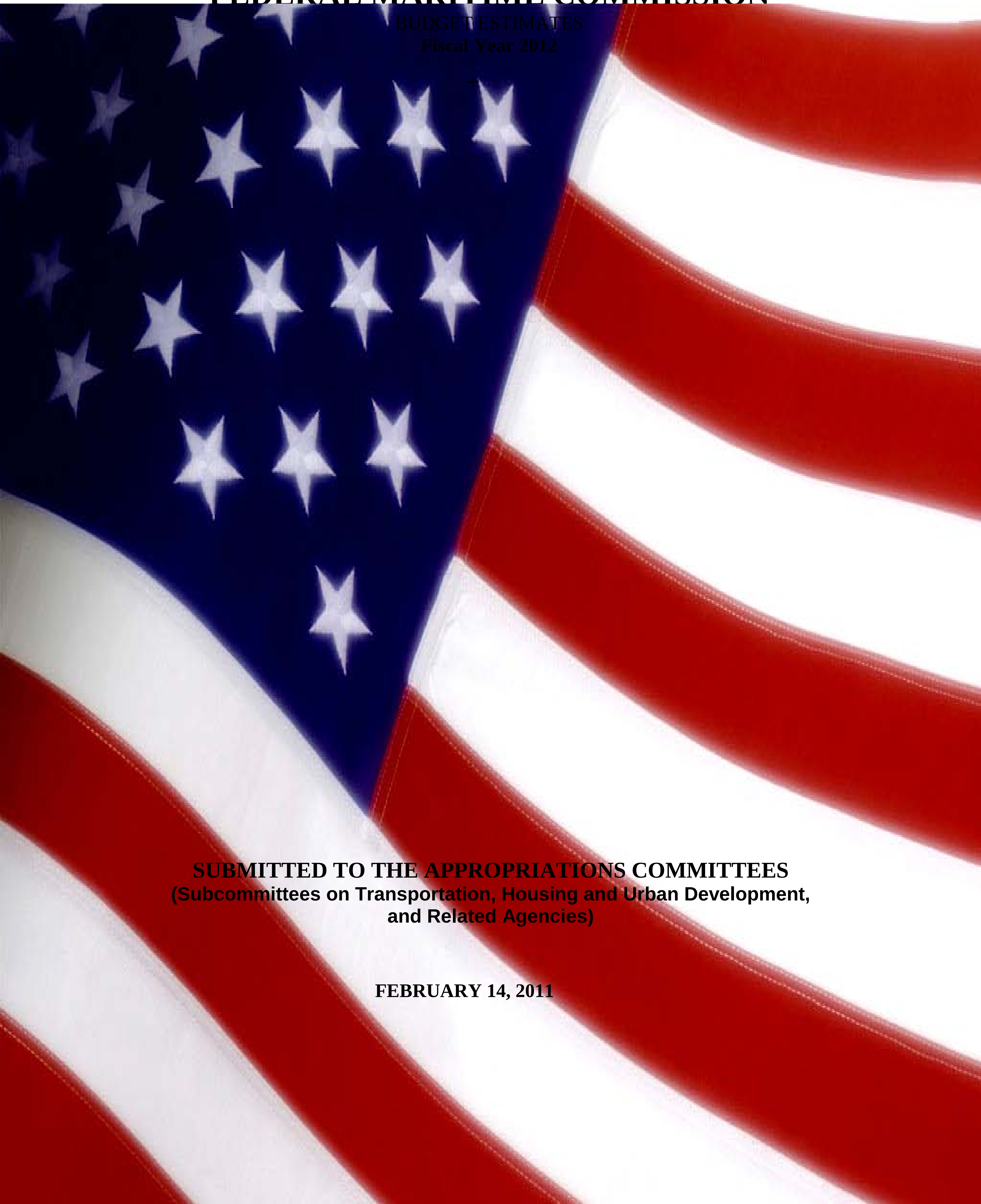
FEDERAL MARITIME COMMISSION

BUDGET ESTIMATES

Fiscal Year 2012



SUBMITTED TO THE APPROPRIATIONS COMMITTEES

(Subcommittees on Transportation, Housing and Urban Development, and Related Agencies)

FEBRUARY 14, 2011

TABLE OF CONTENTS

Alphabetical Listing of Abbreviations

-#-

1920 Act	Section 19 of the Merchant Marine Act, 1920
1978 Act	Inspector General Act of 1978
1984 Act	Shipping Act of 1984

-A-

ACE/ITDS	Automated Commercial Environment/International Trade Data System
ADR	Alternative Dispute Resolution
AED	Automatic External Defibrillator
agency	Federal Maritime Commission
ALJ	Administrative Law Judge
AR	Area Representative

-B-

BCL	Bureau of Certification and Licensing
BOE	Bureau of Enforcement
BPD	Bureau of Public Debt
BSC	Building Security Committee
BTA	Bureau of Trade Analysis

-C-

CADRS	Consumer Affairs and Dispute Resolution Services
CBP	U.S. Bureau of Customs and Border Protection
CCIG	Council of Counsels to Inspectors General
CFR	Code of Federal Regulations
CIGIE	Council of Inspectors General on Integrity and Efficiency
CIO	Chief Information Officer
COOP	Continuity of Operations

-D-

DHS	Department of Homeland Security

-E-

ECM	Enterprise Content management
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
eOPF	Electronic Official Personnel Folder
EU	European Union
EVS	Employee Viewpoint Survey

-F-

FAEC	Federal Audit Executive Council
FISMA	Federal Information Security Management Act of 2002
FMC	Federal Maritime Commission
FOIA	Freedom of Information Act
FPS	Federal Protective Service
FSPA	Foreign Shipping Practices Act of 1988
FTE	Full-time Equivalent
FY	Fiscal Year

-G-

GSA	Government Services Administration

-H-

HQ	Headquarters (FMC)
HR	Human Resources
HSPD-12	Homeland Security Presidential Directive 12

-I-

IAG	Interagency Agreement
ID	Initial Decision
IG	Inspector General
IT	Information Technology

-M-

MD-715	Management Directive 715
MD&A	Management's Discussion and Analysis
MTO	Marine Terminal Operator

-N-

NFC	National Finance Center
No Fear Act	Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002
NOI	Notice of Inquiry
NPRM	Notice of Proposed Rulemaking
NRA	Negotiated Rate Agreement
NRDC	National Resources Defense Council, Inc.
NSA	NVOCC Service Arrangement
NVOCC	Non-Vessel-Operating Common Carrier

-O-

OAGR	Office of Agreements
OALJ	Office of Administrative Law Judges
OBF	Office of Budget and Finance
OCADRS	Office of Consumer Affairs and Dispute Resolution Services
OECA	Office of Economics & Competition Analysis

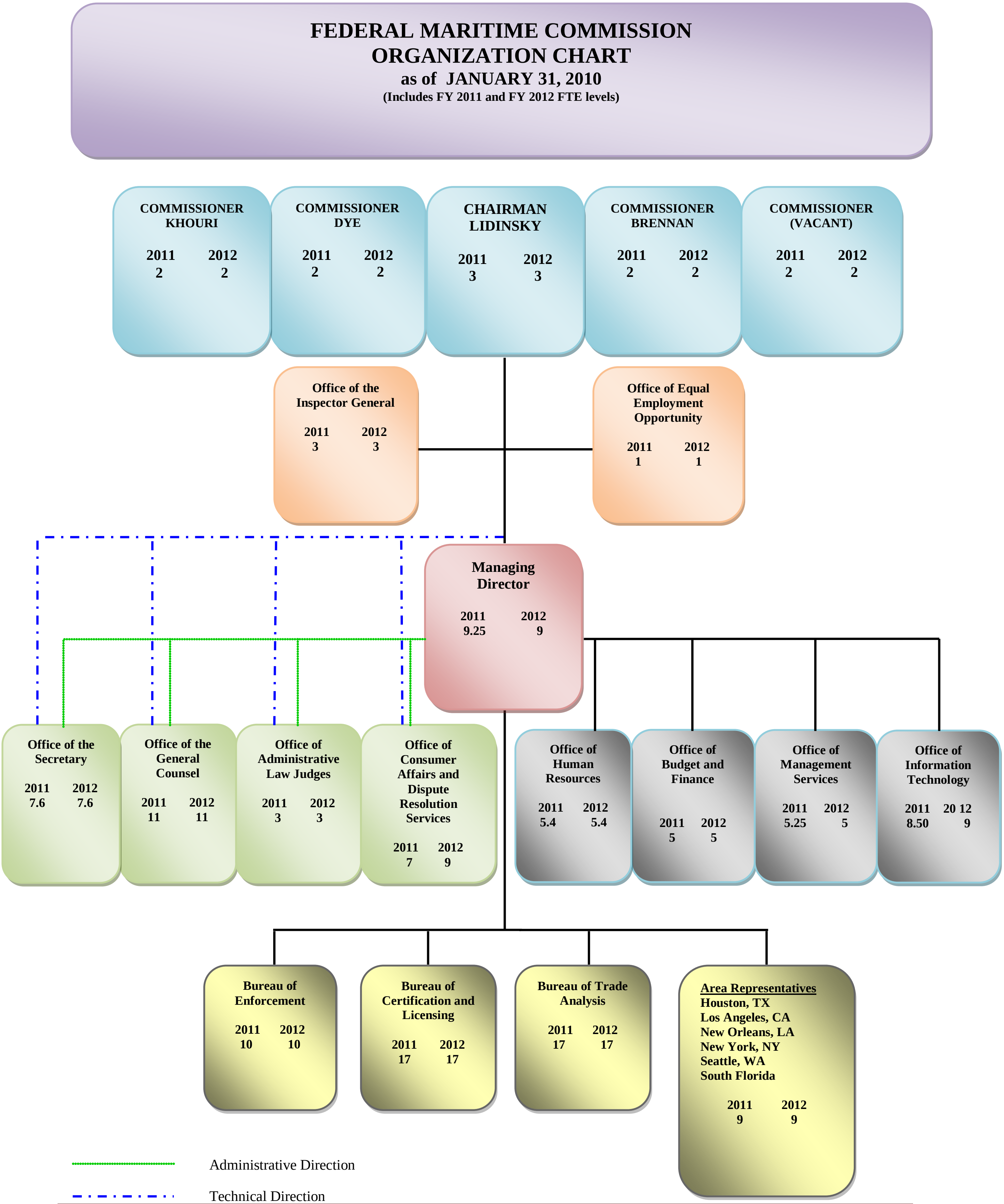
OEP	Occupant Emergency Plan
OGC	Office of General Counsel
OHR	Office of Human Resources
OIG	Office of the Inspector General
OIT	Office of Information Technology
OMB	Office of Management and Budget
OMD	Office of the Managing Director
OMS	Office of Management Services
OPM	Office of Personnel Management
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
PIO	Performance Improvement Officer
P.L.	Public Law
PVO	Passenger Vessel Operator
	-Q-
QI	Qualifying Individual
	-R-
Reform Act	Inspector General Reform Act of 2008
RPI	Regulated Persons Index
	-S-
SAC	Small Agency Council
SERVCON	Service Contract Filing System
Shipping Act	Shipping Act of 1984
SWAT	Rapid Response
	-T-
Team Ocean	Team Ocean Services, Inc.
Tober	Tober Group, Inc.
	-U-
UPR	Unearned Passenger Revenue
U.S.	United States of America
U.S.C.	United States Code
	-V-
VOCC	Vessel-Operating Common Carrier

FMC Core Functions

The Federal Maritime Commission (FMC or agency) 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 sections 2 and 3 of 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 trade monitoring, enforcement and dispute resolution programs 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.

FMC 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 Commissioner to serve as Chairman, the Chief Executive and Administrative Officer of the agency. The FMC's organizational units consist of: Offices of the Commissioners; Office of the General Counsel (OGC); Office of the Secretary (OS); 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 the Managing Director (OMD), including the Bureaus of Certification and Licensing (BCL), Enforcement (BOE), and Trade Analysis (BTA); the Offices of Budget and Finance (OBF), Human Resources (OHR), Information Technology (OIT), Management Services (OMS), and Area Representatives (ARs). The majority of FMC personnel are located in Washington, D.C., with ARs stationed in New York, New Orleans, Los Angeles, Seattle, Houston and South Florida. Chairman Lidinsky announced a reorganization of the FMC effective January 31, 2010.


FEDERAL MARITIME COMMISSION
ORGANIZATION CHART
as of JANUARY 31, 2010
(Includes FY 2011 and FY 2012 FTE levels)
COMMISSIONER KHOURI 2011 2 2012 2
COMMISSIONER DYE 2011 2 2012 2
CHAIRMAN LIDINSKY 2011 3 2012 3
COMMISSIONER BRENNAN 2011 2 2012 2
COMMISSIONER (VACANT) 2011 2 2012 2
Office of the Inspector General 2011 3 2012 3
Office of Equal Employment Opportunity 2011 1 2012 1
Managing Director 2011 9.25 2012 9
Office of the Secretary 2011 7.6 2012 7.6
Office of the General Counsel 2011 11 2012 11
Office of Administrative Law Judges 2011 3 2012 3
Office of Consumer Affairs and Dispute Resolution Services 2011 7 2012 9
Office of Human Resources 2011 5.4 2012 5.4
Office of Budget and Finance 2011 5 2012 5
Office of Management Services 2011 5.25 2012 5
Office of Information Technology 2011 8.50 20 12 9
Bureau of Enforcement 2011 10 2012 10
Bureau of Certification and Licensing 2011 17 2012 17
Bureau of Trade Analysis 2011 17 2012 17
Area Representatives
Houston, TX
Los Angeles, CA
New Orleans, LA
New York, NY
Seattle, WA
South Florida
2011 9 2012 9
Administrative Direction
Technical Direction

Fiscal Year 2012 Policy and Funding Priorities

In fiscal year (FY) 2012, the Commission's policy and funding priorities center on fostering a viable and vibrant liner shipping environment critical to the nation's international trade and economic growth. The FMC has a twofold strategic focus, as reflected in our Strategic Plan for 2010-2015 (revised August 2010), in both maintaining an efficient and competitive international ocean transportation system and protecting the public from unlawful, unfair and deceptive ocean transportation practices. The accomplishment of these strategic goals is critical to the President's goals to encourage economic growth, invest in the future, and responsibly govern the nation. The smooth flow of international commerce is vital to the national economy in both providing access to foreign markets for our exports and ensuring the availability of imported goods for domestic production and consumption. The Commission is especially concerned that the ocean transportation system not impede achievement of the President's National Export Initiative.

The agency strives to accomplish its goals as the shipping industry, along with the rest of the economy, continues rebounding from the most severe economic downturn in more than 60 years. The regulatory scheme now in place at the FMC is under constant review, and as economic conditions alter the state of our trades, the FMC's regulations must continue to reflect those conditions. In the coming fiscal years, the Commission will complete its study of the impact of the European Union's (EU) removal of its block exemption of antitrust immunity for ocean carriers and continue responding to public requests for review of regulations on issues such as tariff publication and the scope of regulation of the business relationships of ocean transportation intermediaries (OTIs). Evolving business models requiring Commission attention in the coming years are likely to include the increased use of MTO discussion agreements and OTI freight networks, and their impact on the shipping public. The FMC will continue to place enhanced emphasis on outreach to the shipping public to emphasize industry practices that can improve the ocean transportation system. In protecting the public from financial and other harm, we will use an integrated approach, stressing industry compliance with licensing and other requirements, providing a variety of services to provide quick, fair resolution of disputes, and, where necessary, vigorously enforcing the Commission's governing statutes and regulations. The use of technology and dissemination of public information is of major importance; web-based accessibility to Commission services and information will facilitate both public interaction with the agency and add greater efficiencies to internal business processes. These actions and more will provide the means for the FMC to accomplish its stated mission to foster a fair, efficient and reliable international ocean transportation system and to protect the public from unfair and deceptive practices.

The Commission proposes to undertake three important initiatives in 2012 to address matters identified through recent fact finding investigations into capacity and equipment constraints and household goods shipping issues, and building upon its efforts begun in 2010 and continuing into 2011.

The first initiative will provide *increased consumer protection* by integrating the use of various tools in order to address shipping difficulties and malpractices in the ocean transportation system that are encountered by importers and exporters. To provide opportunity for timely resolution without encumbering commercial relationships with the time, expense and acrimony of litigation or enforcement activity, the Commission will provide a variety of alternative dispute resolution (ADR) services. At the same time, we will strengthen our enforcement activity to provide deterrence by penalizing those who pursue unlawful malpractices. Through the administrative process, the Commission will also continue to provide a forum for adjudication of Shipping Act violations and redress through reparations. Finally, we will focus on achieving compliance with OTI licensing requirements.

The second initiative will target achieving *operating efficiencies* for the Commission and users of Commission services by utilizing improved technology. Our goal will be to continue implementing technological advances that will increase Commission productivity and provide for electronic submission of license applications, agreements and other filings.

The third initiative will see the Commission provide *increased public and international trade presence*. Not only will we continue striving for a more open government, but will also continue to openly dialogue with U.S. trading partners to ensure U.S. trade is not hampered by regulatory or other actions of those trading partners.

Highlights and Planned Activities Statements

Key Accomplishments in Fiscal Year 2010

The commercial ocean transportation system faced significant difficulties in fiscal year 2010, as it recovered from its worst recession in over 60 years. The Federal Maritime Commission's mission is to foster a fair, efficient and reliable international ocean transportation system, and to protect the public from unfair and deceptive practices. Effective implementation of that mission was uniquely important this fiscal year due to challenging trade and operational conditions. Particularly hard hit were U.S. importers and exporters encountering difficulties shipping their cargo because of insufficient vessel capacity or lack of available shipping containers. In addition, shippers frequently faced substantial increases in transportation costs, often without sufficient advance warning. The highlighted actions provide an overview of agency activities in pursuit of its mission. Central to all of these actions was a January 2010 reorganization that was a vital first step in a revitalizing the FMC and redirecting its focus to address the changing industry.

Strategic Goal 1

Maintain an efficient and competitive international ocean transportation system

The FMC is charged with ensuring competitive and efficient ocean transportation for the shipping public. Competition in U.S. trades helps to foster competitive rates and encourage diverse service offerings for the benefit of U.S. exporters and importers, and ultimately consumers. Ocean carriers and marine terminal operators are granted limited antitrust immunity by the Shipping Act of 1984, but are subject to the FMC's monitoring of their activities to guard against possible abuse of that limited immunity, to avoid unreasonable increases in transportation costs or decreases in transportation services.

Fiscal year 2010 was an active year for the Commission, which concentrated on facilitating accessibility of U.S. exports to foreign markets via ocean transportation, the economic recovery, protecting American consumers, encouraging a sustainable ocean transportation industry, enhancing safety and security, and monitoring foreign practices to protect American jobs.

Supporting U.S. exports and the economic recovery: Following the worst year in the maritime industry since the invention of the containership, fiscal year 2010 began with a recovery in ocean trade that was stronger than many anticipated. Demand for cargo space and containers outstripped supply, and American exporters and importers saw supply chain disruptions such as abruptly cancelled bookings, cargo rolled to the next sailing, and successive surcharges and price increases. Early in the year, President Obama also announced his National Export Initiative to double exports over the next five years, directing agencies "to use every available federal resource" in pursuit of that goal.

The FMC conducted an aggressive search for solutions to supply chain problems that appeared to impede the growth of exports and the continued recovery. In March, the Commission initiated Fact Finding Investigation No. 26, *Vessel Capacity and Equipment Availability in the United States Export and Import Liner Trades*. The fact finding team held more than 170 interviews with a wide variety of companies and organizations involved in international ocean shipping, led a series of best-practices discussion meetings between shippers and carriers, and began internet-based collaborative efforts to develop solutions to container availability issues. The fact finding team issued an interim report and recommendations in June, and a final report and recommendations in December. The Commission took several steps following those recommendations:

- **Rapid Response Teams:** In June, the Commission established Rapid Response Teams to provide prompt solutions for commercial disputes between carriers and their customers. Major ocean carriers named high-level liaison officials to work with the Rapid Response Teams to cut through red tape and respond to specific shipper concerns within 24 hours. The Commission strongly encourages shippers, ocean transportation intermediaries, and ocean carriers to contact the Commission's Rapid Response Teams with commercial issues or disputes that need immediate attention.

- **Increased TSA and WTSA oversight:** In September, the Commission ordered that members of the rate discussion agreements in the United States' largest trade lane -- the inbound Transpacific Stabilization Agreement (TSA) and the outbound Westbound Transpacific Stabilization Agreement (WTSA) -- file verbatim transcripts of their meetings. This was designed to assist the Commission in determining whether member carriers were improperly discussing issues.

- **Increased carrier alliance oversight:** The Commission directed its staff to prepare recommendations for increasing oversight of global vessel alliances, which have authority to set capacity collectively. The Commission issued reporting requirements on the major alliances in early 2011.

- **International Ocean Transportation Working Group:** In December, the Commission voted to form two working groups to increase dialogue between shippers and carriers. The first is an International Ocean Transportation Working Group, which will focus on: (1) booking cancellations and rolling cargo; (2) improving shipper forecasting and minimum quantity estimates; (3) export capacity forecasting; and (4) other ways to improve the shipper-carrier relationship, including collaboration on major supply chain changes.

- **Intermodal Container Availability Working Group:** The second group that the Commission approved will focus on issues dealing with container availability and accessibility for U.S. exporters.

- **Service Contract Enhancement Project:** The Commission also voted in December to move forward with a project focused on helping small U.S. exporters and importers improve their service contracting practices through education and outreach. The project will include development of a web-based educational tool.

In addition to implementing these recommendations, the Commission has been assisting ocean carriers, the U.S. Department of Agriculture's Agricultural Marketing Service, and agricultural exporters pilot project to give more transparency and visibility to the chronic problem of locating empty containers for exports. The Agricultural Marketing Service has completed the pilot project to show container availability at 18 U.S. port and inland locations. Plans for the next phase have been submitted to the Office of Management and Budget for review and approval. Following approval, the Agricultural Marketing Service plans to collect container availability data from at least ten leading ocean carriers, which will assist U.S. exporters in determining container availability for each week, along with projections two weeks in the future.

Finally, the Commission is exploring a rule to conditionally relieve more than 3,300 licensed non-vessel-operating common carriers (NVOCCs) from the costs and burdens of publishing in tariffs the rates they charge for cargo shipments. The Commission issued a proposed rule, held a public hearing, and received many comments. Most NVOCCs are small businesses who could see significant savings from such exemptions.

Vessel Capacity and Equipment Availability: The Chairman met with major carriers, offering the Commission's services as an "honest broker" to assist parties in resolving vessel capacity and equipment availability issues that had quickly but unexpectedly escalated between shippers and carriers. The Chairman called on carriers and shippers to be "partners in recovery," recognizing that both carriers and shippers had been substantially affected by the recession. In the depths of the economic recession, ocean carriers worldwide laid-up substantial portions of their fleets. Demand had plummeted, causing rates to do so as well. Carriers found themselves with significant operating losses. Losses during 2009 were estimated to be as high as $20 billion. Consequently, carriers reduced their service by cutting back on capacity. Approximately 575 container vessels were laid-up worldwide. Then, as the U.S. economy began to rebound, adequate vessel space and equipment was not available to U.S. exporters who saw increasing demand for their products, and later to U.S. importers experiencing the same difficulties. Carriers were reluctant, however, to return vessels to service without confirmation that the unanticipated and sudden increase in demand was not simply a result of temporary inventory restocking, but demand that would continue to increase and be sustainable. Shippers became convinced that ships were being withheld to drive up rates during the annual service contract renegotiations, which typically occur each spring. To address these issues and other allegations of carrier practices, the Commission also launched Fact Finding Investigation No. 26. Congress, for its part, began to review the question of the extent of continued antitrust immunity for liner shipping.

