	1,700	1,700	0
Informal Inquiries **	0	2,559	2,559	0	2,800	2,800	0	2,900	2,900	0

* Bureau Reports - include weekly reports to Commissioners on agreements filed and weekly Federal Register Notice reports.

** These numbers are higher than in previous years due to a change in the tracking system for informal inquiries and the types of inquiries included in this figure.

Bureau of Certification and Licensing

Operations Program
Bureau of Certification and Licensing

Statistical Workload Summary

Workload Units		FY 2008 Actual			FY 2009 Estimate			FY 2010 Estimate		
	On Hand 09/30/07	Receipts	Output	On Hand 09/30/08	Receipts	Output	On Hand 09/30/09	Receipts	Output	On Hand 09/30/10
OTI Applications New *	264	502	542	224	532	575	181	564	610	135
OTI Applications Amended *	79	236	212	103	250	255	98	265	260	103
OTI License Terminations **	0	227	227	0	241	241	0	255	255	0
Passenger Vessel Applications (Performance)	2	29	30	1	30	30	1	30	30	1
Passenger Vessel Applications (Casualty)	18	31	37	12	30	30	12	30	30	12

* OTI application output figures primarily include the number of (1) licenses issued, and (2) approvals for license and other changes not requiring the issuance of a license.

** Revoked or surrendered licenses not subsequently re-issued.

Bureau of Enforcement

Operations Program
Bureau of Enforcement

Statistical Workload Summary

Workload Units		FY 2008 Actual			FY 2009 Estimate			FY 2010 Estimate		
	On Hand 09/30/07	Receipts	Output	On Hand 09/30/08	Receipts	Output	On Hand 09/30/09	Receipts	Output	*On Hand 09/30/10
Audits and Monitoring Activities*	6	117	116	7	115	115	7	120	120	7
OTI Applicant and License Checks	0	605	605	0	615	615	0	625	625	0
Formal Proceedings	7	4	2	9	5	5	9	6	6	9
Civil Penalty Cases	18	21	14	25	20	20	25	25	25	25
Staff Legal Advice	78	77	62	93	65	75	83	70	75	78

* Category of Investigations changed to Audits and Monitoring Activities. Audits and monitoring activity separated from investigations. Investigations are included in other categories in the Statistical Workload Summary.