Shanghai Shipping Exchange Regulations: In response to a request from the National Industrial Transportation League (NITL) for assistance in informally pursuing information and clarification of Chinese regulations for filing freight rates, the FMC obtained an English translation of the Ministry of Transport of the People's Republic of China's *Public Notice Regarding Freight Rate Filing Implementation Measures for International Container Liner Service* and provided it to the public through its website. The Commission also provided a link on its website to a circular with a rule proposed by China that would require NVOCCs to file their freight rates with the Shanghai Shipping Exchange.

Marine Environmental Committee and Clearinghouse: The FMC has seen environmental issues become increasingly central to the agreements and shipping practices we monitor. In fiscal year 2010, the Commission formed a Marine Environmental Committee which has begun to review the filings at the agency for best environmental practices that the Commission can put forward as models for adoption by other ports and companies. The Commission also created a webpage to serve as an environmental issues clearinghouse for information on maritime environmental issues, news, resources, laws and regulations, and best practices.

Transpacific Stabilization Agreement's (TSA) Amendment to discuss environmental initiatives: The Commission cleared an amendment that provides TSA members with the ability to discuss beneficial environmental programs such as slow steaming, cold ironing, and alternative fuel usage.

NVOCCs relieved from the burden of publishing rate tariffs: As previously noted, the Commission issued a proposed rule which when final, would enable licensed NVOCCs to avoid publishing tariff rates upon meeting several conditions, including that the rates for all shipments be agreed to in writing and available to the Commission for review if necessary. These written agreements would be known as "negotiated rate arrangements."

EU Study: The Commission was actively engaged in gathering data for its study of the impact of the October 2008 European Union (EU) repeal of its block exemption for liner conferences. Data include information regarding changes in carrier market structures, competition, services, vessel capacity, rates and surcharges. A dialogue also was established with officials of the European Commission, Directorate-General for Competition.

Coordination with the International Trade Administration, U.S. Department of Commerce: Towards the end of the fiscal year, Commission staff began to coordinate with the ITA in ITA's attempt to quantify the economic impact of shippers' inability to obtain containers or vessel space for their shipments and to address container availability issues.

Strategic Goal 2

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

The FMC has a wide variety of responsibilities to protect the public from financial harm, including assisting in the resolution of disputes related to the shipment of goods or the carriage of passengers, investigating and prosecuting unreasonable or unjust practices, and ruling on formal complaints alleging violation of the Shipping Act. The FMC also contributes to the integrity and security of the nation's supply chain and transportation system by identifying unlicensed operations and licensing only those OTIs with appropriate character and financial responsibility, and ensuring financial responsibility of cruise vessel operations so that in the event of non-performance, passengers do not forfeit deposits made to the cruise lines. Pursuant to these regulatory responsibilities the Commission undertook a number of significant actions during fiscal year 2010 to address issues affecting American consumers who ship their personal goods overseas or take cruises.

Household Goods Shipments: In June, the Commission initiated Fact Finding Investigation No. 27, *Potentially Unlawful, Unfair or Deceptive Ocean Transportation Practices Related to the Movement of Household Goods or Personal Property in U.S.-Foreign Oceanborne Trades*, to determine issues that individual consumers have experienced when shipping their personal household goods overseas. Each year, the FMC receives a substantial number of complaints from individuals who have experienced problems with their international household goods shipments. Between 2005 and 2009, the Commission received over 2,500 such consumer complaints related to household goods moving companies transporting personal effects and vehicles. In December 2010, the Commission approved several interim recommendations from the fact finding team, including:

- **Consumer education:** The Commission voted to upgrade its website to better assist customers shopping for international shipping options; engage in formal cooperation with other governmental agencies who protect consumers moving household goods; enhance cooperation with trade associations representing household goods movers; develop information for ocean transportation intermediaries to distribute to consumers moving household goods; target outreach to local communities that regularly ship household goods overseas; and encourage household goods movers to link their websites to the FMC's website for consumer information.

- **Industry best practices and model forms:** The Commission also voted to work with industry groups and consumers to develop a set of best practices and model shipping forms that address issues consumers have encountered when shipping household goods.

- **Licensing issues:** As the Commission works to update its licensing regulations, it will include recommendations for adjustments that specifically address issues with household goods shipments.

- **Enforcement:** The Commission voted to enhance joint law enforcement efforts to protect consumers and address problem household goods movers. The Commission also voted to develop enforcement strategies that focus on entities offering services related to household goods shipments.

- **Alternative Dispute Resolution:** The Commission also decided to move forward with initiatives to better promote ADR services to assist consumers who experience problems when moving their household goods overseas.

The fact finding team is continuing its work on the second phase of the investigation.

Cruise Lines: The Commission has been conducting a Notice of Inquiry to update financial protections for cruise passengers. In March, the Commission conducted a hearing on the issue, and the Commission is currently developing a proposal to update its rules for the protection of passengers. The Commission also worked to ensure that passengers in its jurisdiction were compensated when the cruise line Cruise West ceased operations and cancelled sailings in September. It worked with the cruise line and its claims processor, and issued consumer advisories to keep passengers informed of their rights and options.

Encouraging an efficient, sustainable ocean transportation system: In January 2010, the Commission allowed the TSA's member lines to work together to implement slow steaming and other environmental initiatives. Slow steaming, or operating at reduced speeds, allows vessels to save fuel, which reduces their emissions and affords substantial cost savings during this period of financial stress. TSA member lines have indicated that they may also use their new authority to work to increase use of alternative fuels, cold ironing, and other pollution-reducing technologies. While these practices hold promise for reducing vessels' emissions, the Commission is closely monitoring slow-steaming arrangements to ensure that they do not cause unreasonable constraints on the supply chain now that international shipping demand has recovered.

Preventing fraud and enhancing safety and security: The Commission's Bureau of Enforcement and Area Representatives continued their efforts to prevent practices that are unfair and deceptive. The targeted violations included misdescriptions of cargo, which also poses a serious safety and security risk because it prevents vessel operators and port officials from knowing when dangerous goods are being transported on vessels into the United States. During 2010, the Commission collected more than $1.1 million in penalties for such violations.

Monitoring foreign practices to protect American jobs: The Commission was also vigorous in carrying out its charge to monitor and prevent practices by foreign governments or entities that adversely affect American commerce. Following concerns raised by U.S. shippers, the FMC's Chairman visited the Shanghai Shipping Exchange to seek and obtain assurances regarding protections for confidential information of U.S. companies that must be filed with the Exchange. The Commission also raised these issues and the concerns of U.S. NVOCCs in October, as part of the U.S. delegation to bilateral consultations with the Chinese Ministry of Transport under the U.S.-China Maritime Agreement. The FMC will continue to follow these and related developments in China closely to ensure that no unreasonable conditions exist that would impair U.S. commerce.

The Commission is also studying the effects in the U.S. trades of the European Union's repeal of its block exemption for liner conferences. In November, the Commission requested input from all interested parties, and the deadline for submitting information or comments is January 18, 2011.

Dispute Resolution: During fiscal year 2010, 450 individual cases were opened to resolve complaints. These included 145 passenger complaints about cruise line issues, 148 complaints with respect to household goods shipments, and 157 complaints involving general cargo shipment matters. The Commission's Office of CADRS also played a significant role in Fact Findings 26 and 27. In Fact Finding 26, it was determined that the Commission's role in resolving significant industry problems, such as those involving capacity and container shortages, of necessity had to rely on various ADR techniques for resolution. Participation of the parties in confidential ADR services can provide a means for immediate, cost-effective resolution through cooperation between parties. Confidentiality is essential to the success of such efforts, especially considering the confidential nature of service contracts. In Fact Finding No. 27, the experience of the Commission's dispute resolution staff was particularly useful in identifying the significant issues and practices that were at the root of household goods shipment issues.

Enforcement Actions to Address Market Distorting Activities: The Commission concluded a compromise agreement with a major Chinese-flag shipping line, resolving alleged violations affecting more than 1000 shipments. Violations included providing transportation services to intermediaries that did not have the required tariff, license, or bond; misdescribing cargo on shipments; allowing shipment under service contracts by persons who were not parties to those contracts; and providing transportation that was not in accordance with the rates and charges set forth in published tariffs or a service contract. Also, the Commission instituted an investigation against a Hong Kong-based NVOCC and its affiliated shippers' association, to determine whether the NVOCC violated sections 10(b) (1) of the Shipping Act of 1984 by permitting unrelated entities to utilize the rates in its service contract and section 10(a) (1) by utilizing a shippers' association as an unfair device or means to obtain lower rates than otherwise applicable. The investigation resulted in a substantial civil penalty and agreement to terminate operation of its affiliated shippers association.

Technology and Stewardship of Resources: In fiscal year 2010, the FMC reorganized to make the most productive use of its resources. Strategic management of the FMC's human resources, property management, financial and procurement practices and other vital support activities is essential to meet the agency's regulatory and programmatic goals. The FMC strives to use new information technology (IT) as a means of improving agency business processes and augmenting the accessibility of the public conducting licensing or legal business with the agency. In fiscal year 2010, the FMC identified more ways in which new technology can and should be incorporated to achieve a paperless, efficient, and transparent government in the spirit of many government-wide initiatives recently introduced, including:

- **Upgrade of Commission telecommunications technology -** During the fiscal year, the Commission's telephone system was upgraded to provide Voice over IP capabilities. The Commission also initiated projects to enable the public viewing of Commission meetings over the internet, and built teleconferencing technology into an existing conference room.

- **Upgrade of the Commission's Website Operating Platform -** During fiscal year 2010, the Commission initiated efforts to upgrade its website operating platform. The new, more modern platform will enable the Commission to launch a new website during fiscal year 2011 that will include enhanced website graphics, more social networking/communications capabilities, and improved public visibility of the Commission's resources and services. The new platform will support the Commission's efforts to make more information proactively available to the public through its website, in support of the Administration's initiative for a more open and transparent government.

- **OHR Finalized Work Plans -** The Commission submitted its Human Capital Plan, Workforce Plan, Accountability System, and Succession Management Plan in accordance with OPM's Human Capital Assessment and Accountability Framework and coordinated with OPM, OMB, and the Small Agency Human Resources Council on human capital and related initiatives.

Planned Activities in Fiscal Year 2011 and Beyond

In its 50th year, the FMC will commemorate its history as a leader in the global intermodal revolution. Going forward, the Commission will be busy making new history on the critical issues of shipping capacity; container availability; supporting increased exports; protecting consumers; encouraging efficient, sustainable ocean transportation practices; enhancing safety and security; reducing regulatory burdens; and keeping a close watch for foreign maritime policies and practices that could harm U.S. commerce.

Strategic Goal 1

Maintain an efficient and competitive international ocean transportation system

The Commission will remain vigilant in its review of trade conditions and on-going monitoring of collective activity among vessel-operating common carriers and marine terminal operators under filed agreements, to ensure that collective activity does not cause substantially unreasonable increases in transportation costs or decreases in transportation services. Wherever possible, the Commission will look for opportunities to support efficiency enhancing and best environmental practices. As part of its program objectives for fiscal years 2011 and 2012, the Commission plans to:

Implement recommendations from Fact Finding Investigation No. 26, *Vessel Capacity and Container Availability in the United States Export and Import Liner Trades*: the Commission will spend 2011 working to implement final recommendations by assisting U.S. exporters and importers with capacity, contracting, and container issues. With new monitoring requirements in place, the Commission will give unprecedented scrutiny to discussions and decisions by TSA, WTSA, and the global alliances that could affect U.S. exporters and importers. The Commission will continue to encourage exporters and importers to report any evidence of improper activities or collusion for a prompt response.

The Commission will also work to implement its project of helping small U.S. exporters and importers improve their service contracting practices. This project will be a top priority as shippers enter the service contract negotiation season in late spring. In addition, the Commission will be working to form and begin meetings of its new International Ocean Transportation and Intermodal Container Availability working groups.

Focus on serving exports better: In 2011, the Commission plans to keep a sharp focus on how the FMC and the ocean transportation industry can support President Obama's goal of doubling exports over the next five years. Public comments and input will be sought on current efforts and potential improvements.

Protecting consumers: A central part of the FMC's mission is to "protect the public from unfair and deceptive practices." In 2011, the Commission will continue its efforts to protect individual consumers who ship their personal, household goods overseas. The final report of Fact

Cruise Lines: The Commission also will consider improvement to financial protections for cruise line passengers in 2011. This issue has been the subject of a Notice of Inquiry and Commission staff analysis during the past year.

Efficiency and sustainability: Chairman Lidinsky plans to continue the Commission's efforts to encourage an efficient, sustainable ocean transportation industry. Led by the Commission's Maritime Environmental Committee, these efforts will include a look at slow steaming, environmental initiatives at the nation's ports, and close monitoring of international climate change negotiations under both the United Nations Framework Convention on Climate Change and the International Maritime Organization's Marine Environment Protection Committee.

Safety and security: The Commission will continue to act vigorously to detect and punish the threats to safety and the shipping public posed by misdescribed cargo shipments. The Commission will also continue to work closely with U.S. Customs and Border Protection to protect both safety and commerce.

Modernizing and reducing burdens: A staff working group will examine the Commission's Rules of Practice and Procedure to make them more efficient, less burdensome on parties, and more useful for consumers trying to resolve disputes through informal or alternative resolution proceedings. The Commission also will consider a final rule exempting NVOCCs from tariff rate publication requirements.

China dialogue: Chairman Lidinsky intends to continue the Commission's dialogue with China's Ministry of Transport and the Shanghai Shipping Exchange in 2011.

The European Commission's Repeal of the Block Exemption for Liner Shipping: The Commission will also continue working on its study of the effects of the European Union's repeal of its block exemption for liner conferences. The Commission's study will cover two years before and after the October 2008 EU repeal of its block exemption for liner conferences. It will include analysis of changes in carrier market structures, competition, services, vessel capacity, rates and surcharges. The study also will explore the extent to which the repeal altered liner cargo growth and/or the mix of commodities shipped, as well as the competitiveness of U.S. container exports.

Review of Trade Conditions and the Impact of Agreements on Rates and Service: The Commission's fostering of U.S. international liner trade will continue to be the critical focus in the review of carrier agreements. Commission staff will closely monitor the service contract and tariff rate levels, equipment availability, frequency of vessel calls, vessel utilization, available capacity, trade flows and other economic information to evaluate trade conditions and the impact of collective carrier action on the trades.

Strategic Goal 2

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

The Commission will provide increased consumer protection by integrating the use of various tools in order to address shipping difficulties and malpractices in the ocean transportation system encountered by U.S. importers and exporters. To provide opportunity for timely resolution without encumbering commercial relationships with the time, expense and acrimony of litigation or enforcement activity, the Commission will provide a variety of ADR services. At the same time, we will strengthen our enforcement activity to provide deterrence by penalizing those who pursue unlawful practices. Through the administrative process, the Commission will also continue to provide a forum for adjudication of Shipping Act violations and redress through reparations. Finally, we will focus on achieving compliance with OTI licensing requirements. Activities planned for fiscal year 2011 and beyond include:

Fact Finding No. 26, *Vessel Capacity and Equipment Availability in the United States Export and Import Liner Trades:* The Fact Finding Officer's final report was provided on November 30, 2010. The Commission will review and decide on recommendations made by the Fact Finding Officer.

Fact Finding No. 27, *Potentially Unlawful, Unfair or Deceptive Ocean Transportation Practices Related to the Movement of Household Goods or Personal Property in U.S.-Foreign Oceanborne Trades:* An interim report by the Fact Finding Officer was provided to the Commission in November 2010, with a final report due soon thereafter.

Public Assistance through Alternative Dispute Resolution: The Commission will seek to make the public more aware of its dispute resolution services through education internally and externally, training and other outreach efforts. The Office of CADRS will make presentations to promote and encourage the use of ADR and its various processes to quickly resolve developing problems.

Enforcement of the Shipping Statutes: Efforts will focus on practices that impede reasonable access of importers and exporters to ocean transportation and unlawful practices of discrimination and unjust preference.

Passenger Vessel Financial Responsibility: The Commission will evaluate data gathered as a result of the passenger vessel financial responsibility Notice of Inquiry (NOI), and determine whether changes are required to financial responsibility requirements.

Compliance Audit Program: The Commission, through its ARs, seeks to expand its compliance-focused program to review and audit ocean common carrier, NVOCC and freight forwarder operations. While well received by the regulated industry, compliance audits annually address less than 2.5% of the approximately 5,400 licensed or bonded OTIs registered with the Commission. This program seeks to protect the public from unlawful or unfair OTI practices, and prevent public harm that might more readily be addressed through licensing and bonding compliance.

Technology and Stewardship of Resources: The agency will continue its long-standing record of receiving unqualified opinions on its Financial Statement Audits. The FMC will continue to prepare the Federal Activities Inventory Reform Act report, and the Performance Accountability Report (PAR) which includes the Management's Discussion and Analysis (MD&A) report and the Federal Managers Financial Integrity Act report (FMFIA). The staff will continue to update internal Commission issuances and Standard Operating Procedures for a variety of programs and activities.

The Commission will focus on achieving significant productivity improvements and making the Commission more visible to users of international ocean shipping. Activities planned for fiscal year 2011 and beyond include:

Technology: The Commission will continue its review of business processes with the goal of using technology to increase Commission productivity throughout its operations.

Enhance Public Awareness and Transparency: The Commission is committed to the mandate of transparency and openness in government. As such, transparency and accountability on behalf of the Commission will be enhanced by evaluating, developing and implementing improvements to the Commission's communication mediums. Most significantly the Commission will complete its website upgrade and redesign in fiscal year 2011. The entire body of historical Commission decisions issued in its adjudicatory proceedings will be made available on the FMC website, and technology enhancements in the Commission's Hearing Room will improve public information and communications at public hearings and Commission meetings.

Human Resource Initiatives: The Commission supports the Administration's goal to build a transparent, high-performance government specifically with respect to Federal hiring reform and improving employee satisfaction and wellness. In addition, the Commission will redesign its performance appraisal system to make it more relevant and useful to managers and employees, and to focus more on the key ingredients of each staff member's position.

Employee Viewpoint Surveys: The Commission will continue to administer and assess results from the Annual Employee Viewpoint Surveys to gauge employee satisfaction with work/life and benefits programs, agency leadership, developmental opportunities, etc., and use these metrics to strategically implement, monitor, measure, assess progress in achieving, and report on human capital management goals in accordance with the agency's Human Capital, Workforce, Succession Management and Accountability Plans.

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 2010 - FY 2012

Program/Office	FY 2010 Actual		FY 2011 Estimate		FY 2012 Request		Percent Difference From FY 11	
	FTE	Positions*	FTE	Positions*	FTE	Positions*	FTE	Positions*
Headquarters	**118.51**	**119.00**	**122.00**	**122.00**	**124.00**	**124.00**	**1.64%**	**1.64%**
Area Representatives	**8.04**	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**	**0.00%**	**0.00%**
Agency Total	**126.55**	**128.00**	**131.00**	**131.00**	**133.00**	**133.00**	**1.53%**	**1.53%**
Formal Proceedings								
Office of the Chairman	3.13	3.00	3.00	3.00	3.00	3.00	0.00%	0.00%
Office of the Commissioners	5.37	6.00	8.00	8.00	8.00	8.00	0.00%	0.00%
Office of the Secretary	7.26	8.00	7.60	8.00	7.60	8.00	0.00%	0.00%
Library	1.00	1.00	1.00	1.00	1.00	1.00	0.00%	0.00%
Office of Consumer Affairs and Dispute Resolution Services	7.05	6.00	7.00	7.00	9.00	9.00	28.57%	28.57%
Office of the General Counsel	10.30	11.00	11.00	11.00	11.00	11.00	0.00%	0.00%
Office of Administrative Law Judges	2.73	3.00	3.00	3.00	3.00	3.00	0.00%	0.00%
Formal Proceedings Total	**36.84**	**38.00**	**40.60**	**41.00**	**42.60**	**43.00**	**4.93%**	**4.88%**
Office of Equal Employment Opportunity	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**0.00%**	**0.00%**
Office of the Inspector General	**2.92**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**0.00%**	**0.00%**
Operational and Administrative								
Office of the Managing Director	8.92	10.00	9.25	9.00	9.00	9.00	-2.70%	0.00%
Bureau of Trade Analysis								
Office of the Director	4.22	4.00	4.00	4.00	4.00	4.00	0.00%	0.00%
Office of Service Contracts and Tariffs	5.43	5.00	5.00	5.00	5.00	5.00	0.00%	0.00%
Office of Economics and Competition Analysis	5.04	4.00	4.00	4.00	4.00	4.00	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 and Licensing								
Office of the Director	3.53	3.00	3.00	3.00	3.00	3.00	0.00%	0.00%
Office of Passenger Vessels and Information Processing	6.00	6.00	6.00	6.00	6.00	6.00	0.00%	0.00%
Office of Transportation Intermediaries	8.04	8.00	8.00	8.00	8.00	8.00	0.00%	0.00%
Bureau of Enforcement	10.69	10.00	10.00	10.00	10.00	10.00	0.00%	0.00%
Area Representatives	8.04	9.00	9.00	9.00	9.00	9.00	0.00%	0.00%
Office of Information Technology	6.93	7.00	8.50	9.00	9.00	9.00	5.88%	0.00%
Office of Human Resources**	4.56	5.00	5.40	5.00	5.40	5.00	0.00%	0.00%
Office of Budget and Finance	5.00	5.00	5.00	5.00	5.00	5.00	0.00%	0.00%
Office of Management Services	5.39	6.00	5.25	5.00	5.00	5.00	-4.76%	0.00%
Operational and Administrative Total	**85.79**	**86.00**	**86.40**	**86.00**	**86.40**	**86.00**	**0.00%**	**0.00%**
Total FTEs and Positions	**126.55**	**128.00**	**131.00**	**131.00**	**133.00**	**133.00**	**1.53%**	**1.53%**

* Denotes positions on September 30.

** Denotes FTEs associated with a Summer Hire Program

Obligations by Object Class FY 2010 - FY 2012			
Category	FY 2010 Actual	FY2011 Estimate	FY2012 Request
Personnel Compensation & Benefits			
(11.9) Full time Permanent Employment	$ 13,367,233.05	$ 14,438,000.00	$ 14,898,000.00
(11.3) Other than Full time Permanent Employment	$ 120,235.69	$ 95,000.00	$ 95,000.00
(11.7) Performance Awards	$ 299,642.00	$0.00	$0.00
(12.1) Civilian Personnel Benefits	$ 3,237,946.09	$ 3,675,000.00	$ 3,816,000.00
Total Personnel Compensation & Benefits	**$ 17,025,056.83**	**$ 18,208,000.00**	**$ 18,809,000.00**
Travel and Administrative Expenses			
(21.0) Travel and Transportation of Personnel	$ 285,758.02	$ 283,000.00	$ 283,000.00
(22.0) Transportation of Things (Express Mail)	$ 24,541.83	$ 25,000.00	$ 25,000.00
Rent, Communications & Utilities			
(23.1) Rental Payments to GSA	$ 3,173,491.98	$ 3,354,000.00	$ 3,371,000.00
(23.2) Rental Payments to Others	$ 27,035.20	$ 30,000.00	$ 30,000.00
(2.35) Local, Long Distance, and Cellular Telephones	$ 165,020.52	$ 255,000.00	$ 275,000.00
(28.3) Postage	$ 5,999.84	$ 13,000.00	$ 13,000.00
(24.0) Printing	$ 188,026.31	$ 146,000.00	$ 187,000.00
(25.1) Consulting (FY 2012 includes $265,000 for MTIPS)	$ 196,332.71	$ 186,000.00	$ 485,000.00
(25.2) Purchase of Goods and Services from Commercial Accounts	$ 1,116,723.78	$ 1,158,000.00	$ 1,038,000.00
(25.3) Purchase of Goods and Services from Government Accounts	$ 1,374,964.82	$ 1,350,000.00	$ 1,362,000.00
(25.7) Equipment Maintenance	$ 85,893.47	$ 90,000.00	$ 91,000.00
(26.0) Supplies and Materials	$ 220,632.01	$ 255,000.00	$ 271,000.00
(31.0) Furniture & Equipment (Includes IT Hardware and Software)	$ 235,250.24	$ 145,000.00	$ 25,000.00
Travel and Administrative Expenses	**$ 7,099,670.73**	**$ 7,290,000.00**	**$ 7,456,000.00**
Spending Authority	**$ 24,124,727.56**	**$ 25,498,000.00**	**$ 26,265,000.00**

Average Salary and Grade (Excludes Benefit Costs) FY 2010 - FY 2012			
Category	FY 2010 Actual	FY 2011 Estimated	FY 2012 Request
Salaries			
Full time Permanent GS	$10,704,752.05	$11,166,336.81	$11,610,952.00
Full time Permanent GM	$136,771.00	$136,771.00	$136,771.00
Part time	$120,235.69	$94,956.53	$95,000.00
Other (Schedule-C, ALs, ES, EX)	$2,825,352.00	$3,134,935.66	$3,150,277.00
Overall Average Salary	**$107,711.80**	**$110,938.93**	**$112,729.32**
Average Grade (Includes Part time Positions)			
General Schedule			
GS-04	0.00	0.00	0.00
GS-05	2.00	1.00	1.00
GS-06	1.00	1.00	0.00
GS-07	3.00	4.00	4.00
GS-08	5.00	4.00	4.00
GS-09	1.00	1.00	2.00
GS-10	0.00	0.00	0.00
GS-11	4.00	4.00	4.00
GS-12	21.00	22.00	22.00
GS-13	26.00	26.00	26.00
GS-14	28.00	29.00	29.00
GS-15	22.00	22.00	24.00
Average GS Grade	**12.76**	**12.82**	**12.89**
GM-14	1.00	1.00	1.00
ES	8.00	9.00	9.00
AL-3/E	2.00	2.00	2.00
Presidential Appointees (EX)	4.00	5.00	5.00
Total Positions	**128.00**	**131.00**	**133.00**

Federal Maritime Commission
Request by Strategic Goal and Program
FY 2012

			FY 2012 Request				
Program/Office	FY 2010 Actual	FY 2011 Estimate	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	FY 2012 Request	Changes Over FY 2010 Actual	Changes Over FY 2011 Estimate
Formal Proceedings							
Office of the Chairman	$505,136.01	$622,333.99	$136,948.13	$547,792.52	$684,740.65	$179,604.64	$62,406.66
Office of the Commissioners	$1,380,968.63	$1,955,546.51	$393,666.20	$1,574,664.80	$1,968,331.00	$587,362.37	$12,784.49
Office of the Secretary	$1,247,838.12	$1,357,488.31	$256,161.59	$1,105,256.63	$1,361,418.22	$113,580.10	$3,929.91
Library	$353,215.24	$399,182.90	$162,834.97	$244,252.45	$407,087.42	$53,872.18	$7,904.52
Office of Consumer Affairs and Dispute Resolution Services	$1,374,885.20	$1,204,247.60	$0.00	$1,418,341.40	$1,418,341.40	$43,456.20	$214,093.80
Office of the General Counsel	$1,912,909.48	$2,103,419.05	$1,195,445.86	$946,232.39	$2,141,678.25	$228,768.77	$38,259.20
Ethics	$1,123.59	$3,730.43	$740.79	$2,963.15	$3,703.94	$2,580.35	($26.49)
Office of Administrative Law Judges	$560,349.74	$625,162.16	$0.00	$635,149.81	$635,149.81	$74,800.07	$9,987.65
Formal Proceedings Total	**$7,336,426.01**	**$8,271,110.95**	**$2,145,797.53**	**$6,474,653.16**	**$8,620,450.69**	**$1,284,024.68**	**$349,339.74**
Office of Equal Employment Opportunity	**$211,411.11**	**$226,831.27**	**$0.00**	**$225,387.70**	**$225,387.70**	**$13,976.59**	**($1,443.57)**
Office of the Inspector General	**$711,605.87**	**$770,607.31**	**$0.00**	**$799,408.96**	**$799,408.96**	**$87,803.09**	**$28,801.65**
Operational and Administrative							
Office of the Managing Director	$1,854,447.37	$2,073,556.37	$361,307.92	$1,696,775.15	$2,058,083.07	$203,635.70	($15,473.30)
Bureau of Trade Analysis	$3,154,924.41	$2,889,954.67	$1,280,849.45	$1,673,082.91	$2,953,932.36	($200,992.05)	$63,977.69
Bureau of Certification and Licensing	$2,584,745.25	$2,597,817.59	$0.00	$2,657,437.35	$2,657,437.35	$72,692.10	$59,619.76
Bureau of Enforcement	$2,070,897.64	$1,940,823.59	$0.00	$1,984,785.80	$1,984,785.80	($86,111.84)	$43,962.21
Area Representatives	$1,794,193.79	$1,767,832.61	$307,521.80	$1,501,429.94	$1,808,951.74	$14,757.95	$41,119.13
Office of Information Technology	$2,013,979.20	$2,643,894.88	$572,048.91	$2,288,195.66	$2,860,244.57	$846,265.37	$216,349.69
Office of Human Resources	$770,612.63	$777,419.06	$160,457.89	$641,831.57	$802,289.46	$31,676.83	$24,870.40
Office of Budget and Finance	$717,580.19	$713,704.73	$143,967.51	$575,870.02	$719,837.53	$2,257.34	$6,132.80
Office of Management Services	$903,904.09	$824,446.97	$154,838.15	$619,352.62	$774,190.77	($129,713.32)	($50,256.20)
Operational and Administrative Total	**$15,865,284.57**	**$16,229,450.47**	**$2,980,991.63**	**$13,638,761.02**	**$16,619,752.65**	**$754,468.08**	**$390,302.18**
Totals	**$24,124,727.56**	**$25,498,000.00**	**$5,126,789.16**	**$21,138,210.84**	**$26,265,000.00**	**$2,140,272.44**	**$767,000.00**

Summary of Changes

FY 2011 - FY 2012

Category	FY 2011 Estimate	FY 2012 Request	Net Change
Spending Authority	$25,498,000.00	$26,265,000.00	$767,000.00
Full time Equivalents *	131.00	133.00	2.00
Positions *	131.00	133.00	2.00

Explanation of Changes :	Amount
Annualization of FY 2011 salary increases	$182,000.00
Salaries for additional positions (2)	$125,000.00
2012 promotions and WIGs for eligible staff	$153,000.00
Costs associated with employee benefits	$141,000.00
Total Personnel Compensation and Benefits	**$601,000.00**
Travel and Administrative Expenses	
(21.1) Travel and Transportation of Personnel	$0.00
(22.0) Transportation of Things (Express Mail)	$0.00
(23.1) Rental Payments to GSA	$17,000.00
(23.2) Rental Payments to Others	$0.00
(23.5) Local, Long Distance, and Cellular Telephones	$20,000.00
(28.3) Postage	$0.00
(24.0) Printing	$41,000.00
(25.1) Consulting (includes $265,000 for MTIPS)	$299,000.00
(25.2) Purchase of Goods and Services from Commercial Accounts	($120,000.00)
(25.3) Purchase of Goods and Services from Government Accounts	$12,000.00
(25.7) Equipment Maintenance	$1,000.00
(26.0) Supplies and Materials	$16,000.00
(31.0) Furniture & Equipment (Includes IT Hardware and Software)	($120,000.00)
Total Travel and Administrative Expenses	**$166,000.00**
Total Changes	**$767,000.00**

* Includes Part time employees

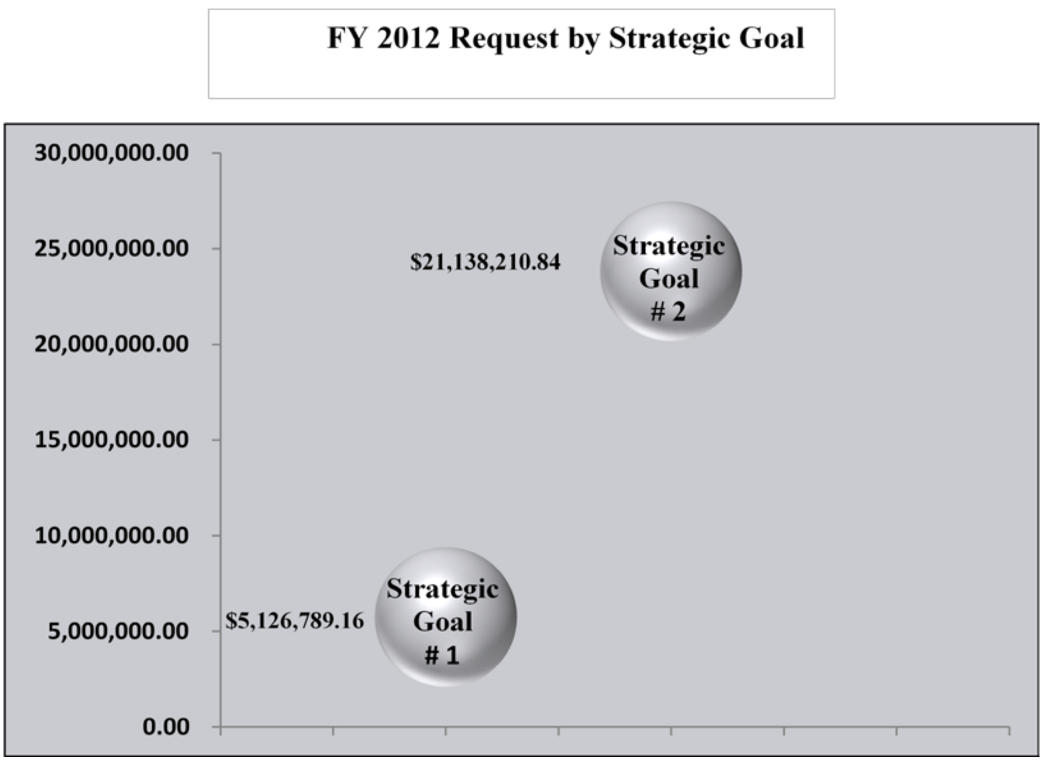
Appropriation Language

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. 307), 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,
[$25,498,000/\]**:** *Provided*, That not to exceed $2,000 shall be available for official reception and $26,265,000 representation expenses (Transportation, Housing and Urban Development and Related Agencies Appropriations Act, 2011).

FMC Fiscal Year 2012 Budget Request by Strategic Goal

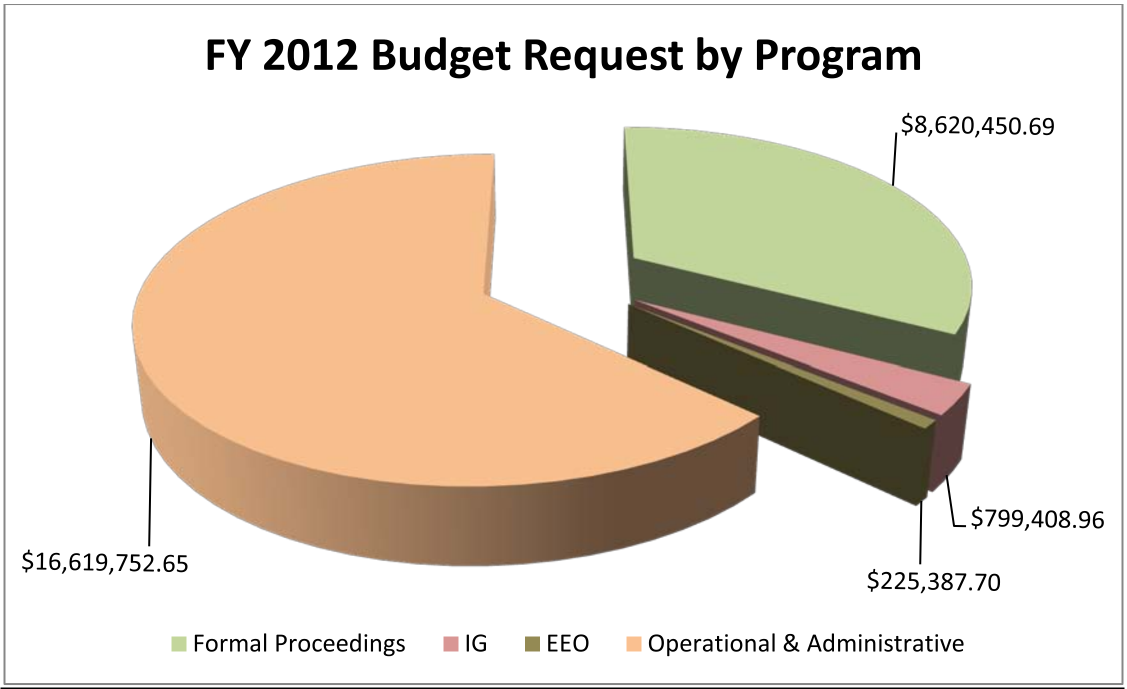
The mission of the Federal Maritime Commission is to foster a fair, efficient and reliable international ocean transportation system and to protect the public from unfair and deceptive practices. The FMC is responsible for the regulation of oceanborne transportation in the foreign commerce of the United States pursuant to the provisions of the Shipping Act. The FMC has oversight of certain commercial activities of ocean common carriers, MTOs, ports, and OTIs operating 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 who purchases goods which arrive in the United States through our ports.

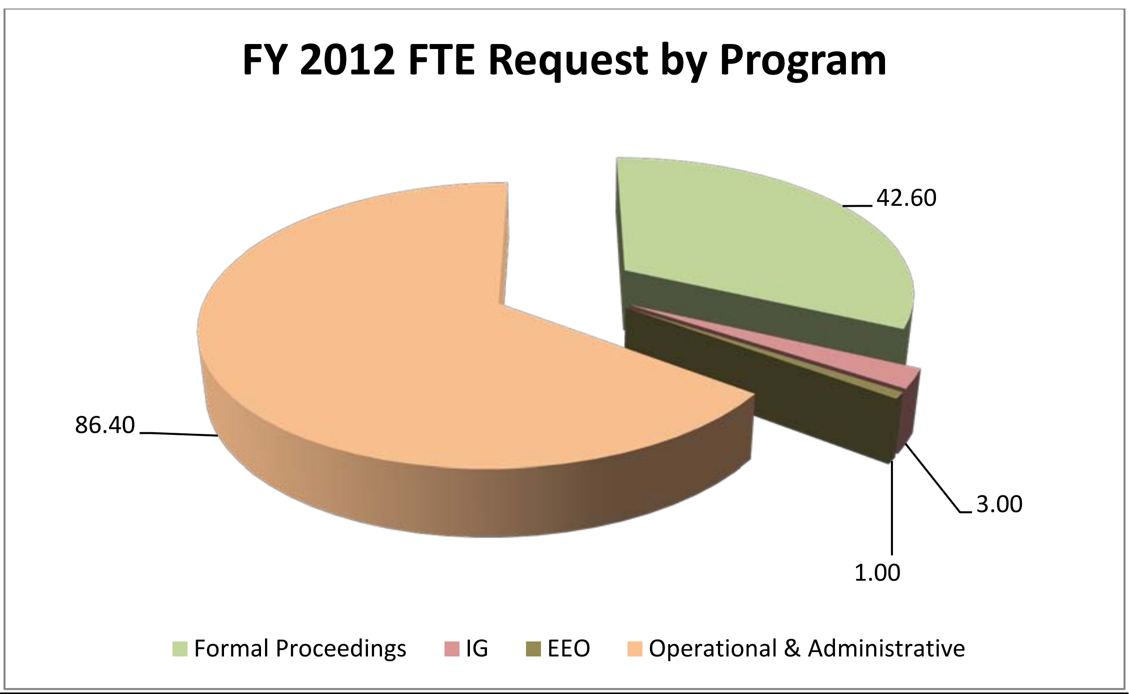
The FMC's budget is focused on achieving the goals and objectives identified in its strategic plan. The FMC's fiscal year 2012 budget request totals $26,265,000 and funds 133 full-time equivalents (FTEs). This is an increase of $767,000 over the agency's fiscal year 2011 President's Budget funding level.



- 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


FY 2012 Budget Request by Program
$8,620,450.69
$799,408.96
$225,387.70
$16,619,752.65
Formal Proceedings
IG
EEO
Operational & Administrative


FY 2012 FTE Request by Program
42.60
86.40
3.00
1.00
Formal Proceedings
IG
EEO
Operational & Administrative

Relationship of Obligations to Outlays FY 2010 - FY 2012			
Program	FY 2010 Actuals	FY 2011 Estimate	FY 2012 Requested
Formal Proceedings	$7,336,426.01	$8,271,110.95	$8,620,450.69
Equal Employment Opportunity	$211,411.11	$226,831.27	$225,387.70
Inspector General	$711,605.87	$770,607.31	$799,408.96
Operational and Administrative	$15,865,284.57	$16,229,450.47	$16,619,752.65
Unobligated	$10,272.44	$0.00	$0.00
Budget Authority	**$24,135,000.00**	**$25,498,000.00**	**$26,265,000.00**
Obligations	**$24,124,727.56**	**$25,498,000.00**	**$26,265,000.00**
Outlays*	**$21,280,432.38**	**$22,601,427.20**	**$23,281,296.00**
Outlay Rate (Obligation to Outlay)**	**88.64%**	**88.64%**	**88.64%**
Obligation Rate	**99.96%**	**100.00%**	**100.00%**

Grosss Outlays for FY 2010	
Total outlays for fiscal year 2005 disbursed in fiscal year 2010	($7,368.93)
Total outlays for fiscal year 2006 disbursed in fiscal year 2010	$1,170.00
Total outlays for fiscal year 2007 disbursed in fiscal year 2010	$10,944.12
Total outlays for fiscal year 2008 disbursed in fiscal year 2010	$100,421.10
Total outlays for fiscal year 2009 disbursed in fiscal year 2010	$2,598,087.98
Total outlays for fiscal year 2010	$21,280,432.38
Total outlays for fiscal year 2010 (Reimbursable Agreement)	$113,459.45
Outlays	**$24,097,146.10**

* Represents Outlays for FY 2010 only

** Represents the percentage of FY 2010 obligations that were disbursed during FY 2010

Formal Proceedings Program

Federal Maritime Commission				
Formal Proceedings				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	Chairman	3.13	3.00	3.00
	Commissioners	5.37	8.00	8.00
	Secretary	7.26	7.60	7.60
	Library	1.00	1.00	1.00
	CADRS	7.05	7.00	9.00
	General Counsel	10.30	11.00	11.00
	Administrative Law Judges	2.73	3.00	3.00
	Total FTEs	**36.84**	**40.60**	**42.60**
Cost:	Salaries & Benefits	$5,308,896.17	$6,164,201.45	$6,513,156.45
	Non-Personnel Expenses	$2,027,529.84	$2,106,909.50	$2,107,294.24
	Total Cost	**$7,336,426.01**	**$8,271,110.95**	**$8,620,450.69**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
10.17	**32.43**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$2,145,797.53	**$6,474,653.16**

The Offices of the Commissioners, Secretary, Consumer Affairs and Dispute Resolution Services, 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, provides an ADR program and to facilitate dispute resolutions, and conducts external representation activities before the Congress, courts of law, and other agencies.

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.

Federal Maritime Commission				
Formal Proceedings Office of the Chairman				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Chairman**	3.13	3.00	3.00
Cost:	**Salaries & Benefits**	$382,138.48	$472,004.04	$525,630.09
	Non-Personnel Expenses	$122,997.53	$150,329.95	$159,110.56
	Total Cost	**$505,136.01**	**$622,333.99**	**$684,740.65**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.60	**2.40**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$136,948.13	**$547,792.52**

Chairman Lidinsky effected a reorganization of the Commission on January 31, 2010. Through the reorganization, the Chairman sought to reinvigorate the Commission, making it more nimble and responsive to the millions of Americans who work in or rely on international trade and transportation. The Commission consulted closely with Congress and FMC staff to take advantage of what has worked during the Commission's forty-nine year history, while modernizing to keep pace with an ocean transportation industry that continues to grow in size and importance.

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.

Also during the fiscal year ending September 30, 2010, the Commission issued 42 orders and notices in docketed proceedings.

Federal Maritime Commission				
Formal Proceedings Office of the Commissioners				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Commissioners**	5.37	8.00	8.00
Cost:	**Salaries & Benefits**	$1,025,355.60	$1,525,644.36	$1,544,247.96
	Non-Personnel Expenses	$355,613.03	$429,902.15	$424,083.04
	Total Cost	**$1,380,968.63**	**$1,955,546.51**	**$1,968,331.00**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
1.60	**6.40**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$393,666.20	**$1,574,664.80**

In 2010, the Commission undertook two major initiatives into major areas of concern affecting shipping industry consumers. Fact Finding Investigation No. 26, *Vessel Capacity and Equipment Availability in the United States Export and Import Liner Trades,* led by Commissioner Dye, was initiated to determine then existing conditions and practices in the U.S. liner trades and impediments to U.S. oceanborne imports and exports. It also supports President Obama's directive to use Federal resources to increase U.S. exports over the next five years.

Fact Finding No. 27, *Potentially Unlawful, Unfair or Deceptive Ocean Transportation Practices Related to the Movement of Household Goods or Personal Property in U.S.-Foreign Oceanborne Trades*, led by Commissioner Khouri, seeks to develop a record of the nature, scope and frequency of potentially unlawful, unfair or deceptive ocean transportation practices by household goods movers. This investigation will further the Commission's Strategic Goal to protect the public from unlawful, unfair or deceptive ocean transportation practices and resolve shipping disputes.

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 requests 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.

Federal Maritime Commission				
Formal Proceedings Office of the Secretary				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Secretary**	7.26	7.60	7.60
Cost:	**Salaries & Benefits**	$901,352.51	$999,362.83	$1,033,154.49
	Non-Personnel Expenses	$346,485.61	$358,125.48	$328,263.73
	Total Cost	**$1,247,838.12**	**$1,357,488.31**	**$1,361,418.22**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
1.43	**6.17**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$256,161.59	**$1,105,256.63**

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.

During fiscal year 2010, 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 42 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 Secretary was designated as the agency's Performance Improvement Officer (PIO) in February 2010. Subject to the direction of the Chairman, and in consultation with the Managing Director, the PIO supervises the Commission's performance management activities, including development of performance goals, plans and reports. During fiscal year 2010, the PIO drafted revision to the 2010-2015 Strategic Plan. This revision will further streamline the plan to focus all resources on mission-oriented goals. The Secretary has held and will continue to hold quarterly meetings with all agency components to measure progress toward specific performance targets set out in the strategic plan.

The Office is significantly involved with the Commission's ongoing objective to enhance public awareness of the agency. The Office promotes transparency and accountability on behalf of the Commission by evaluating, developing and implementing improvements to the Commission's website. During this fiscal year, the Office increased the amount of information available on specific topics and issues related to the agency and important to stakeholders and the media. For example, the Office worked with other Commission components and sometimes other agencies to provide information on such hot topics as moving personal household goods, cruise passenger information, passenger vessel financial responsibility, U.S. export and import capacity issues, China's new shipping policies, maritime environmental issues and the Deepwater Horizon Oil Spill. These informative online resources provide easy public access to useful information and resources, increase public awareness of how the FMC is involved with daily events and help to underscore our mission to oversee oceanborne transportation in the foreign commerce of the U.S.

Additionally, the Office upgraded the Commission's website operating platform and content management tool. These upgrades support plans to enhance website graphics, include more social networking/communications capabilities, and further improve public visibility of the Commission's website. During the latter part of fiscal year 2010 and into 2011, the Office will proceed with plans to systematically review and enhance website content. For example, during fiscal year 2011, the Office plans to improve the overall usability of the website by working closely with other offices and bureaus, other government agencies, and public users to provide content-driven, user-friendly information on the website.

During fiscal year 2010, the Office collaborated with other Commission components on plans for upgrading and modernizing the communication technology in the Commission's hearing room. The Office supported this effort by providing advice on best government practices and technical, web-based requirements as related to web broadcasting. The latter part of 2010 into 2011, these improvements have been made to the hearing room and the Commission began "test run" streaming to disseminate the resulting audio and video content on its website where the information can reach a wider audience regarding information about the FMC mission strategies, objectives, plans, activities, and actions.

The process of electronically scanning/imaging Commission records is an ongoing function of the Office. Not only does the Office electronically convert all official Commission files (both current and historical), it is responsible for planning, scheduling and systematically scanning documents for other agency components. The Document Management Program the Office oversees helps support the agency's initiatives for Continuity of Operations ("COOP") by: improving preservation of and staff access to Commission documents, improving staff response time to public inquiries, and providing direct public access to electronic files. As a result of its scanning program, the Office continued to make key documents filed in formal proceedings available through its website.

During the fiscal year, the Office completed a large-volume scanning project. The contents of 28 bound volumes of historical Commission decisions issued between the years 1919 and 1987 were converted to electronic format and were posted to the Commission's website. These historical decisions are no longer in publication in bound volume form, however, with the completion of this project the entire body of historical Commission decisions issued in its adjudicatory proceedings were available on the FMC website. Making this information readily available to the public in electronic form has proven to be a useful and cost effective resource, especially for attorneys practicing before the Commission.

During fiscal year 2011, the Office plans to develop an electronic searchable database for the Commission's historical Informal Docket proceedings. The database will provide a more efficient research tool for historical cases and decisions related to informal docket proceedings filed with the Commission. The database will be initially available to staff attorneys, settlement officers, and the office of Administrative Law Judges. Coordination and support from the Office of Information Technology may be necessary.

In support of the Commission's strategic goal to protect the public from unlawful, unfair and deceptive ocean transportation practices and resolve shipping disputes, during the latter part of fiscal year 2011 the Office plans to begin outlining a course of action to review the Commission's Rules of Practice and Procedure. Emphasis will be on evaluating the Commission's procedures against current Federal Rules of Civil Procedure and updating Commission procedures where appropriate. The benefits and challenges associated with electronic filing of documents in Commission proceedings will also be considered. Potential automation initiatives in this area must be accomplished in conjunction with the Office of Information Technology.

Library

The OS also oversees the Commission's Library. The Library serves the research and information needs of staff, 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, videos, law encyclopedias, engineering textbooks, legal treaties, legislative materials, and selected titles of the National Reporter system. The Library also contains material on several related fields such as engineering, economics, political science, and a collection of legal publications. 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 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Library**	1.00	1.00	1.00
Cost:	**Salaries & Benefits**	$106,224.40	$110,021.64	$113,720.10
	Non-Personnel Expenses	$246,990.84	$289,161.26	$293,367.32
	Total Cost	**$353,215.24**	**$399,182.90**	**$407,087.42**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.40	**0.60**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$162,834.97	**$244,252.45**

Office of Consumer Affairs and Dispute Resolution Services (CADRS)

CADRS is responsible for developing and implementing the Commission's ADR program. Through this program, the Commission provides services to assist parties in resolving shipping disputes. The Office provides a 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 to resolve their disputes. The Commission makes trained neutrals available to facilitate resolution at all stages. Outside neutrals also may be employed as needed. During fiscal year 2010, Commission mediators provided services in a number of matters, especially assisting parties in overcoming obstacles to delivery of transported goods.

Federal Maritime Commission				
Formal Proceedings				
Office of Consumer Affairs and Dispute Resolution Services				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**CADRS**	7.05	7.00	9.00
Cost:	**Salaries & Benefits**	$1,047,368.45	$930,052.14	$1,110,384.37
	Non-Personnel Expenses	$327,516.75	$274,195.46	$307,957.03
	Total Cost	**$1,374,885.20**	**$1,204,247.60**	**$1,418,341.40**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.00	**9.00**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$0.00	**$1,418,341.40**

CADRS also provides *ombuds* services to participants in ocean shipping transactions. Typical complaints include situations where an NVOCC or VOCC has placed a hold on cargo in its possession, often for sums owed under a different contract of carriage. Other cases occur when an NVOCC has received cargo from its customer and taken payment for the transportation of the cargo, but failed to deliver the cargo. Urgent resolution may facilitate delivery of shipments to avoid the accrual of additional demurrage/detention/storage charges. With respect to household goods shipments, consumers often use unlicensed entities that demand additional payment and/or abandon the goods and refuse to communicate with the consumer. 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. CADRS also receives a significant number of complaints involving issues with cruise lines.

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 complainants 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.

During fiscal year 2010, 532 complaints were received that necessitated the opening of cases to provide dispute resolution services. These included 157 passenger complaints about cruise line issues, 172 complaints with respect to household goods shipments, and 203 complaints involving other cargo shipment matters. Cargo shipment complaints continued to be of increasing complexity. Problems involving ocean transportation intermediaries with overextended finances and inability to complete the ocean transportation continued to be an issue. In addition, many household goods complaints pertained to initial charges quoted vis á vis the actual charges billed, often due to measurement discrepancies.

Another issue that arose in fiscal year 2010 concerned a VOCC, which was the subject of more than twenty complaints. This particular company had its vessel seized for debts owed and yet continued to accept shipments without the ability to complete the ocean transportation. CADRS worked closely with the VOCC to secure these containers, to facilitate delivery through the use of ocean transportation intermediaries and other VOCCs, or to return the cargo to shippers.

Also, CADRS received over twenty complaints involving a particular NVOCC, specializing in household goods shipments, which decided to sell its business without completing the transportation for which it had already been paid. CADRS assisted shippers in locating their shipments and directed them on how to make claims with the bonding company for losses incurred.

The Commission initiated Fact Finding Investigation No. 26 into current conditions and practices in the U.S. liner trades, and into potential impediments to the flow of oceanborne import and export trades. This inquiry has generated a number of complaints and concerns from both the import and export communities. CADRS has been involved in seeking resolution to individual concerns regarding booking cancellations, and equipment and space limitations, and participates in the Commission's efforts to address the larger problems. CADRS has also participated in the Commission's Fact Finding Investigation No. 27 involving the review of potentially unlawful, unfair, or deceitful practices of the international shipment of household goods by water. Complaints to CADRS was the basis for initiating the matter and CADRS will necessarily be involved in efforts to resolve further disputes and to educate the public and industry with regard to appropriate practices and activities.

In fiscal years 2011 and 2012, CADRS intends to further expand awareness of the ADR program through education internally and externally, training and other outreach efforts. CADRS promotes and encourages the use of ADR and its various processes as alternatives to more formal litigation processes. Further efforts will be made to increase shipping industry awareness of this less adversarial, more cost-effective and time efficient 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, service contract matters, and other significant disputes. CADRS will continue to make consumer protection information available and will expand its outreach with other Federal agencies through various websites and media sources. The 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.

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 Offie of the General Counsel				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**General Counsel**	10.30	11.00	11.00
Cost:	**Salaries & Benefits**	$1,412,696.57	$1,643,362.99	$1,690,580.41
	Non-Personnel Expenses	$500,212.91	$460,056.06	$451,097.84
	Total Cost	**$1,912,909.48**	**$2,103,419.05**	**$2,141,678.25**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
6.14	**4.86**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$1,195,445.86	**$946,232.39**

Rulemaking and Decisions

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

(a) Rulemakings

***Repeal of Marine Terminal Agreement Exemption* - [Docket No. 09-02], 30 S.R.R. 1088 (December 4, 2009)**

On July 2, 2009, the Commission published Notice of Proposed Rulemaking to repeal 46 C.F.R. § 535.308, an exemption from the statutory waiting period for MTO agreements. The rulemaking was published in the Federal Register, 74 FR 31666, and received three comments. During its meeting on November 19, 2009, the Commission decided to repeal the exemption because pursuant to section 16 of the Shipping Act, 46 U.S.C. 40103, the Commission was permitted to continue the exemption from the Act's requirements only if "it finds that the exemption will not result in substantial reduction in competition or be detrimental to commerce." However, the Commission found that potentially anti-competitive agreements were filed under § 535.308. The Commission also found that repeal of the § 535.308 exemption would have only a minimal impact on the industry because of the narrow applicability of the exemption and, thus, the small number of agreements filed claiming the exemption. On December 9, 2009, the Commission's Final Rule repealing § 535.308 was published in the Federal Register, 74 FR 65034.

***Petition of the National Customs Brokers and Forwarders Association of America, Inc. for Exemption from Mandatory Tariff Publication* [Petition No. P1-08], 31 S.R.R 1124 (January 5, 2010)**

On July 31, 2008, the National Customs Brokers and Forwarders Association of America, Inc. (NCBFAA) filed a petition requesting the Commission exercise its authority under 46 U.S.C. § 40103 and issue an exemption for non-vessel-operating common carriers (NVOCCs) from the provisions of the Shipping Act of 1984 requiring them to publish and/or adhere to rate tariffs for ocean transportation in those instances where they have individually negotiated rates with their shipping customers and memorialized those rates in writing. Notice of the Petition was published on August 11, 2008 and comments on it were due by September 26, 2008. 73 FR 46625-02 (August 11, 2008).

NCBFAA's proposal incorporated the following principles: the exemption is voluntary; the exemption would relate only to rates tariffs, not to rules tariffs; disputes relating to exempt contracts would be settled only under contract law; NVOCC Service Arrangements (NSAs), to the extent used, would continue to be filed with the Commission and NSA essential terms will continue to be published; exempt contracts would be memorialized in writing; the Commission would have access to documentation relating to exempt contracts; the exemption would not be construed to extend antitrust immunity to NVOCCs; and only NVOCCs that are licensed or registered ocean transportation intermediaries would be eligible to use the exemption. On December 24, 2009, NCBFAA filed a motion for leave to supplement the record and submit a verified statement on behalf of DJR Logistics, Inc. By order served January 5, 2010, the Commission granted NCBFAA's motion, accepted the verified statement, and reopened the record for the limited purpose of receiving updated tariff cost information, and any replies thereto, from previous commenting parties of record by January 21, 2010. Comments in response to the Petition were filed by members of Congress; two Federal government agencies; OTIs; associations; consultants; tariff publishers; and VOCCs.

After consideration of the Petition and all comments at a meeting on February 18, 2010, the Commission, meeting in open session voted by a 3-1 margin to instruct the staff to initiate a rulemaking to relieve licensed NVOCCs from the costs and burdens of tariff rate publication. The Commission specifically found that it was within its statutory authority and discretion under Section 16 of the Shipping Act to grant such an exemption with certain conditions, after having considered all the comments filed in support and in opposition to the Petition, as doing so would not result in substantial reduction in competition or be detrimental to commerce, consistent with the Act. See 46 U.S.C. § 40103(a). The Commission voted to exempt licensed NVOCCs by regulation from these requirements of the Act: the requirement in Section 8(a), codified at 46 U.S.C. §§ 40501(a)-(c) that each common carrier keep open to public inspection in an automated tariff system tariffs showing all its rates; Section 8(b), codified at 46 U.S.C. § 40501(d)(time volume rates); Section 8(d), codified at 46 U.S.C. § 40501(e) (tariff rate increase may not be effective on less than 30 days' notice but decrease effective immediately); Section 8(e), codified at 46 U.S.C. § 40503 (carrier application to grant refunds); and Section 10(b)(2)(A)'s requirement of adhering to the published tariff rate, codified at 46 U.S.C. § 41104(2)(A). The Commission also determined to seek public comment on whether the regulation should also extend the exemption to the prohibitions of Section 10(b)(4), codified at 46 U.S.C. § 41104(4)(prohibiting common carriers from unfair or unjustly discriminatory practices in services pursuant to a tariff), and Section 10(b)(8), codified at 46 U.S.C. § 41104(8)(prohibiting common carriers from undue or unreasonable preference or advantage or undue or unreasonable prejudice or disadvantage for tariff service).

***NVOCC Negotiated Rate Arrangements* [Docket No. 10-03], 31 S.R.R. ____ (May 13, 2010)**

A notice of proposed rulemaking was published in the Federal Register on May 7, 2010. 75 FR 25150, Commission Docket 10-03. The proposed regulation would recognize NVOCC negotiated rate agreements (NRAs) and proposes defining that instrument as “a written and binding arrangement between a shipper and an eligible NVOCC to provide particular transportation service for a particular shipment at a particular rate prior to the receipt of the cargo by the common carrier or its agent (including originating carriers in the case of rates for through transportation).” The proposed regulation contemplates exempting licensed NVOCCs from the following requirements of the Shipping Act: the requirement in Section 8(a), codified at 46 U.S.C. §§ 40501(a)-(c) that each common carrier keep open to public inspection in an automated tariff system tariffs showing all its rates; Section 8(b), codified at 46 U.S.C. § 40501(d)(time volume rates); Section 8(d), codified at 46 U.S.C. § 40501(e) (tariff rate increase may not be effective on less than 30 days' notice but decrease effective immediately); Section 8(e), codified at 46 U.S.C. § 40503 (carrier application to grant refunds); and Section 10(b)(2)(A)'s requirement of adhering to the published tariff rate, codified at 46 U.S.C. § 41104(2)(A). The Commission sought comment on whether the regulation should additionally specifically exempt a compliant NVOCC from the prohibitions of Section 10(b)(4), codified at 46 U.S.C. § 41104(4)(prohibiting common carriers from unfair or unjustly discriminatory practices in service pursuant to a tariff), and Section 10(b)(8), codified at 46 U.S.C. § 41104(8)(prohibiting common carriers from undue or unreasonable preference or advantage or undue or unreasonable prejudice or disadvantage for tariff service). The Commission also requested comment on additional terms to be required in the NRA documentation, and on the usefulness of providing a specific set of "safe harbor" provisions in the regulation as to what further terms should be included in an NRA or actions an NVOCC should take to ensure the NRA will fall within the exemption. Additionally, the Commission requested interested parties to submit comments on whether the exemption should be extended to foreign-based NVOCCs who are unlicensed but bonded pursuant to 46 C.F.R. § 515.21(a)(3). A public meeting was requested and held on May 24, 2010. Written comments were received through June 4, 2010. This proceeding is pending issuance of a final rule by the Commission.

(b) **Decisions**

***EuroUSA Shipping, Inc., Tober Group, Inc., and Container Innovations, Inc. – Possible Violations of Section 10 of the Shipping Act of 1984 and the Commission's Regulations at 46 C.F.R. § 515.27* [Docket No. 06-06], 31 S.R.R. 1131 (January 7, 2010)**

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 (OTI) that did not have a tariff and bond as required by sections 8 and 19 of the Act. With regard to EuroUSA, the Administrative Law Judge (ALJ) approved a Settlement Agreement between EuroUSA and the Bureau of Enforcement (BOE) on October 9, 2009. With regard to Tober Group (Tober), the ALJ issued an Initial Decision (ID) in which he concluded that BOE did not prove that the unlicensed intermediaries with whom Tober did business operated as NVOCCs, and therefore Tober did not violate section 10(b)(11) of the Shipping Act. The ALJ also concluded that Tober violated section 10(b)(2)(A) of the Act by providing service in the liner trade that was not in accordance with the rates and charges in its published tariff, but did not assess a penalty for these violations. BOE filed exceptions to the ALJ's ID, and the Commission's decision is pending. Finally, with regard to Container Innovations, the ALJ concluded that it violated section 10(b)(11) and should be subject to a civil penalty of $390,000 for 13 knowing and willful violations of the Shipping Act. The ALJ's decision regarding Container Innovations became administratively final on January 7, 2010. A final decision is due February 28, 2011.

***In the Matter of the Lawfulness of Unlicensed Persons Acting as Agents for Licensed Ocean Transportation Intermediaries* [Docket No. 06-08], 31 S.R.R. 1058 (November 6, 2009)**

In August 2006, Team Ocean Services, Inc. (Team Ocean) filed a petition for declaratory order seeking to have the Commission issue an order affirming that it is lawful for licensed OTIs to engage unlicensed persons to act as their agents to perform OTI services. On February 15, 2008, the Commission issued a declaratory order denying Team Ocean's petition, concluding that only licensed persons are permitted to provide OTI services to the public. Landstar Express America sought review of the Commission's declaratory order, and on June 26, 2009, the United States Court of Appeals for the District of Columbia Circuit issued a decision concluding that agents providing OTI services need not be licensed. Landstar Express America v. Federal Maritime Commission, 569 F. 3d 493 (D.C. Cir. 2009). In light of this conclusion, the court vacated the Commission's declaratory order and remanded the matter to the Commission. On November 6, 2009, the Commission issued an Order Granting Petition for Declaratory Order, in which it concluded that it is lawful for a licensed OTI to engage an unlicensed person to act as its agent to perform OTI services on behalf of the disclosed licensed OTI.

Parks International Shipping Inc., Cargo Express International Shipping Inc., et al. – Possible Violations of Sections 8(a) of the Shipping Act and the Commission's Regulations at 46 C.F.R., Parts 515 and 520 **[Docket No. 06-09], 31 S.R.R. 1166 (February 5, 2010)**

This proceeding was instituted by Order of Investigation and Hearing served September 19, 2006, to determine whether respondents violated sections 8(a) and 19 of the Shipping Act and the Commission's regulations at 46 C.F.R. Part 520 and 46 C.F.R. Part 515. On February 5, 2010, the Administrative Law Judge issued an Initial Decision finding that on twelve shipments, Parks International Shipping, Inc. violated section 8(a) by operating as a common carrier without publishing tariffs showing all of its active rates and charges, and violated section 19 by operating as an ocean transportation intermediary without obtaining a license from the Commission and without providing proof of financial responsibility. The ALJ also found that on fourteen shipments, Cargo Express International Shipping, Inc. violated section 8(a) by operating as a common carrier without publishing tariffs showing all of its active rates and charges and violated section 19 by operating as an ocean transportation intermediary without obtaining a license and without providing proof of financial responsibility. The ALJ imposed civil penalties on both of these parties, and ordered them to cease and desist from violating the Shipping Act. The ALJ dismissed Bronx Barrels & Shipping Supplies Shipping Center, Inc. and Ainsley Lewis a.k.a. Jim Parks from the proceeding. On April 6, 2010, the Commission filed a notice indicating its intention to review the ALJ's Initial Decision. The Commission's final decision in this proceeding is due February 28, 2011.

Anderson International Transport and Owen Anderson – Possible Violations of Sections 8(a) and 19 of the Shipping Act **[Docket No. 07-02], 31 S.R.R. 1232 (February 23, 2010)**

This proceeding was instituted by Order of Investigation and Hearing served March 22, 2007, to investigate whether respondents violated sections 8, 19(a), and 19(b) of the Shipping Act and the Commission's regulations at 46 C.F.R. Part 515 and Part 520. On August 28, 2009, the Administrative Law Judge issued an Initial Decision finding that respondents violated section 19(a) of the Shipping Act by operating as an ocean transportation intermediary without obtaining a license, and also violated section 19(b) by operating as an ocean transportation intermediary without providing proof of financial responsibility. The ALJ ordered respondents to cease and desist from violating the Shipping Act. The ALJ did not impose a penalty, finding that the Bureau of Enforcement failed to introduce evidence regarding respondents' ability to pay a civil penalty. On December 8, 2009, the Bureau of Enforcement filed a petition to reopen the proceeding for the purpose of taking further evidence regarding respondents' ability to pay. The Commission granted this request and remanded the case to the ALJ for further consideration. On February 23, 2010, the ALJ issued an order on remand imposing a penalty on respondents. On March 9, 2010, the Commission filed a notice to review the ALJ's decision, and on March 15, 2010, the Bureau of Enforcement filed exceptions to the ALJ's decision. The Commission's final decision in this proceeding is due February 28, 2011.

***Western Holding Group et al. v. Mayaguez Port Commission et al.* [Docket No. 08-06]**

On November 17, 2008, Complainants filed a complaint with the Commission against the Mayaguez Port Commission, a public corporation of the Municipality of Mayaguez, and Holland Group Port Investment (Mayaguez), Inc., a for-profit marine terminal operator in Mayaguez, Puerto Rico, seeking inter alia reparations no less than $25,000,000. The Complainants alleged that Respondents violated section 10(d)(1)-(4) of the Shipping Act, 46 U.S.C. §§ 41102(c) and 41106(1)-(3), by unreasonably terminating terminal lease agreement, unreasonably and unjustifiably refusing to negotiate with Complainants, unreasonably failing to establish, observe, and enforce just and reasonable regulations and practice, and other activities.

On February 1, 2010, the ALJ issued an Initial Decision approving the Settlement Agreement between Complainants and Mayaguez Port Commission and dismissing the proceeding as to that Respondent. On March 4, 2010, the Initial Decision became administratively final.

The proceeding between Complainants and Holland Group Port Investment remained before the ALJ. On September 20 2010, the ALJ issued an Initial Decision granting the remaining parties' Joint Motion to Dismiss. On October 12, 2010, the parties filed a Joint Motion for Modification of Order. The proceeding is now before the Commission. The Commission's Final Decision is due by March 30, 2011.

Litigation

The General Counsel 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 General Counsel 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 Office:

Federal Maritime Commission v. All-In-One Shipping, Inc., et al., U.S. District Court for the Southern District of Florida, Case No. 06-60054

On January 12, 2006, the Commission filed a Complaint for Injunctive Relief with the U.S. District Court for the Southern District of Florida to enjoin four household goods moving companies and three individuals from operating as NVOCCs in violation of the Shipping Act of 1984 by accepting cargo for transportation, and for advertising for or soliciting cargo while operating as an ocean transportation intermediary without a valid license, bond or other security on file with the Commission. The District Court issued the requested preliminary injunction by order dated January 17, 2006. Specifically, the companies and individuals that are named and subject to the injunction are: All-In-One Shipping, Inc.; Around The World Shipping, Inc.; Boston Logistics Corp.; Global Direct Shipping; Daniel Cuadrado; Elizabeth F. Hudson; Joshua Morales. Injunctive relief remains in force pending conclusion of agency enforcement proceedings in FMC Docket No. 06-01.

On August 16, 2010, the ALJ issued an Initial Decision in Docket No. 06-01 finding violations of the Shipping Act and imposing civil penalties on the corporate and individual parties. No parties filed exceptions to the Initial Decision. The Commission determined to review the Initial Decision, and its final decision is due by February 28, 2011.

Natural Resources Defense Council, Inc. v. Federal Maritime Commission, U.S. District Court for the District of Columbia, Civil Action No. 1:09-cv-00935

On May 19, 2009, the National Resources Defense Council, Inc. (NRDC) filed a complaint for declaratory and injunctive relief against the Commission for failing to produce records and denying it a full waiver of fees under the Freedom of Information Act (FOIA). An Assistant U.S. Attorney represented the Commission. An answer to the complaint was filed on July 9, 2009. On September 28, 2009, NRDC filed its Motion for Summary Judgment on the merits of the case related fee waivers. On November 6, 2009, the Commission filed its Consolidated Memorandum in Opposition to NRDC's Motion for Summary Judgment and in Support of its own Cross Motion for Summary Judgment. The NRDC filed its final brief on November 30, 2009 and the Commission's brief on the same issue was filed on December 18, 2009. As of June 8, 2010, the presiding Judge had not ruled on the briefed issues in the case. Prior to any ruling by the presiding Judge, the parties amicably resolved the dispute. The Commission agreed to produce a limited pool of documents and pay attorney's fees in exchange for dismissal of the case. After production of documents, and after the NRDC did not file any objection, the parties entered a stipulation of dismissal, and the case was terminated from the court's docket.

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 the Office of Management and Budget (OMB) requests for views on proposed bills and testimony.

During fiscal year 2010, 110 bills, proposals, and congressional inquiries were referred to the OGC for review or comment. OGC prepared and coordinated testimony for the agency's fiscal year 2011 budget authorization hearing and a hearing involving the capacity of vessels to meet U.S. import/export requirements. Both hearings were held before the U.S. House of Representatives' Committee on Transportation and Infrastructure's Subcommittee on Coast Guard and Maritime Transportation. In addition, OGC helped prepare three nominees for confirmation hearings before the Senate Committee on Commerce, Science and Transportation.

On September 22, 2010, H.R. 6167, *the Shipping Act of 2010* was introduced. This proposed legislation amends title 46 of the United States Code, to increase competition and improve movement of goods by limiting antitrust immunity to certain ocean common carrier agreements, increase penalties for Shipping Act violations, require Commission approval before an agreement becomes effective, establish an ocean shipping advisory committee, establish a dispute resolution process at the Commission, expand prohibitions on ocean transportation practices, and require the Federal Maritime Commission to maintain an Office of Dispute Resolution and Customer Advocate.

In fiscal years 2011 and 2012, OGC will continue to 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 to promote efficient and secure flow of ocean transportation.

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 Foreign Shipping Practices Act. 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 2010, 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 United States-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.

The OGC also pursued informally several matters that involved potentially restrictive foreign practices including new legislation, new interpretations of existing legislation, new regulations of non-domestic carriers' terminal handling charges and implementation by the People's Republic of China of new requirements on carriers to file tariff and service contract rates with a quasi-governmental entity and for that entity to establish a freight index based upon information received. OGC served as a technical advisor to the U.S. delegation regarding rate filing at the quasi-governmental entity and related issues at the 4th U.S. - People's Republic of China Consultations on the Maritime Bilateral Agreement held in Dalian, China in October 2010. The OGC also presented at a maritime experts group workshop relating to non-ratemaking agreements among vessel-operating common carriers for the purpose of discussion on behalf of the United States' delegation at the Asian-Pacific Economic Cooperation conference in Japan in October 2010.

Another responsibility of the OGC is the classification 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 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. In fiscal year 2010, a Chinese carrier was deemed a controlled carrier and added to the current list 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. OGC monitors foreign laws and practices to determine whether there are any unjust non-market barriers to trade. Where appropriate, the OGC will recommend Commission action.

Designated Agency Ethics Official

The Ethics Official is designated by the Chairman and located in the OGC. The position is performed as a collateral duty by the attorney designated as Ethics Official. 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 also conducts annual training and offers 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 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Ethics**	0.00	0.00	0.00
Cost:	**Salaries & Benefits**	$0.00	$0.00	$0.00
	Non-Personnel Expenses	$1,123.59	$3,730.43	$3,703.94
	Total Cost	**$1,123.59**	**$3,730.43**	**$3,703.94**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$740.79	**$2,963.15**

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.

Federal Maritime Commission				
Formal Proceedings Office of Administrative Law Judges				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Administrative Law Judges**	2.73	3.00	3.00
Cost:	**Salaries & Benefits**	$433,760.16	$483,753.45	$495,439.03
	Non-Personnel Expenses	$126,589.58	$141,408.71	$139,710.78
	Total Cost	**$560,349.74**	**$625,162.16**	**$635,149.81**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.00	**3.00**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$0.00	**$635,149.81**

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.

At the beginning of fiscal year 2010, twelve formal proceedings were counted as pending (on hand) before the OALJ (06-01, 06-06, 06-09, 07-01, 07-10, 08-03, 08-04, 08-06, 09-01, 09-03, 1896(F), and 1898(F)). During the year, nine new formal proceedings were added (09-07, 09-08, 10-01, 10-02, 10-05, 10-06, 10-07, 10-08, and 10-09) and one formal proceeding was remanded by the Commission (07-02). OALJ issued initial decisions in three contested proceedings (06-01, 06-06 (two IDs on the merits), and 06-09), a decision on civil penalty in one proceeding (07-02), dismissed some respondents in one proceeding (10-01), approved settlements in five proceedings (06-06 (one settlement), 07-10, 08-06, 09-03, 10-02, and 10-07 (partial settlement)), dismissed some claims and granted leave to appeal an issue in one proceeding (09-01), and referred one motion to approve a settlement to the Commission (09-07).

Equal Employment Opportunity Program (EEO)

The Commission's Office of Equal Employment Opportunity Program (EEO) follows Federal EEO and personnel management laws, concepts, procedures and regulations to develop, implement and manage a comprehensive program of equal employment opportunity. The program is statutorily mandated with required activities in complaints processing, adjudication, affirmative employment program planning, workforce diversity management, special emphasis programs, community outreach, monitoring and evaluation.

Federal Maritime Commission				
Equal Employment Opportunity Program				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Headquarters**	1.00	1.00	1.00
Cost:	**Salaries & Benefits**	$160,564.27	$157,917.00	$158,052.57
	Non-Personnel Expenses	$50,846.84	$68,914.27	$67,335.13
	Total Cost	**$211,411.11**	**$226,831.27**	**$225,387.70**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.00	**1.00**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$0.00	**$225,387.70**

The Chairman is responsible for ensuring equal opportunity at the Commission. The Chairman has delegated this authority to the Director of Equal Employment Opportunity. Operational responsibility for compliance with EEO policies and programs lies with the Commission's front-line managers. The Director of EEO works independently under the direction of the Chairman to provide advice to senior staff and management in improving and carrying out its policies and program of non-discrimination, workforce diversity and affirmative employment program planning. The Director arranges for EEO counseling or ADR for employees who raise allegations of discrimination; provides for the investigation, hearing, fact-finding, adjustment, or early resolution of such complaints of discrimination; accepts or rejects formal complaints of discrimination; prepares and issues decisions for resolution of formal complaints; and monitors and evaluates the program's impact and effectiveness. In addition, the Director represents the agency on several intergovernmental committees, coordinates all affirmative program planning efforts, directs programs of special emphasis, coordinates the activities of the Selective Placement and Federal Equal Opportunity Recruitment Coordinators, and also supervises two collaterally-assigned EEO counselors.

The Office works closely with senior management and with the Commission's OHR to: (1) monitor affirmative employment programs; (2) expand outreach and recruitment initiatives; (3) improve the representation, career development and retention of women, minorities and persons with disabilities; (4) provide adequate career counseling; (5) facilitate early resolution of employment-related problems; and (6) develop program plans and progress reports.

Significant accomplishments include the following: (1) coordinated "No FEAR Act" (Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002) training for all current and new FMC employees; (2) provided EEO and non-EEO related guidance to Commissioners, managers, supervisors and employees in addressing issues that arose; (3) collaborated with managers and supervisors in striving to maintain and effectively manage a diverse workforce; (4) continued to administer an effective EEO complaint process that strives to attempt resolution of issues informally through collaborative ADR techniques at the lowest possible level; (5) held commemorative programs for all FMC employees for National Black History Month, Women's History Month, and Asian Pacific Heritage Month while also recognizing Hispanic Heritage Month, Native American Indian Heritage Month, and Gay and Lesbian Pride Month through electronic announcement; (6) prepared all required EEO and affirmative employment program accomplishment reports and plans; (7) collaborated with Equal Employment Opportunity Commission (EEOC) management staff to discuss more effective approaches for meeting the Management Directive 715 (MD-715) goals and objectives; and (8) continued to administer the EEO process in support of the goal of achieving and maintaining a model work environment in accordance with Federal EEO policy and affirmative employment goals and objectives.

During fiscal years 2011 and 2012, the Office will continue all existing programs and initiate additional activities designed to increase an understanding of EEO concepts and principles, including monitoring workforce diversity, outreach, retention, career development initiatives, administering a barrier analysis as part of MD-715 requirements, and providing interactive mediation training for all interested FMC employees. MD-715 is the policy guidance which the Equal Employment Opportunity Commission provides to Federal agencies for their use in establishing and maintaining effective programs of equal employment opportunity under Section 717 of Title VII of the Civil Rights Act of 1964 (Title VII), as amended, 42 U.S.C. § 2000e *et seq.*, and Section 501 of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended, 29 U.S.C. § 791 *et seq*.

Inspector General Program (OIG)

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, and by the Inspector General Reform Act of 2008 (Reform Act) (5 U.S.C. app. § 8G). The 1988 amendments created additional statutory Offices of Inspector General at various designated Federal entities, including the FMC. The Reform Act further enhanced the independence of Office of Inspectors General by adding Inspector General (IG) compensation, staffing and removal provisions.

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 resources; and promote economy, efficiency and effectiveness in programs and operations administered by the FMC.

The OIG is staffed by an IG, an Assistant Inspector General for Audit and an OIG Counsel / Chief Investigator.

Federal Maritime Commission				
Inspector General Program				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Inspector General**	2.92	3.00	3.00
Cost:	**Salaries & Benefits**	$458,041.22	$511,269.98	$534,740.58
	Non-Personnel Expenses	$253,564.65	$259,337.33	$264,668.38
	Total Cost	**$711,605.87**	**$770,607.31**	**$799,408.96**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.00	**3.00**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$0.00	**$799,408.96**

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

During fiscal year 2010, the OIG issued an audit of the FMC's fiscal year 2009 financial statements and a companion report to management on financial-related findings and recommendations resulting from the audit. The OIG also issued an evaluation of information security pursuant to the Federal Information Security Management Act (FISMA), an audit of document scanning services, a review of contract management of one large information technology contract, a review of agency computation of user fees, a "capping report" (i.e., summary report) on agency time and attendance policies and procedures, and an evaluation of agency IT Helpdesk services. The OIG began fieldwork on the fiscal year 2010 financial statement audit and the annual information security evaluation pursuant to FISMA. Finally, the OIG began a review of the FMC's Office of CADRS.

The OIG investigations unit received 62 complaints. We forwarded 43 complaints to the appropriate FMC program area for disposition and assigned 19 complaints to OIG staff or referred them to other Federal OIGs or programs with jurisdiction over the subject matter of the complaint. The OIG responded to the two Freedom of Information Act requests, one of which included responsive documents with suggested redacted material that was provided to the FMC FOIA officer.

In addition to these audit and investigative activities and outcomes, the OIG revised Commission Order 106, *Audit Follow up*, to reflect statutory changes in the Inspector General Reform Act of 2008 and the agency's fiscal year 2010 reorganization. The OIG signed a Memorandum of Understanding with a sister OIG to provide it with counsel support, developed a new OIG poster to display on agency billboards, revised the OIG's informational brochure provided to new hires and posted it to the OIG's webpage and, together with the agency's new Managing Director, instituted quarterly meetings to enhance communication and to discuss pending audits and issues of common concern.

The OIG responded to two OIG community-wide requests for information from Congress: (1) the House Committee on Oversight and Government Reform, Ranking Minority Member's request regarding open (unimplemented) OIG recommendations, and (2) Senators Grassley and Coburn's joint request pertaining to matters of OIG independence.

OIG staff participated in several activities associated with the Council of Inspectors General on Integrity and Efficiency (CIGIE), including actively serving on the (1) Legislation Committee where IG staff reviewed and commented on several legislative initiatives affecting the OIG community; and (2) Integrity Committee, where staff reviewed allegations of administrative non-criminal) misconduct against inspectors general and designated senior staff members of the OIG.

OIG staff also served on the Improper Payment / Forensic Accounting and Auditing Workgroup – which provided recommendations to the Director of the Office of Management and Budget (OMB) and the Secretary of the Treasury on actions that agencies should take, or controls they should enhance or implement, to more effectively prevent, detect and correct improper payments.

The OIG Counsel/Chief Investigator participated in the Council of Counsels to the Inspector General (CCIG) activities. The CCIG consists of senior counsel from agency OIGs who discuss various legal issues that affect the OIG community. Counsel also served on a CIGIE review of hotline best practices used by OIGs. Based, in part, on this participation, the OIG implemented a new hotline tracking system.

Finally, the OIG underwent a peer review of its audit quality assurance program. The objectives of the review were to determine whether an effective quality control system has been established within the OIG and if policies, procedures and applicable government auditing standards are being followed. The review resulted in a "clean" opinion.

During fiscal years 2011 and 2012, the OIG will continue to place a high priority on audits and reviews with the objective of improving agency programs and operations. The OIG will complete statutorily-required reviews to include separate audits of the FMC's fiscal year 2011 and fiscal year 2012 financial statements and an evaluation of the agency's information security program and privacy assurance controls, as required by the Federal Information Security Management Act, continue site visits to FMC area offices to better understand regulatory and programmatic issues and concerns from a field office perspective and continue to focus on reviews of FMC mission-based programs.

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

Operational and Administrative Program

Federal Maritime Commission

Operational and Administrative

		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of the Managing Director**	8.92	9.25	9.00
	Bureau of Trade Analysis	18.69	17.00	17.00
	Bureau of Certification and Licensing	17.57	17.00	17.00
	Bureau of Enforcement	10.69	10.00	10.00
	Area Representatives	8.04	9.00	9.00
	Office of Information Technology	6.93	8.50	9.00
	Office of Human Resources	4.56	5.40	5.40
	Office of Budget and Finance	5.00	5.00	5.00
	Office of Management Services	5.39	5.25	5.00
	Total FTEs	**85.79**	**86.40**	**86.40**
Cost:	**Salaries & Benefits**	$11,097,555.17	$11,374,611.57	$11,603,050.40
	Non-Personnel Expenses	$4,767,729.40	$4,854,838.90	$5,016,702.25
	Total Cost	**$15,865,284.57**	**$16,229,450.47**	**$16,619,752.65**

FY 2012 FTE by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
15.83	**70.57**

FY 2012 Cost by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2
$2,980,991.63	**$13,638,761.02**

Office of the Managing Director (OMD)

The Managing Director is the Commission's Chief Operating Officer and is responsible for the management, direction and coordination of the Commission's operating programs and administrative functions. The following agency components report directly to the Managing Director: Bureau of Certification and Licensing, Bureau of Enforcement, Bureau of Trade Analysis, ARs, Office of Budget and Finance, Office of Human Resources, Office of Information Technology, and Office of Management Services. The Managing Director also provides administrative direction to the Offices of the General Counsel, Secretary, CADRS and ALJ, as well as administrative guidance to the Offices of EEO and IG. He works closely with the Chairman and the PIO to develop the Commission's strategic plan.

The Managing Director serves as the agency's Chief Acquisition Officer, Senior Agency Official for Privacy, Audit Follow-up and Management (Internal) Controls Official, Forms Control Officer, and acts as the Commission's representative to the Small Agency Council (SAC). As the Agency's CFO, the Managing 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 (DCIA) of 1996. The Deputy Managing Director is the Commission's Competition Advocate.

Office staff directly coordinates activities of the ARs and provide oversight, coordination, direction and monitoring of Commission investigative activities. The latter responsibility requires extensive coordination among ARs and the Bureau of Enforcement, determining investigative priorities and goals.

In managing the day-to-day operations of the Commission, the OMD provides direction and coordination among Commission administrative and program components to assure synergism and cohesive efforts to achieve the Commission's strategic goals. The OMD initiates recommendations for long-range plans, new or revised policies and standards, and rules and regulations, while issuing internal directives to Commission staff.

During fiscal year 2010, the OMD initiated an effort to streamline the licensing process. Significant improvement has been attained, and goals have been appropriately adjusted in the Commission's strategic plan, reflecting the ability to review license applications much more quickly. The OMD also played a significant role in the Commission's determination to provide economic relief to NVOCCs from the costs and burdens of publishing their rates in publicly accessible tariffs, while at the same time increasing public access to tariff provisions generally.

Other significant accomplishments included participation in the planning of, initiation and pursuit of Fact Finding Investigation No. 26, *Vessel Capacity and Equipment Availability in the United States Export and Import Liner Trades*, as well as Fact Finding Investigation No. 27, *Potentially Unlawful, Unfair or Deceptive Ocean Transportation Practices Related to the Movement of Household Goods or Personal Property in U.S.-Foreign Oceanborne Trades*.

During fiscal year 2010, the OMD guided the agency's continuing efforts to enhance its IT program, emphasizing the development of efforts to improve efficiency through the use of information technologies. With the CIO, OIT and the Commission's operating programs working closely together, greater emphasis was placed on the ultimate impact of IT initiatives on Commission operations.

Federal Maritime Commission				
Operational and Administrative Office of the Managing Director				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of the Managing Director**	8.92	9.25	9.00
Cost:	**Salaries & Benefits**	$1,273,448.62	$1,424,043.93	$1,388,953.95
	Non-Personnel Expenses	$580,998.75	$649,512.44	$669,129.12
	Total Cost	**$1,854,447.37**	**$2,073,556.37**	**$2,058,083.07**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
1.58	**7.42**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$361,307.92	**$1,696,775.15**

The OMD's key objectives for fiscal years 2011 and 2012 include: (1) increasing the impact and availability of ARs in providing assistance to importers and exporters; (2) overall modernization of technology to enhance the efficiency of Commission operations, including implementation of an Enterprise Content Management Architecture system; (3) implementing the agency's Human Capital Management Plan, particularly with respect to succession planning for the departure of highly skilled personnel; (4) implementing enhanced dispute resolution mechanisms to quickly address industry disputes; (5) continuing to refine and enhance agency administrative programs and operations, including by reviewing, developing and/or updating internal directives and Standard Operating Procedures; (6) developing a revised Commission strategic plan to provide a vision and direction for future Commission activities and focusing Commission operations on facilitating the growth of imports and exports; and (7) reviewing and updating Commission regulations governing OTIs and PVOs, with the former focusing on a means of reducing consumer fraud.

Area Representatives (ARs)

The Commission's ARs act as liaisons with the shipping industry at a local level and as a resource to all Bureaus and Offices of 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 representatives also serve other major port cities and transportation centers within their respective areas. The ARs represent the Commission within their jurisdictions, resolve complaints and issues between parties involved in international oceanborne shipping (often coordinating with CADRS), investigate alleged violations of the shipping statutes, and act as a liaison to the shipping public, providing information to the maritime industry while acting as an intelligence resource to Commission headquarters. They provide advice and guidance to the shipping public, collect and analyze information of regulatory significance, and assess industry conditions. The ARs frequently, cooperate and coordinate with other governmental agencies and departments, both federal, state and municipal, providing regulatory information and relaying Commission policy to the shipping industry and the public. The ARs communicate to the public through outreach activities such as seminars, participating in various conferences and trade shows, making presentations, and through various local community contacts.

Federal Maritime Commission				
Operational and Administrative Area Representatives				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Area Representatives**	8.04	9.00	9.00
Cost:	**Salaries & Benefits**	$1,217,011.64	$1,305,785.43	$1,339,158.87
	Non-Personnel Expenses	$577,182.15	$462,047.18	$469,792.87
	Total Cost	**$1,794,193.79**	**$1,767,832.61**	**$1,808,951.74**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
1.53	**7.47**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$307,521.80	**$1,501,429.94**

In fiscal year 2010, hundreds of informal complaints were handled by the ARs. These complaints often involved unlawful activity. Where possible, compliance was achieved informally. In other instances, opening cases was warranted and the ARs conducted thorough investigations to determine the extent of unlawful activity. The ARs conducted several investigations in 2010 of unlawful shipping practices by major ocean carriers and NVOCCs that were referred to the Bureau of Enforcement for action. Investigative activity by ARs helps to ensure fair competition in the trades to and from the U.S.

The ARs were instrumental in the publication of public service announcements for each major port area in fiscal year 2010, warning consumers against the use of unlicensed OTIs. The ARs worked with the OMD in selecting of appropriate local publications, including those that would reach various ethnic communities that experience has shown are particularly vulnerable to fraudulent type of activity by unlicensed entities. These warnings saved many from potentially losing their possessions. They resulted in numerous inquiries and reports to the ARs regarding licensed and unlicensed OTI activity and, consequently appeared to reduce the volume of complaints resulting from activities of unlicensed entities.

In fiscal year 2010, South Florida ARs, with the assistance of the BCL, made presentations on OTI licensing requirements and compliance for recently licensed companies, current applicants and persons interested in becoming licensed, to audiences in Florida. ARs also worked closely with a number of law enforcement agencies, and briefed or addressed key officials of the New York City Police Department, New Jersey State Police, and Houston Police Department, as well as the Association of Ship Brokers and Agents, Steering Committee of Sea Cargo Americas, University of Miami School of Law, International Cargo Committee of the Greater Miami Chamber of Commerce, Columbia River Customs House Brokers and Freight Forwarders, National Defense Transportation Association, and U.S. Customs and Border Patrol
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In fiscal year 2010, the South Florida ARs provided valuable expertise and guidance about shipping customs and documentation, assisting in an investigation by the Export-Import Bank of the United States (Ex-Im Bank) and the Department of Justice that resulted in a guilty plea for a conspiracy to defraud the Ex-Im Bank of approximately $854,000.

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

ARs also provided valuable assistance in Commission Fact-Finding Investigation No. 26, *Vessel Capacity and Equipment Availability in the United States Export and Import Liner Trades, and* Fact-Finding Investigation No. 27, *Potentially Unlawful, Unfair or Deceptive Ocean Transportation Practices Related to the Movement of Household Goods or Personal Property in U.S.-Foreign Oceanborne Trades*. In each of those proceedings, ARs assisted the fact finding officer in arranging for the appearance of impacted witnesses, answering inquiries from shipping industry participants, and, through OMD, advising the Fact Finding Officers with respect to the conduct of the proceedings.

In fiscal years 2011 and 2012, through the ARs, OMD will use the investigative, dispute resolution, liaison and outreach skills of the ARs and their contacts in various areas to provide education and assistance to the shipping public, facilitate the transportation of cargo in the foreign trades of the United States, and to investigate unlawful practices in the marketplace.

Bureau of Trade Analysis (BTA)

Federal Maritime Commission				
Operational and Administrative Bureau of Trade Analysis				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of the Director**	4.22	4.00	4.00
	OSCT	5.43	5.00	5.00
	OECA	5.04	4.00	4.00
	Agreements	4.00	4.00	4.00
	Total FTEs	**18.69**	**17.00**	**17.00**
Cost:	**Salaries & Benefits**	$2,312,891.51	$2,123,092.47	$2,184,034.91
	Non-Personnel Expenses	$842,032.90	$766,862.20	$769,897.45
	Total Cost	**$3,154,924.41**	**$2,889,954.67**	**$2,953,932.36**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
7.84	**9.16**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$1,280,849.45	**$1,673,082.91**

BTA reviews agreements and monitors the concerted activities of ocean common carriers and marine terminal operators under the standards of the Shipping Act of 1984. The Bureau also reviews and analyzes service contracts, monitors rates of government owned controlled carriers, reviews carrier published tariff systems under the accessibility and accuracy standards of the Shipping Act of 1984 and responds to inquiries or issues that arise concerning service contracts or tariffs. The Bureau also is responsible for competition oversight and market analysis, focusing on activity that is substantially anti-competitive under the standards of sections of 6(g) of the Shipping Act of 1984. BTA strives to be an expert organization on the economics of international liner shipping and maritime agreements, especially with respect to issues of competition and unfair trade practices as they may affect the interests of the shipping public and U.S. international trade according to the Foreign Shipping Practices Act of 1988 and Section 19 of the Merchant Marine Act.

Federal Maritime Commission				
Bureau of Trade Analysis Office of the Director				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of the Director**	4.22	4.00	4.00
Cost:	**Salaries & Benefits**	$724,520.51	$612,110.12	$614,413.66
	Non-Personnel Expenses	$842,032.90	$766,862.20	$769,897.45
	Total Cost	**$1,566,553.41**	**$1,378,972.32**	**$1,384,311.11**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
1.67	**2.33**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$577,949.89	**$806,361.22**

As part of these responsibilities, 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 NVOCC service arrangements; (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.

The three operating offices under the supervision of the Bureau Director are: the Office of Service Contracts and Tariffs (OSCT), the Office of Economics and Competition Analysis (OECA), and the Office of Agreements (OAGR),

Office of Service Contracts and Tariffs

OSCT oversees the process by which service contracts between shippers and carriers are filed with the Commission. 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 in the automated SERVCON system. In January 2005, the Commission permitted non-vessel operating common carriers (NVOCCs) to enter into Negotiated Service Arrangements (NSAs) with their shipper customers. NSAs are also filed in the SERVCON system. Additionally, OSCT is responsible for maintaining an up-to-date electronic listing of tariff locations where carriers publish their publicly-available rates for cargo carriage.

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Federal Maritime Commission				
Bureau of Trade Analysis Office of Service Contracts and Tariffs (OSCT)				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**OSCT**	5.43	5.00	5.00
Cost:	**Salaries & Benefits**	$525,266.36	$564,429.48	$568,453.80
	Non-Personnel Expenses	$0.00	$0.00	$0.00
	Total Cost	**$525,266.36**	**$564,429.48**	**$568,453.80**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.48	**3.52**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$68,214.46	**$500,239.34**

filed into the SERVCON system. OSCT also processed 1,493 original NSAs and 3,624 amendments filed by 69 NVOCCs. In fiscal year 2010, OSCT received, processed and reviewed 1,329 Form FMC-1 filings, making the locations of those tariffs available to the public through the FMC website. OSCT also posted 4,867 active/current tariff locations to the agency's website. The Commission issued a Notice of Proposed Rulemaking (NPRM) in April 2010 which would provide NVOCC's with the option to "opt out" of having to file rate tariffs. They will, however, still be required to keep on file Negotiated Rate Agreements (NRAs) which must be memorialized in writing. Additionally, they will be required to maintain a rules tariff which must be made available free of charge. We expect that, should this proposed rule go into effect, most of the NVOCCs will take advantage of this opportunity, thereby significantly reducing the number of rate tariffs that will have to be checked to ensure compliance with all applicable regulations.

Despite the NPRM releasing NVOCCs of the requirement to make available rate tariff locations through the Commission, OSCT does not predict a significant decrease in its work load through 2011 and 2012. NVOCCs will be required to publish, and OSCT will need to verify, the rules tariffs that will continue to be required under FMC regulations. Further, the continued entrance and exit of various OTIs to and from the market will require follow-up on the part of OSCT staff to ensure an accurate listing of tariff publication locations on the Commission's website.

Office of Economics and Competition Analysis

OECA prepares studies and profiles of major trades, reviews monitoring reports, prepares 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.

Aside from the ongoing analysis of incoming agreements and the development of trade profiles,

Federal Maritime Commission

Bureau of Trade Analysis
Office of Economics and Competition Analysis (OECA)

		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**OECA**	5.04	4.00	4.00
Cost:	**Salaries & Benefits**	$631,487.11	$509,238.55	$532,413.90
	Non-Personnel Expenses	$0.00	$0.00	$0.00
	Total Cost	**$631,487.11**	**$509,238.55**	**$532,413.90**

FY 2012 FTE by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
3.00	**2.00**

FY 2012 Cost by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2
$319,448.34	**$212,965.56**

OECA receives and reviews minutes of meetings and reports filed by parties to agreements that are classified as potentially anti-competitive, such as agreements that contain authority to discuss and agree on rates, service contracts, the pooling of cargo or revenue, and/or capacity rationalization. During the fiscal year, OECA received 963 sets of minutes, 318 monitoring reports and related reports, 135 voluntary service contract guidelines, and three applications for waivers to the minutes and/or monitoring report filing requirements.

In fiscal year 2010, OECA administered its agreement oversight activities relating to ocean common carriers and marine terminal operators and prepared various reports and analyses. These included: (1) participating in the investigatory team, and assisting in the preparation of reports and recommendations in Fact Finding Investigation No. 26, *Vessel Capacity and Equipment Availability in the United States Export and Import Liner Trades*; (2) providing assistance with Commission testimony for a Congressional hearing to address the complaints of shippers, and supplying trade data and information in response to requests from Congress; (3) developing recommendations for increased reporting requirements for agreements cited in the Commission's Order to Fact Finding Investigation No. 26; (4) preparing economic impact assessments for the Commission on options to accept, reject, or modify the request in FMC Petition P1-08, *Petition of the National Customs Brokers and Freight Forwarders Association of America, Inc. for Exemption from Mandatory Rate Tariff Publication*; (5) preparing a recommendation for a Commission Section 15 Order for data and information from carriers in agreements that directly serve the Australia/Oceania trade; (6) completing the data collection and analyses of average revenue, service contract rates, surcharges, cargo volume, commodities, vessel capacity and utilization for the major trade lanes to be included in the Commission's study of the repeal by the European Union ("EU") of the block exemption regulations for liner shipping conferences; (7) preparing a recommendation and questions for a Commission Notice of Inquiry to invite public comments on market conditions in liner shipping and the impact of the repeal of the EU block exemption; (8) completing a report on the impact of the global recession on liner shipping as part of the study of the EU block exemption repeal; (9) preparing any necessary competitive impact analyses, along with requests for additional information, of new agreement filings and amendments to agreements; (10) participating in meetings with carrier representatives of the major alliance agreements to obtain information on the structure and operations of the agreements; (11) providing economic assistance and comments on a maritime study conducted by the Organization for Economic Co-operation and Development; (12) providing assistance and responses to the Competition Commission of Singapore on the FMC's administration of agreements and reporting requirements for agreements; (13) developing an intranet website with trade profiles, a data entry screen to review carrier tariffs, and an intranet interface to search the database of agreements; and (14) providing data and information on liner trade conditions and agreement matters in response to requests from within and outside the Commission.

In fiscal years 2011 and 2012, OECA plans to continue to review and analyze the competitive impact of agreements and monitor the activities of agreement parties, particularly in what is likely to be rapidly changing economic circumstances. In addition, OECA will continue to be a major contributor to the Commission's examination of trade conditions resulting from the EU's repeal of its block exemption that will endeavor to assess the impact of the repeal on industry stakeholders and evaluate market conditions in the international liner shipping trades. In this regard, the Commission intends to issue a Notice of Inquiry to invite public comments on the impact of the repeal and the prevailing market conditions in ocean liner shipping.

Office of Agreements

OAGR is responsible for analyzing incoming carrier and terminal agreements to determine if they meet the guidelines set out in the FMC's regulations for filed agreements, and to determine if their effect would be substantially anti-competitive as set out under section 6(g) of the Shipping Act.

During fiscal year 2010, OAGR received 134 agreement filings, including amendments to existing agreements. OAGR reviewed, evaluated, and processed 142 filings. In general, this number reflects a continued decline in the number of agreements on file due to the continued decline in the use of conference agreements as well as the Commission's filing exemption for terminal leases and terminal services agreements. This decline is offset, however, by an increase in operational agreements among carriers, particularly operational agreements meeting the low market share exemption enacted by the Commission in fiscal year 2005.

Federal Maritime Commission				
Bureau of Trade Analysis				
Office of Agreements				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Agreements**	4.00	4.00	4.00
Cost:	**Salaries & Benefits**	$431,617.53	$437,314.32	$468,753.55
	Non-Personnel Expenses	$0.00	$0.00	$0.00
	Total Cost	**$431,617.53**	**$437,314.32**	**$468,753.55**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
2.69	**1.31**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$315,236.76	**$153,516.79**

During fiscal year 2010, OAGR analyzed a number of significant agreement filings related to some of the few remaining rate discussion agreements in the U.S. trades. OAGR provided in-depth analyses on the potential competitive consequences of the addition of two outside competitors to the *Venezuelan Discussion Agreement*, and a major transpacific independent to the *Transpacific Stabilization Agreement*. While staff ultimately did not determine a need to delay or prevent amendments to either agreement from going into effect, high market shares and potentially concerning authorities under both agreements rated a high level of scrutiny. Further, OAGR analyzed the potential impact of a marine terminal joint venture and, after obtaining additional information through a formal Commission request, determined that it was unlikely that the joint venture would adversely affect competition. Based on OAGR's analysis, the Commission allowed the joint venture to go into effect. OAGR also provided the Commission with a comprehensive analysis of the *Transpacific Stabilization Agreement's* amendment seeking to add the authority to discuss a number of environmental issues confronting carriers and to agree on implementing programs to address those issues. That amendment was allowed to go into effect as scheduled.

With an increase in the complexity of agreements and resources being moved to other projects, the average processing time per agreement filing has increased. Although the average time has gone up, it still remains comfortably under the 45-day time frame. While resources remain tight, OAGR is pursuing IT initiatives that are aimed at reducing time spent on agreements. These include overhauling the existing agreement database to make it more useful for analysts and providing for the electronic filing of agreements. This last initiative would significantly reduce the environmental impact of OAGR's activities by eliminating the burdensome need for multiple paper copies of agreements, as well as further increase the efficiency of the office as a whole.

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 2010, Bureau staff: (1) participated, and assisted in preparing reports, in Fact Finding Investigation No. 26, *Vessel Capacity and Equipment Availability in the United State Export and Import Liner Trades*; (2) prepared economic impact assessments of petitioner's requests in FMC Petition P1-08, *Petition of the National Customs Brokers and Freight Forwarders Association of America, Inc. for Exemption from Mandatory Rate Tariff Publication*; (3) prepared a Commission order for current data and information from agreement carriers in the U.S.-Australia/New Zealand trade, *Section 15 Order Regarding Competition, Rates, and Service in the U.S.-Australia/New Zealand Northbound and Southbound Trade*; and (4) met with representatives of the *Transpacific Stabilization Agreement* pursuant to the terms of its settlement agreement of a past investigation before the Commission.

BTA Program Objectives for Fiscal Years 2011 and 2012

In fiscal years 2011 and 2012, the Bureau will continue to monitor service contract, tariff and agreement activities, prepare reports and economic analyses on developments and issues in key U.S. trades, review the activities of controlled carriers, and respond to inquiries and informal complaints. By the start of fiscal year 2011, the Bureau intends to have completed the data collection phase of the EU study, and will issue a Notice of Inquiry (NOI) shortly thereafter. The EU study should be completed in fiscal year 2012.

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 continue to 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.

BTA's support of formal proceedings during fiscal years 2011 and 2012 will depend on the number and subject matter of the proceedings initiated over the period, though staff will continue to monitor some of the more concerning trade lanes and report their findings to the Commission as appropriate.

In fiscal year 2012, the Bureau has several program objectives that are either directly related to newly automated functions and procedures or that involve the improvement or enhancement of current automation. These program objectives must be accomplished in conjunction with the Office of Information Technology. OAGR expects to enhance public access to agreements and to develop and implement procedures for the electronic filing of agreements, and to investigate the existing filing requirements in an effort to make the agreement filing process more efficient.

OECA plans to (1) roll out the E-monitoring system that has been piloting throughout fiscal year 2010 including appropriate amendments to FMC regulations, and to continue to develop IT solutions to make that monitoring data more accessible to BTA staff; and (2) refine its tracking of operator capacities, ship deployments, and changes in services using data made available by AXS Alphaliner.

OSCT plans to continue to improve the search functionality of the SERVCON system so as to allow internal users to search service contracts for key words or terms as necessary, and continue to maintain an accurate record of tariff publication locations.

Bureau of Certification and Licensing (BCL)

Federal Maritime Commission				
Operational and Administrative				
Bureau of Certification and Licensing				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of the Director**	3.53	3.00	3.00
	OPVIP	6.00	6.00	6.00
	OTI	8.04	8.00	8.00
	Total FTEs	**17.57**	**17.00**	**17.00**
Cost:	**Salaries & Benefits**	$2,002,417.52	$2,033,656.74	$2,087,844.04
	Non-Personnel Expenses	$582,327.73	$564,160.85	$569,593.31
	Total Cost	**$2,584,745.25**	**$2,597,817.59**	**$2,657,437.35**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.00	**17.00**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$0.00	**$2,657,437.35**

BCL licenses U.S.-based OTIs, including OFFs and NVOCCs; receives OTI surety bonds; licenses or processes registrations for foreign-based 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 developing and maintaining all Bureau databases.

Federal Maritime Commission				
Bureau of Certification and Licensing				
Office of the Director				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of the Director**	3.53	3.00	3.00
Cost:	**Salaries & Benefits**	$558,358.23	$470,118.18	$477,523.08
	Non-Personnel Expenses	$582,327.73	$564,160.85	$569,593.31
	Total Cost	**$1,140,685.96**	**$1,034,279.03**	**$1,047,116.39**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.00	**3.00**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$0.00	**$1,047,116.39**

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 194 vessels and 40 operators, which have evidence of financial responsibility coverage in excess of $293 million for nonperformance and over $637 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. U.S. Customs and Border Protection is directed to refuse clearance to any vessel which does not comply with the FMC's evidence of financial responsibility requirements for casualty and nonperformance. During fiscal year 2010, the Commission approved and issued 19 casualty certificates and 8 performance certificates.

Federal Maritime Commission				
Bureau of Certification and Licensing Office of Passenger Vessels & Information Processing (OPVIP)				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**OPVIP**	6.00	6.00	6.00
Cost:	**Salaries & Benefits**	$662,125.60	$690,155.50	$701,819.13
	Non-Personnel Expenses	$0.00	$0.00	$0.00
	Total Cost	**$662,125.60**	**$690,155.50**	**$701,819.13**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.00	**6.00**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$0.00	**$701,819.13**

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 staff. During fiscal year 2010, no operators under the PVO program filed for bankruptcy. One operator, West Travel, Inc. doing business as Cruise West (Cruise West), ceased operations in September 2010 with unperformed cruises. BCL and CADRS continue to work closely with Cruise West's claims processor and the United States Tour Operators Association to oversee the disbursement of funds to Cruise West passengers and address concerns from the public regarding this situation. Staff also continued to assist passenger vessel operators and financial responsibility providers during the fiscal year to resolve passenger claims for several cancelled cruises of other cruise operators.

The Bureau examines PVO activities and operations by monitoring current industry events and reviewing cruise lines' unearned passenger revenue (UPR) information. 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. On October 28, 2009, the Commission terminated Docket No. 02-15, *Passenger Vessel Financial Responsibility,* noting that the data collected may no longer be relevant given the recent global economic downturn. In an effort to gather more current information regarding the benefits or burdens that the nonperformance coverage requirement has on all sectors of the passenger vessel industry, the Commission issued a NOI on December 3, 2009 and held a hearing on March 3, 2010 to receive testimony from passenger vessel operators and trade associations. Subsequent to the hearing, witnesses responded to additional questions for the record. Further requests for information from the Commission were issued. BCL provided its analysis of the data and presented options for the Commission's consideration in early fiscal year 2011. Due to the ongoing analysis of information received from the NOI and Hearing, the staff did not conduct a cruise line on-site review in fiscal year 2010.

In fiscal year 2011, BCL will take any action needed to implement the Commission's decision reached as a result of the passenger vessel financial responsibility NOI, including initiation of rulemakings or adjustments in monitoring procedures. The Bureau intends to 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; make appropriate corrections in staff procedures and monitoring schedules, and ensure that the new procedures are timely implemented.

<u>Automated Database Systems</u>

During fiscal year 2010, BCL continued to modernize and expand the Regulated Persons Index (RPI), a 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 compliant OTIs 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. Additional report capabilities were implemented during the fiscal year to facilitate management of the OTI licensing program. BCL made substantial progress towards development of an important enhancement to the OTI list in fiscal year 2010. The new capability will enable users to locate a licensed OTI in their area by entering a city, state, or ZIP code as their search criteria and requesting a list of all OTIs within a certain distance from that point, for example, those within 25, 50, or 75 miles. The search results that will be produced include the names, addresses and telephone numbers of all licensed OTIs within the specified area. The Commission is creating this search functionality in response to requests from the public, and believes this feature will be particularly useful for individuals who plan to move overseas. For these people, finding a licensed OTI in their local area can result in more accurate quotations for transportation of their household goods and allows those consumers to make better informed decisions, rather than resorting to use of unlicensed OTIs. The Commission anticipates launching this feature in the first half of fiscal year 2011. In fiscal year 2011 and 2012, BCL will also continue to work with the Office of Information Technology to initiate an overall 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. Also, BCL continues to work towards updating the current PVO database, automating the PVO Application Form FMC-131, *Application for Certificate of Financial Responsibility*, and continues to work on a requirements analysis to facilitate the filing of PVO applications. These efforts are linked to the Enterprise Content Management system and will be initiated based upon the updated system schedule which is forthcoming.

Office of Transportation Intermediaries

OTIs are transportation middlemen for oceanborne cargo moving in the U.S. foreign trades and includes two types: NVOCCs and OFFs. NVOCCs are common carriers that do not operate the vessels by which transportation is provided. OFFs 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 OFFs 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.
To become licensed by the Commission an OTI must establish that it through its Qualifying

Federal Maritime Commission

Bureau of Certification and Licensing

Office of Transportation Intermediaries (OTI)

		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**OTI**	8.04	8.00	8.00
Cost:	**Salaries & Benefits**	$781,933.69	$873,383.06	$908,501.83
	Non-Personnel Expenses	$0.00	$0.00	$0.00
	Total Cost	**$781,933.69**	**$873,383.06**	**$908,501.83**

FY 2012 FTE by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.00	**8.00**

FY 2012 Cost by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2
$0.00	**$908,501.83**

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 OFFs 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 2010, the Commission received 409 new OTI applications and 246 amended applications, issued 499 OTI licenses and revoked 345 licenses. At the end of the fiscal year, 1,093 OFFs, 1,711 U.S. NVOCCs, 1,544 joint NVOCC/OFFs, and 55 foreign NVOCCs held active OTI licenses. An additional 1,109 foreign NVOCCs maintained proof of financial responsibility on file with the Commission, but chose not to be licensed. U.S. NVOCCs may file riders to their existing NVOCC bonds to meet financial responsibility requirements imposed by the Chinese government. The Commission received 62 riders in fiscal year 2010 providing optional proof of financial responsibility for NVOCCs serving in the U.S.-China trade.

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 of a complete application. Additionally, BCL has made significant progress in reducing the backlog of applications attributed to incomplete data submissions from applicants. BCL anticipates continued improvement in the timeliness of licensing determinations and believes its efforts to streamline OTI licensing processes will minimize backlogged applications as a future concern.

The Commission implemented optional electronic filing of Form FMC-18, *Application for an Ocean Transportation Intermediary License,* in fiscal year 2008. The system permitted filers to complete an OTI application on-line, scan and attach required documents, and submit the application electronically. In fiscal year 2009, a decision was made to suspend enhancements to the current system in favor of developing a new agency-wide Enterprise Content Management (ECM) system. Thus, enhancements to the FMC-18 system functionality that would improve productivity and efficiency of the OTI licensing program have been delayed. The ECM system will provide a common platform for all agency databases and applications, facilitating the sharing of data presently housed in stand-alone databases and increasing agency efficiency. At the present time, approximately 96% of all incoming OTI applications received are through the present electronic system.

In fiscal year 2010, the Bureau worked closely with the Commission's OIT to complete the development of system requirements for the first phase of an Enterprise Content Management system. This phase was dedicated to designing a fully automated and more robust electronic filing system for OTI licensing which will incorporate features that streamline licensing processes and improve productivity. The future FMC-18 filing system, which is planned to include electronic payment and electronic signature capabilities in a later phase, will also incorporate significant security features for the purpose of protecting applicant data, and detecting and preventing unauthorized system intrusions. BCL also initiated efforts to update the questions in OTI license application Form FMC-18 to streamline the form, and provide helpful guidance to assist applicants in navigating the OTI licensing process using plain language.

In fiscal years 2011 and 2012, the Bureau will continue to promote awareness of OTI requirements through continuous outreach to the public. In addition to the current projects involving updates to the FMC-18 application form, and plain language guidance regarding OTI licensing, BCL will continue to evaluate its current rules and regulations regarding OTI licensing requirements to ensure that it is protecting the shipping public.

Bureau of Enforcement (BOE)

The BOE has primary responsibility for ensuring compliance with 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 BCL to promote prompt licensing of all qualified OTIs, and with the U.S. Bureau of Customs and Border Protection (CBP) to ensure submission of complete and accurate shipping data. Bureau attorneys 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. BOE monitors all other formal Commission proceedings and relevant court actions in order to identify major regulatory issues and to advise the Managing Director and the other Bureaus and Offices. The Bureau participates with other Bureaus and Offices in committees and task forces in the development of Commission policies, rules, and regulations, and also intervenes in formal complaint proceedings where appropriate.

Federal Maritime Commission				
Operational and Administrative				
Bureau of Enforcement				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of the Director**	10.69	10.00	10.00
Cost:	**Salaries & Benefits**	$1,599,992.88	$1,488,154.23	$1,536,875.51
	Non-Personnel Expenses	$470,904.76	$452,669.36	$447,910.29
	Total Cost	**$2,070,897.64**	**$1,940,823.59**	**$1,984,785.80**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
0.00	**10.00**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$0.00	**$1,984,785.80**

Through investigative personnel, the Bureau monitors and conducts investigations into the activities of ocean common carriers, OTIs (NVOCCs and OFFs), shippers, ports, MTOs, 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. Activities include: (1) monitoring tariffs, service contracts and NSAs to determine compliance with applicable statutes and regulations; (2) reviewing 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 or unfiled agreements; abuses of antitrust immunity; unlicensed OTI activity, including the provision of transportation services to noncompliant OTIs; illegal rebating; misdescriptions or misdeclarations of cargo; 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 and efficient trading conditions. Bureau enforcement efforts are typically focused upon 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 also participates, in conjunction with other Bureaus, in special enforcement initiatives, fact finding investigations, ADR processes, rulemaking efforts, and homeland security issues.

During fiscal year 2010, the Bureau 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. Many malpractice investigations were resolved informally, resulting in compromise settlements and payment of civil penalties. Other reviews may be treated primarily as compliance matters and closed upon completion of remedial action by the OTI parties involved. 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, completed during fiscal year 2010, addressed whether a Hong Kong-based NVOCC permitted unrelated entities to utilize the rates found only in the NVOCC's service contracts with an ocean common carrier, and whether the NVOCC utilized a newly-created shippers association as an unfair device or means to obtain ocean transportation at less than the rates that would otherwise apply in violation of section 10(a) of the 1984 Act. Docket No. 09-07 was discontinued upon approval of a formal settlement agreement, payment of substantial civil penalties by the NVOCC, and termination of the operations of the subject shippers association. BOE also completed a major investigation of an ocean common carrier in the inbound PRC-U.S. trades believed to be providing transportation services to intermediaries that did not have tariffs, licenses, or bonds as required by the statute; and allowing use of service contracts by persons who were not parties to those contracts. The Bureau also continued ongoing investigations of household goods movers allegedly operating as unlicensed OTIs, including investigation of the VOCCs and licensed NVOCCs that provide service to unlicensed movers.

In fiscal year 2010, the compliance audit program continued as a major focus. 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 2010, 18 audits were pending. During the fiscal year, 113 audits were commenced, 116 audits were completed (including audits carried over from fiscal year 2009), and 15 remained pending in the Bureau on September 30, 2010.

At the beginning of fiscal year 2010, 20 enforcement cases were pending final resolution by the Bureau, the Bureau was party to 8 formal proceedings, and there were 25 matters pending which the Bureau was investigating or for which it was providing legal advice. During the fiscal year, seven new enforcement actions were referred for enforcement action or informal compromise; 17 were compromised and settled, administratively closed, or referred for formal proceedings; and 10 enforcement cases were pending resolution at fiscal year's end. Also, three formal proceedings were initiated; four formal proceedings were completed, and seven were pending at the end of the fiscal year. Additionally, the Bureau opened 13 matters involving monitoring or legal advice were received during the fiscal year, completed or closed 27 such matters, and 11 remained pending on September 30, 2010.

In fiscal years 2011 and 2012, the Bureau will continue to pursue market-distorting, fraudulent, and anticompetitive practices harmful to the industry and the public and to monitor U.S. trades, to the extent that resources permit. The Bureau will continue to pursue initiatives aimed at 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 continue to 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.

Additionally, the Bureau seeks to expand its compliance-focused program to review and audit ocean common carrier, NVOCC and freight forwarder operations. While well-received by the regulated industry, this program emphasizing correction of routine tariff matters and prompt compliance with the Commission's reporting, licensing and bonding requirements conducts roughly 115 OTI audits each year. Compliance audits thus account for less than 2.5% annually of the approximately 5,400 licensed or bonded OTIs currently registered with the Commission.

The Bureau 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 Commission regulations. The Bureau will also continue its ongoing 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 engaged in homeland security to improve identification of entities providing and utilizing maritime transportation services.

Office of Information Technology (OIT)

OIT delivers information and information technology management services in support of the administrative operations of the Commission, and is responsible for ensuring that the Commission's IT program is conducted in a manner consistent with applicable rules, regulations and guidelines. OIT receives program direction from the agency's CIO.

Federal Maritime Commission				
Operational and Administrative Office of Information Technology				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of Information Technology**	6.93	8.50	9.00
Cost:	**Salaries & Benefits**	$900,944.29	$1,173,161.95	$1,244,602.57
	Non-Personnel Expenses	$1,113,034.91	$1,470,732.93	$1,615,642.00
	Total Cost	**$2,013,979.20**	**$2,643,894.88**	**$2,860,244.57**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
1.80	**7.20**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$572,048.91	**$2,288,195.66**

The Director/Chief Information Officer (CIO), OIT serves as the Commission's Information Technology Officer, Telecommunications Manager, Help Desk, Database Administration Manager, Records Management Officer, and oversees the IT security program. The Director/ CIO plans, coordinates, and facilitates the use of technology within the Commission.

During fiscal year 2010 important OIT activities included the following: (1) continued ongoing FMC-18 application system upgrade initiative; (2) upgraded the network datum lines at all FMC regional offices; (3) finished data center consolidation and put into operation new virtual servers, reducing the need for physical servers; (4) managed the agency's IT technical support and assistance contracts; (5) completed installation of new Video Tele-conferring and Streaming Video System to enable video conferencing and live streaming video broadcast capability of

Commission hearings for access by the public through FMC's public website; (6) provided ongoing advice and coordination on document and electronic records management system; (7) completed a review and update of security assessments for FMC-18 and SERVCON systems; (8) planned and managed IT Security Awareness training throughout the FMC; (11) upgraded FMC's onsite Data Backup platform; (12) continued requirements review of agency databases applications for planned effort to integrate and consolidate interconnection among all applicable FMC system; (13) completed rollout of new desktops and laptops throughout the agency.

For fiscal years 2011 and 2012, major initiatives include plans to: (1) certify and accredit FMC's remaining two major application; (2) resume effort to integrate Enterprise Document Management technology within the Commission; (3) develop a FMC Enterprise Architecture Plan; (4) incorporate the Pay.gov initiative; and (5) finish upgrade of the FMC COOP site to be a mirror image of FMC Headquarters (HQ).

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.

Major accomplishments during fiscal year 2010 include the following: (1) monitored activities of the agency's payroll/personnel service provider, the National Finance Center (NFC), and worked with Administrative staff to ensure security, continuity and accuracy of payroll and personnel services; (2) coordinated with senior management to review and evaluate leadership development programs and activities to address succession planning and conducted a comprehensive recruitment effort for the Senior Executive Service Candidate Development 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 Retirement-Readiness, Personal Financial Literacy Education, and Volunteer/Community Service Awareness and issued newsletters

Federal Maritime Commission				
Operational and Administrative				
Office of Human Resources				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of Human Resources**	4.56	5.40	5.40
Cost:	**Salaries & Benefits**	$539,555.58	$612,197.97	$636,813.64
	Non-Personnel Expenses	$231,057.05	$165,221.09	$165,475.82
	Total Cost	**$770,612.63**	**$777,419.06**	**$802,289.46**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
1.08	**4.32**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$160,457.89	**$641,831.57**

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 incorporating new security regulations into agency policy; (6) coordinated with OPM in the administration of the Federal Human Capital Survey, analyzed results, prepared interpretation and trend analysis, and worked with senior management to identify and reinforce successful activities and develop strategies to address areas of improvement; (7) worked with the Partnership for Public Service in connection with metrics and utilizing results of the *Best Places to Work* rankings*;* (8) finalized the agency's Human Capital Plan, Workforce Plan, Accountability System, and Succession Management Plan in accordance with OPM's Human Capital Assessment and Accountability Framework and coordinated with OPM, OMB, and the Small Agency Human Resources Council on human capital and related initiatives; (9) conducted a comprehensive performance management and incentive awards program; (10) conducted a comprehensive recruitment program; (11) maintained the partnership for acquisition of assistive devices through the Department of Defense's Computer/Electronic Accommodations Program; (12) continued to administer E-gov initiatives and implementation of the Enterprise Human Resources Integration Project and worked with the Small Agency Human Resources Consortium, OPM and Northrop Grumman Integic officials to complete program activities to implement the electronic Official Personnel Folder (eOPF); (13) promoted the Preventive Health and Awareness Program and OPM's *Healthier Feds* initiatives, publicized and hosted wellness seminars sponsored by the Employee Assistance and Federal Occupational Health Programs; (14) in concert with OPM's hiring reform initiative, established agency Rapid Response (SWAT) team and undertook activities to simplify the Federal application process and enhance recruitment efforts, including developing streamlined vacancy announcement templates, mapping agency hiring processes to reduce the time-to-hire and developing an action plan to implement hiring reform initiatives; (15) enhanced workplace flexibilities and provided recommendations to OPM regarding the agency's work/life program and best practices; (16) participated in the planning and implementation of the Automatic External Defibrillator (AED) program and full-time clinical services; (17) managed and conducted employee benefits 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.; (18) conducted a proactive retirement program that included computing benefits, providing access to retirement seminars, related training and one-on-one counseling, and timely processing all retirements; (19) coordinated with other administrative units and the General Services Administration's Managed Service Office on matters pertaining to Homeland Security Presidential Directive 12 (HSPD-12) and the issuance of Federal employee credentials; (20) conducted a comprehensive classification and position management program, including coordinating assignments and evaluating contractor performance; and (21) continued work with information technology contractors to complete the design and agency-wide implementation of an automated training data management reporting system.

In fiscal years 2011 and 2012, 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, and explore high-tech solutions to address program requirements, including, e.g., a fully automated training evaluation system; (4) partner with agency officials in concert with the Administration's goal to build a transparent, high-performance government specifically with respect to Federal hiring reform and improving employee satisfaction and wellness; (5) continue with eOPF implementation and conversion of performance, payroll, benefits and other HR records to electronic format, and execute action plan for full production and employee roll-out; (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; (7) continue to administer and assess results from the Annual Employee Viewpoint Surveys to gauge employee satisfaction with work/life and benefits programs, agency leadership, developmental opportunities, etc., and use these metrics to strategically implement, monitor, measure, assess progress in achieving, and report on human capital management goals in accordance with the agency's Human Capital, Workforce, Succession Management and Accountability Plans.

Office of Budget and Finance (OBF)

OBF administers the Commission's financial management program and is responsible for offering guidance on optimal use of the Commission's fiscal resources. OBF'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 a 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) prepare and process travel orders and vouchers; and (9) manage the Commission's Travel Charge Card and Cash Management Programs.

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Federal Maritime Commission

Operational and Administrative

Office of Budget and Finance

		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of Budget and Finance**	5.00	5.00	5.00
Cost:	**Salaries & Benefits**	$550,751.53	$565,701.18	$573,831.78
	Non-Personnel Expenses	$166,828.66	$148,003.55	$146,005.75
	Total Cost	**$717,580.19**	**$713,704.73**	**$719,837.53**

FY 2012 FTE by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
1.00	**4.00**

FY 2012 Cost by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2
$143,967.51	**$575,870.02**

provide travel, procurement, and financial reporting. OBF serves as the Commission's primary contact with BPD and verifies all accounting transactions, oversees the timely submission of quarterly financial statements to OMB, annual and semi-annual report submissions to the U.S. Treasury 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. OBF 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 2010, OBF's important accomplishments include the following: (1) collected and deposited $1,250,668 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 2011 Congressional budget and fiscal year 2012 OMB budget; (3) prepared required external reports; (4) prepared monthly internal status reports on workyears, funding, travel, receivables, and budget allocation report to provide management with meaningful, timely expense data by program; (5) revised procedures and calculations used to estimate the cost of annual performance goals; (6) captured receivables by user fee type and pursued delinquent receivables; (7) worked with BPD staff and independent auditors regarding the audits of the fiscal years 2009 and 2010 Financial Statements (unqualified opinions were received for fiscal year 2009 and fiscal year 2010); (8) worked with the OMD to finalize the FMC's 2009 MD&A/ PAR; (9) prepared detailed responses to Questions for the Record submitted by the House Committee on Appropriations, Subcommittee on Transportation, and Urban Development, and Related Agencies; (10) updated Commission Orders and procedural documents; (11) prepared reports of all receivables by user fee type and pursued delinquent receivables; (12) developed a new methodology for calculating user fee costs; (13) processed all of the Commission's accounts payable documents in accordance with the Prompt Payment Act; and (14) prepared official travel documents in accordance with applicable Federal Travel Regulations.

Goals for fiscal years 2011 and 2012 include: (1) facilitating implementation of Pay.gov for acceptance of electronic payments from the industry; (2) continuing to pursue initiatives leading to economy and efficiency in budget and financial operations; (3) improving the Cash Management Program and updating relevant Standard Operating Procedures; and (4) developing detailed training documents for the Commission's Travel Charge Card Program to improve cardholders' knowledge of appropriate use and responsibilities.

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, 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

Operational and Administrative

Office of Management Services

		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Office of Management Services**	5.39	5.25	5.00
Cost:	**Salaries & Benefits**	$700,541.60	$648,817.67	$610,935.13
	Non-Personnel Expenses	$203,362.49	$175,629.30	$163,255.64
	Total Cost	**$903,904.09**	**$824,446.97**	**$774,190.77**

FY 2012 FTE by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
1.00	**4.00**

FY 2012 Cost by FMC Strategic Goal

Strategic Goal 1	Strategic Goal 2
$154,838.15	**$619,352.62**

During fiscal year 2010, OMS: (1) coordinated security and logistics with the General Services Administration (GSA) and Federal Protective Service (FPS) for new Chairman's swearing-in by the Speaker of the House; (2) provided guidance and supplies for issuance of new secure credentials to agency executives, managers, and BOE personnel; (3) coordinated the relocation of the Seattle AR; (4) arranged for various administrative services support for FMC Fact Finding 26 and 27, to include: court reporting services, meeting space for industry interviews, supply materials, etc.; (5) worked with OHR and awarded a contract for the serves of an eOPF expert to assist OHR in the automation of Commission OPFs; (6) arranged for the redesign and printing of the Commission's 48th Annual Report through GPO; (7) arranged for the expansion of the documents/materials shredding and disposal program to provide agency-wide quarterly service to all activities; (8) coordinated with the FPS, GSA, and the other Federal HQ building tenants to assess and update the building's Occupant Emergency Plan (OEP) and arranged for GSA's OEP Expert to conduct a "emergency preparedness seminar" for the building's population through the Building Security Committee (BSC); (9) coordinated with the other members of the BSC to arrange to have the building's Health Services Unit equipment upgraded and services expanded to included a bi-annual blood drive and quarterly health related seminars; (10) coordinated the logistics required for an agency-wide Reorganization; (11) arranged for the staff movement of HQ personnel in connection with the Commission's Reorganization Plan effective January 31, 2010; (12) coordinated and conducted a management evaluation & review of BCL's Office of Transportation Intermediaries' operations; (13) coordinated with OMD and arranged for the funding and establishment of a new agency Outreach program through GPO for printing of material and assisted with development of program extras; and (14) coordinated with the CIO/OIT and GSA to have the necessary alterations performed to install an agency Video Conferencing System at FMC's Headquarters.

In fiscal years 2011 and 2012, OMS' objectives include: (1) continuing to work with GSA to provide the required information for HQ lease renewal and/or relocation effort; (2) 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; (3) in conjunction with other administrative offices, continuing the research methods and practices for the enhancement and improvement in support services; (4) continuing to work with BPD on streamlining the FMC's acquisition and procurement program for better efficiency; and (5) continuing to provide advice and assistance regarding innovative support-service approaches to FMC activities.

Fiscal Year 2012 Strategic Goals

Federal Maritime Commission				
Federal Maritime Commission Executive Summary				
		FY 2010 Actual	FY 2011 Estimate	FY 2012 Request
FTE:	**Headquarters & Field**	**126.55**	**131.00**	**133.00**
Cost:	**Salaries & Benefits**	$17,025,056.83	$18,208,000.00	$18,809,000.00
	Non-Personnel Expenses	$7,099,670.73	$7,290,000.00	$7,456,000.00
	Total Cost	**$24,124,727.56**	**$25,498,000.00**	**$26,265,000.00**

FY 2012 FTE by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
Maintain an efficient and competitive international ocean transportation system	Protect the public from unlawful, unfair and deceptive practices and resolve shipping disputes
26.00	**107.00**

FY 2012 Cost by FMC Strategic Goal	
Strategic Goal 1	**Strategic Goal 2**
$5,126,789.16	**$21,138,210.84**

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 in which the FMC is able to do more with less. 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.

The FMC regulates international ocean liner transportation, and 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 was the case in Europe beginning in late 2008, the FMC will need to conduct research to determine the likely affect of such changes on U.S. trades. Over time, and depending on their actual impacts, regulatory changes in other regions could also provide a possible 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.

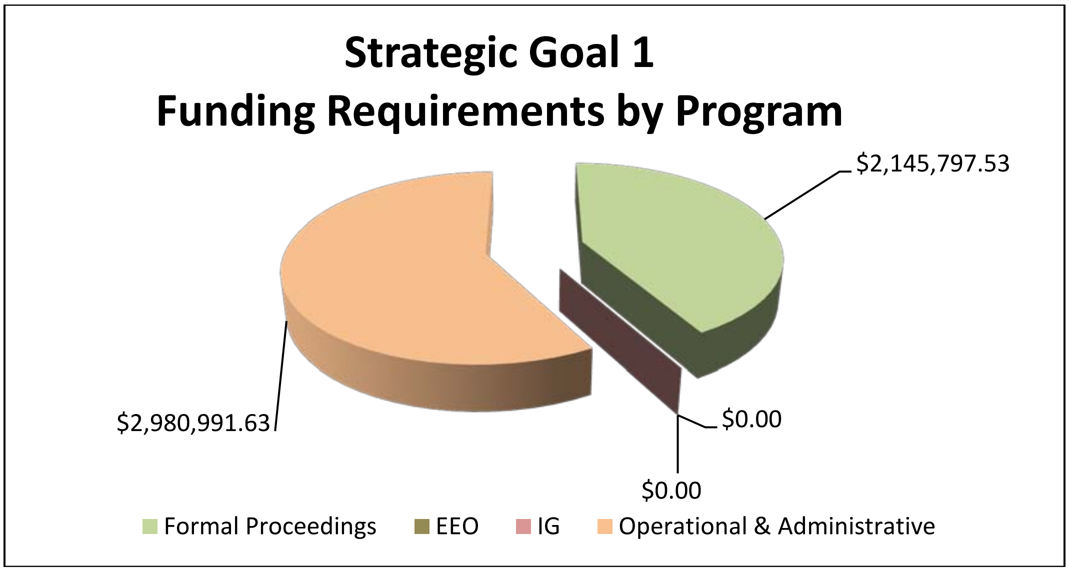
Finally, in recent years the FMC has witnessed the filing of new types of agreements -- especially marine terminal agreements -- that address nontraditional issues such as traffic congestion, environmental mitigation proposals, terminal operational efficiencies, and infrastructure funding. These nontraditional agreements tend to involve industries (drayage trucking and rail service), operations (pooling of chassis), and issues (air pollution, public health, infrastructure finance) that 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.

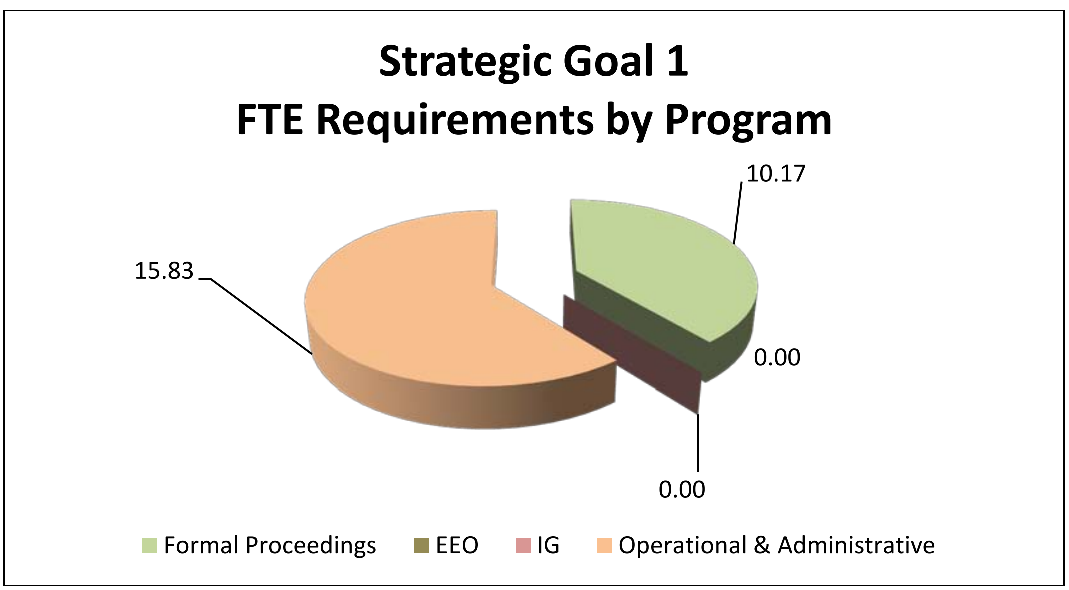
STRATEGIC GOAL 1

Maintain an efficient and competitive international ocean transportation system.

The Federal Maritime 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 of 1984 (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.

Following the global economic downturn and during this time of recovery, the Commission's oversight is of key importance. Efficiency and competition in the transportation system are essential to the re-growth of trade and the creation of jobs.





OBJECTIVE 1:

Identify and take action 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 vessel-operating common carriers (VOCCs) and marine terminal operators (MTOs) that wish to establish agreements that would benefit from antitrust immunity file copies of their agreements with the FMC. FMC staff review these proposed agreements when they are initially filed, and before they take effect. The FMC allows agreements to proceed when they do not cause competitive harm. The FMC is authorized pursuant to section 6(g) of the Shipping Act to seek appropriate injunction relief against any agreement which is likely to result in a 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 comes 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.

In recent years, the FMC has seen an increase in operational VOCC and MTO agreements, many of which allow cooperation to improve efficiency, allow sustainable growth, or respond to new or imminent environmental regulations. The FMC gives consideration to likely efficiency, sustainability, and environmental benefits when evaluating their net impact on competition, transportation cost, and transportation service.

Strategic Goal 1: Maintain an efficient and competitive international ocean transportation system		
Objective 1: Identify and take action to address substantially anti-competitive 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%

Under the Foreign Shipping Practices Act of 1988 (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.

1. Strategies

- 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 anti-competitive 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 and efficiency 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.

- Assess, acknowledge and promote environmentally sustainable shipping practices and environmentally protective agreement activities.

- 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 so as to allow interested parties to easily search for and download those documents.

2. Six-Year Performance Measure

- Percentage share of total U.S. international oceanborne trade moved by containership, as an indicator of liner shipping efficiency.

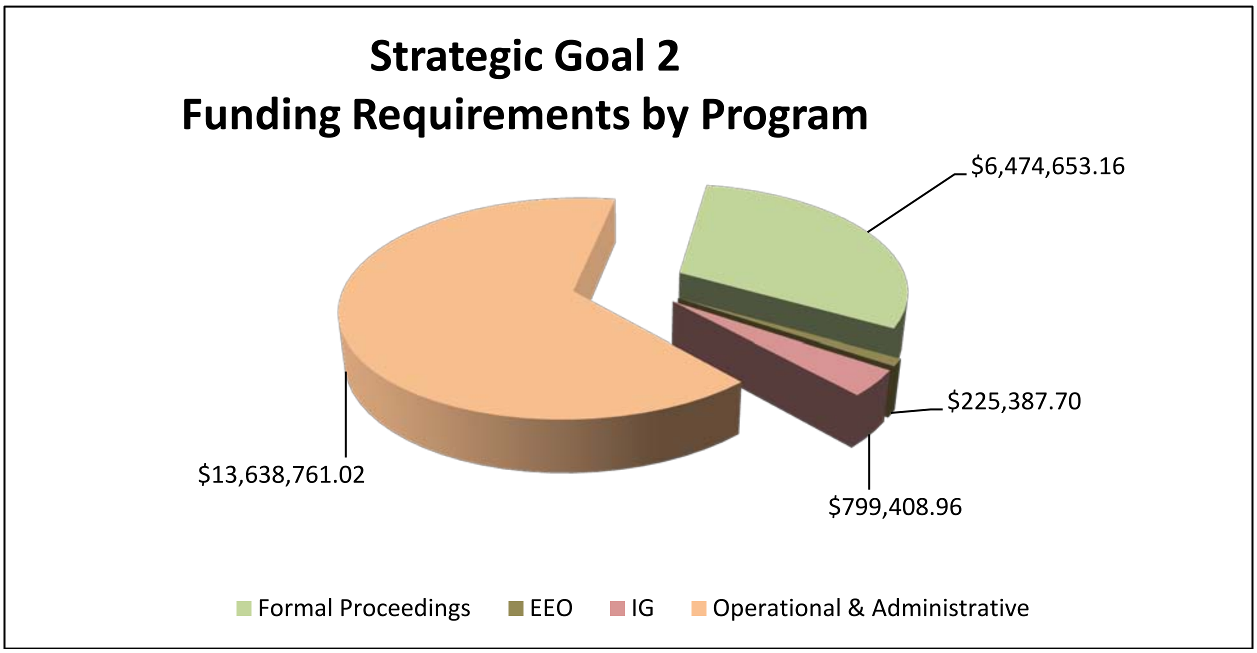
STRATEGIC GOAL 2

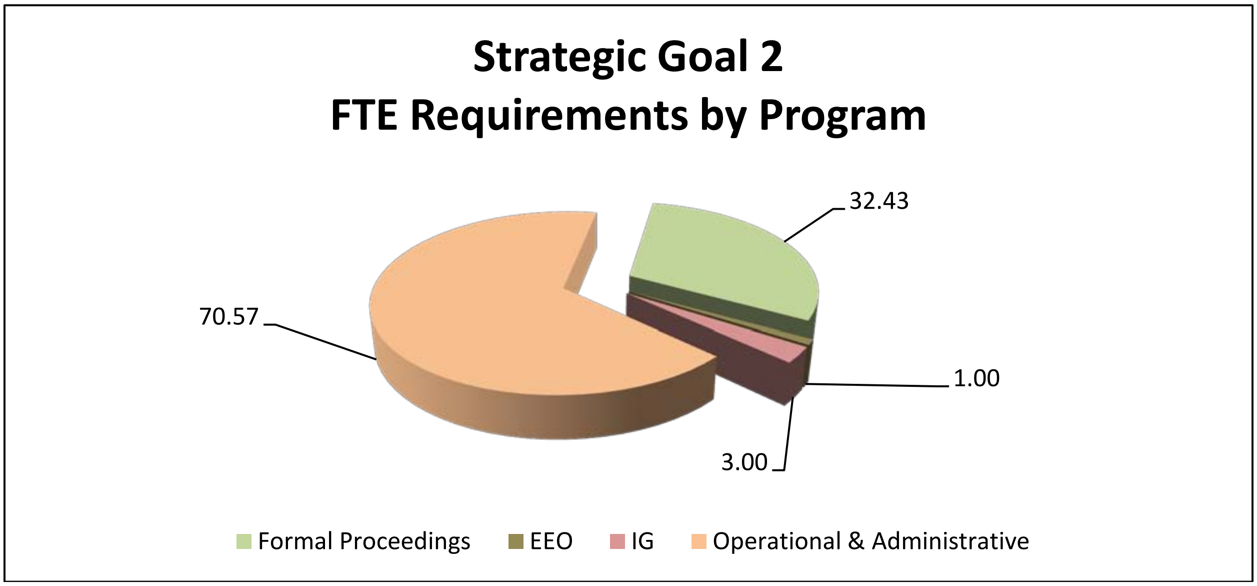
Protect the public from unlawful, unfair and deceptive ocean transportation practices and resolve shipping disputes.

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 which 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 violation 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 has 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 that 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 end unlawful, unfair and deceptive practices		
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%

1. Strategies

- 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 consumer of means to protect themselves.

2. Six-Year Performance Measures

- Percentage of enforcement actions taken under the Shipping Act successfully resolved through favorable judgment, settlement, issuance of default judgment, or compliance letter or notice.

OBJECTIVE 2:

Prevent public harm through licensing and financial responsibility requirements.

The FMC licenses and regulates ocean transportation intermediaries (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 passenger vessels (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 60 calendar days of receipt, facilitating lawful operation of OTIs with the appropriate character and experience requirements		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
55.00%	60.00%	70.00%

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 2: Percentage of cruise line operators examined during the year that have full financial coverage required by regulation to protect against loss from non-performance or casualty		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
90.00%	91.00%	92.00%

1. Strategies

- 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 (UPR) reports and conduct on-site review of PVOs' UPR receipts.
- Review and update OTI bonds and coverage amount.

2. Six-Year Performance Measures

- Percentage of decisions on completed OTI license applications rendered within 60 business days, facilitating lawful operation of OTIs with the appropriate character requirements.

- Percentage of cruise line operators examined during the year that have the full financial coverage required by regulation to protect against loss from non-performance or casualty.
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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%

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 2: Percentage of key Commission issuances, orders and reports are available through the Commission's website within 5 working days of receipt		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
70.00%	72.00%	74.00%

1. Strategies

- 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 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 Commission's website.

- Continuously expand and update information available to the public through the website, including list of licensed OTIs.

2. Six-Year Performance Measures

- Percentage of attendees at agency sponsored outreach presentations that rate the program as "Useful" or "Extremely Useful" in their compliance efforts.

- Percentage of key Commission issuances, orders and reports that are available through the Commission's website within 5 working days of receipt.

OBJECTIVE 4:

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

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

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 2: Percentage of formal complaints or Commission initiated orders of investigation completed within two years of filing or Commission initiation		
FY 2010 Plan	FY 2011 Target	FY 2012 Target
50.00%	52.00%	54.00%

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 administrative law judge. 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.

1. Strategies

- Provide *ombuds* services to informally resolve passenger vessel, household goods and other shipper complaints.

- Encourage the use of and provide facilitative ADR services to parties who request services of a trained neutral in resolving disputes and shipping problems that affect international ocean shipping.

- Adjudicate disputes under the jurisdiction of the agency through the administrative law judges (ALJ), with the possibility of appeal to the Commission, use of settlement officers and through arbitration.

- Timely conduct Commission proceedings so that litigants and industry can adjust behavior accordingly.

2. Six-Year Performance Measures

- Number of cases opened and closed each fiscal year using *ombuds* and ADR services assisting consumers to recover goods or funds.

- Percentage of formal complaints or Commission initiated orders of investigation will be completed within two years of filing or Commission initiation.

Appendix A

Workload Statistics:

Office of the Secretary

Formal Proceedings Program
Office of the Secretary

Statistical Workload Summary *

Workload Units		Fiscal 2010 Actual			Fiscal 2011 Estimate			Fiscal 2012 Estimate		
	On Hand 09/30/09	Receipts	Output	On Hand 09/30/10	Receipts	Outputs	On Hand 09/30/11	Receipts	Outputs	On Hand 09/30/12
Commission Docketed Proceedings (Formal, Special & Informal)	10	36	42	4	30	30	6	30	30	6
Commission Non-Docketed Proceedings	2	7	7	2	4	5	1	4	4	1
Docketed Informal Complaints	27	8	16	19	8	12	18	8	12	14
Agenda Items*	0	90	90	0	110	110	0	115	115	0
Pages of Minutes*	0	112	112	0	120	120	0	125	125	0
Federal Register Notices	0	213	213	0	265	265	0	280	280	0
FOIA Requests	16	37	33	20	40	33	27	40	33	34
Certifications	0	8	8	0	8	8	0	8	8	0

*On September 11, 2009, President Obama designated then Commissioner Richard A. Lidinsky, Jr., as the Chairman of the Federal Maritime Commission (FMC). The Chairman is the Chief Executive and Administrative Officer of the FMC and as such adminstrative matters, previously handled by the three Commissioners in the absence of a Chairman, are handled directly by the Chairman. Hence, the reduction in Agenda Items and Pages of Minutes statistics during the Fiscal Year compared to the same w orkload statistics for FY 2008 and FY2009.

Office of Consumer Affairs and Dispute Resolution Services (CADRS)

Formal Proceedings Program
Consumer Affairs and Dispute Resolution Services

Statistical Workload Summary

Workload Units		**Fiscal 2010 Actual**			**Fiscal 2011 Estimate**			**Fiscal 2012 Estimate**		
	*On Hand 09/30/09	Receipts	Output	*On Hand 09/30/10	Receipts	Outputs	*On Hand 09/30/11	Receipts	Outputs	*On Hand 09/30/12
Informal Complaints	93	532	533	92	550	570	72	550	550	72
ADR Matters	1	12	5	8	10	10	8	10	10	8
Informal Docket Decisions	26	10	18	18	10	20	8	10	12	6

* The number "on hand" as of 09/30/10 differs from the previous submission. This modification reflects elimination of informal complaints administratively closed.

Office of the General Counsel

Formal Proceedings Program
Office of the General Counsel

Statistical Workload Summary

Workload Units		Fiscal 2010 Actual			Fiscal 2011 Estimate			Fiscal 2012 Estimate		
	On Hand 09/30/09	Receipts	Output	On Hand 09/30/10	Receipts	Outputs	On Hand 09/30/11	Receipts	Outputs	On Hand 09/30/12
Litigation	4	1	1	4	2	2	4	2	2	4
Legislation	0	110	110	0	120	120	0	130	130	0
Legal Opinions, recommendations, case summaries, decisions and final orders	10	105	110	5	100	100	5	105	105	5
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 Administrative Law Judges

Statistical Workload Summary

Workload Units		FY 2010 Actual			FY 2011 Estimate			FY 2012 Estimate		
	On Hand 09/30/09	Receipts	Output	On Hand 9/30/10	Receipts	Output	On Hand 09/30/11	Receipts	Output	On Hand 09/30/12
Formal Proceedings	12	10*	14*	13***	8	11	10	8	10	8
Special Proceedings	0	0	0	0	0	0	0	0	0	0
Informal Proceedings	0	0	0	0	0	0	0	0	0	0

* Includes one proceeding (07-02) remanded by the Commission.

** One proceeding (06-06) resulting in three initial decisions (one approving a settlement agreement, tw o resolving the claims) is counted a three "outputs." Includes one motion to approve settlement (09-07) refered to the Commission.

*** Three proceedings in w hich OALJ issued an initial decision on partial settlement (10-07) or not resolving all claims against all parties (09-01, 10-01) are counted as "output" and "on hand.

Bureau of Trade Analysis

Operational and Administrative Program
Bureau of Trade Analysis

Statistical Workload Summary

Workload Units		FY 2010 Actual			FY 2011 Estimate			FY 2012 Estimate		
	On Hand 09/30/09	Receipts	Output	On Hand 09/30/10	Receipts	Output	On Hand 09/30/11	Receipts	Output	On Hand 09/30/12
Agreements Filed	12	134	142	4	140	138	6	140	140	6
Rulemakings, Proceedings, Petitions,Demand Orders*	0	0	0	0	2	2	0	1	0	1
Waiver Requests	0	3	3	0	5	5	0	5	5	0
Bureau Reports **	0	104	104	0	104	104	0	104	104	0
Agreement Reports										
Minutes	15	963	970	8	1,015	1,015	8	1,100	1,100	8
Monitoring	0	318	318	0	330	330	0	346	346	0
VSCG	5	135	135	5	145	145	5	160	160	5
Service Contracts	0	45,342	45,342	0	46,248	46,248	0	47,173	47,173	0
Contract Amds	0	350,310	350,310	0	357,300	357,300	0	364,450	364,450	0
Special Permissions	1	8	8	0	5	5	0	5	5	0
NVOCC Service Arangements	0	1,493	1,493	0	835	835	0	800	800	0
Arrangement Amds.	0	3,624	3,624	0	1,694	1,694	0	1,625	1,625	0
Informal Inquiries ***	0	3,012	3,012	0	3,312	3,312	0	3,345	3,345	0

* Rulemakings: FY 2011. E-filing of Reports and User Fees; FY 2012 Update of Agreement Rules.

** Bureau Reports - include w eekly reports to Commissioners on agreements filed and w eekly 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

Operational and Administrative Program
Bureau of Certification and Licensing

Statistical Workload Summary

Workload Units		FY 2010 Actual			FY 2011 Estimate			FY 2012 Estimate		
	On Hand 09/30/09	Receipts	Output	On Hand 09/30/10	Receipts	Output	On Hand 09/30/11	Receipts	Output	On Hand 09/30/12
OTI Applications New *	292	409	634	67	450	460	57	465	470	52
OTI Applications Amended *	128	246	354	20	275	280	15	285	285	15
OTI License Terminations **	0	345	345	0	290	290	0	300	300	0
Passenger Vessel Applications (Performance)	1	9	8	2	15	14	3	15	15	3
Passenger Vessel Applications (Casualty)	16	13	19	10	20	20	10	20	15	15

* OTI application output figures include the number of: (1) approvals for license; (2) voluntary withdrawals; (3) closing of applications; and (4) other changes not requiring the issuance of a license.

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

Bureau of Enforcement

Operational and Administrative Program
Bureau of Enforcement

Statistical Workload Summary

Workload Units		Fiscal 2010 Actual			Fiscal 2011 Estimate			Fiscal 2012 Estimate		
	*On Hand 09/30/09	Receipts	Output	*On Hand 09/30/10	Receipts	Outputs	*On Hand 09/30/11	Receipts	Outputs	*On Hand 09/30/12
Audits and Monitoring Activities	18	113	116	15	130	130	15	130	130	15
OTI Applicant and License Checks	0	615	615	0	625	625	0	650	650	0
Formal Proceedings	8	3	4	7	6	6	7	7	7	7
Civil Penalty Cases	20	7	17	10	15	15	10	15	15	10
Staff Legal Advice*	25	13	27	11	15	15	11	17	17	11

* Due to revisions in organization and few er staff requests for legal advice, appropriate adjustments have been made to account for low er numbers.

Appendix B

Certification of the Office of Inspector General's Fiscal Year 2012 Budget Request

FEDERAL MARITIME COMMISSION
Office of Inspector General
Washington, DC 20573-0001

Office of Inspector General

The Inspector General Reform Act (Pub. L. 110-149) was signed by the President on October 14, 2008. Section 6(f) (1) of the Inspector General Act of 1978, 5 U.S.C. app. 3, was amended to require certain specifications concerning Office of Inspector General (OIG) budget submissions each fiscal year.

Each inspector general (IG) is required to transmit a budget request to the head of the establishment or designated Federal entity to which the IG reports specifying:

- The aggregate amount of funds requested for the operations of the OIG,
- The portion of this amount requested for OIG training, including a certification from the IG that the amount requested satisfies all OIG training requirements for the fiscal year, and
- The portion of this amount necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

The head of each establishment or designated Federal entity, in transmitting a proposed budget to the President for approval, shall include:

- An aggregate request for the OIG,
- The portion of this aggregate request for OIG training,
- The portion of this aggregate request for support of the CIGIE, and
- Any comments of the affected IG with respect to the proposal.

The President shall include in each budget of the U.S. Government submitted to Congress.

- A separate statement of the budget estimate submitted by each IG,
- The amount requested by the President for each OIG,
- The amount requested by the President for training of OIGs ,
- The amount requested by the President for support of the CIGIE, and

- Any comments of the affected IG with respect to the proposal if the IG concludes that the budget submitted by the President would substantially inhibit the IG from performing duties of the OIG.

Following the requirements as specified above, the Federal Maritime Commission inspector general submits the following information relating to the OIG's requested budget for fiscal year 2012:

- The aggregate budget request for the operations of the OIG is $799,409.
- The portion of this amount needed for OIG training is $5,500, and
- The portion of this amount needed to support the CIGIE is $ 2,088.

I certify as the IG of the Federal Maritime Commission that the amount I have requested for training satisfies all OIG training needs for fiscal year 2012.

Inspector General
Federal Maritime Commission

Appendix C

Employee Satisfaction and Wellness

Over the last several surveys of employee satisfaction and engagement conducted by the U.S. Office of Personnel Management, the Federal Maritime Commission (FMC) has received overwhelmingly positive feedback. Based on results of the 2008 Federal Human Capital Survey, FMC was recognized as one of the Federal Government's Best Places to Work and Most Improved Small Agency. However, employees noted some areas where continued management attention would be desired. Based on that feedback, the FMC expanded its offerings of information about Federal benefits and work/life programs, and worked to increase organizational awareness about telework as a valuable tool for effectiveness and a way to enhance work/life balance.

The 2010 Employee Viewpoint Survey results also underscored the overall high level of satisfaction among FMC employees. Over the last several surveys of employee satisfaction and engagement conducted by the U.S. Office of Personnel Management, the Federal Maritime Commission (FMC) has received overwhelmingly positive feedback. Based on results of the 2008 Federal Human Capital Survey, FMC was recognized as one of the Federal Government's Best Places to Work and Most Improved Small Agency. However, employees noted some areas where continued management attention would be desirable. Based on that feedback, the FMC expanded its offerings of information about Federal benefits and work/life programs.

- The Commission used its employee financial education plan to increase employee awareness about their benefits.
  - The Social Security Administration helped educate FMC employees about how their benefits fit into Federal retirement planning at an Open Season Benefits Fair.
  - Information about Long Term Care Insurance was provided in a session offered in partnership with other Small Agency Human Resources Council members, and a subsequent webinar augmented this information.
  - The Commission's Employee Assistance Program contract provides access to a financial consultant via telephone at no cost.
- The Commission offers three employee newsletters on an ongoing basis that target wellness and benefits information to employees at various career and life stages and it promotes the Feds Get Fit Challenge annually.

Over the last year, FMC also worked to increase organizational awareness about telework as a valuable tool for effectiveness and a way to enhance work/life balance by benchmarking best practices and adapting them to FMC's mission and culture.

The 2010 Employee Viewpoint Survey (EVS) results also underscored the overall high level of satisfaction among FMC employees. Rankings for agencies on many of the dimensions related to employee satisfaction and engagement (such as Teamwork, Effective Leadership, Family Friendly Culture and Benefits, and Work/Life Balance) found FMC among the top 10 small agencies once again.

In its efforts to continue improving employee satisfaction and engagement, FMC analyzed each survey item's responses to identify areas to focus its actions in the coming year. An analysis of the EVS questions with relatively lower positive responses showed that all except one exceeded the government-wide average. However, two areas emerged as challenges for FMC management: work/life programs to help employees with child care and elder care, and employee perceptions of the link between performance results and associated feedback and recognition. The agency has developed action plans for these two areas. Information about work/life programs will be enhanced through electronic and print media and through agency-sponsored information sessions, such as the annual Open Season Benefits Fair. The link between employee performance and consequent feedback and recognition will be strengthened through training for all managers, supervisors, and employees on the recently redesigned performance management system. The Office of Human Resources will augment this training with ongoing support for supervisors as they carry out their performance management responsibilities throughout the year. Results of FMC's efforts to improve employee satisfaction and engagement will be measured by the next annual administration of the Employee Viewpoint Survey.

An analysis of the questions with lower positive responses showed that all except one exceeded the government-wide average. However, work/life programs to help employees with child care and elder care, and employee perceptions of the link between performance results and associated feedback and recognition represent challenges for FMC management. The agency has developed action plans for these two areas that include enhanced access to work/life program information and training for all managers, supervisors, and employees on the recently redesigned performance management system.

In September 2010, the Commission completed a needs assessment of health and wellness services available to employees who work at its headquarters. The assessment was conducted using the WellCheck online tool made available by the U.S. Office of Personnel Management (OPM). WellCheck scored the Commission on each of the five elements identified by the U.S. Department of Health and Human Services as being part of a comprehensive worksite wellness program. Using the results of the assessment, the Commission developed a worksite wellness program implementation plan for fiscal year 2011. The plan identified action items for improving employee satisfaction and removing barriers to participation in the Commission's health and wellness program. Copies of the plan were submitted to OPM and the U.S. Office of Management and Budget.

Action items listed in the plan included working with the General Services Administration and the building management company to offer healthier food and beverage options in vending machines at the Commission's headquarters, increasing the number of employees who take advantage of free physical exams and screenings offered by the health unit that services Commission employees, and using video conferencing technology to allow field employees to participate in health and wellness seminars offered at headquarters. As part of the planning process, the Commission established performance metrics for determining the success of each action item. The Commission will use tools such as WellCheck and the results of future Employee Viewpoint Surveys to evaluate the success of its implementation plan and to identify additional action items for creating a culture of worksite wellness at the FMC.

FEDERAL MARITIME COMMISSION
2011 EMPLOYEE VIEWPOINT SURVEY
ACTION PLAN

2011 Employee Viewpoint Survey Action Plan
Program Improvement Initiative: Increase employee awareness of work/life programs of potential benefit (e.g., child care, elder care).
Describe the barrier, problem, or deficiency being addressed: Nearly 2/3 of survey respondents marked "Neither Agree Nor Disagree" regarding their satisfaction with child care and elder care programs. (EVS Questions: 77, 78)
Describe what is causing the barrier/problem (i.e., What is the cause?): Employees do not have a current need to use these programs.
Define success or the desired outcome upon completion of action steps below, including any measures you plan to use to indicate success (be specific): Employees will be given periodic information about child care and elder care programs and they will be able to access information on an "as needed" basis; positive survey responses regarding satisfaction will increase.
Primary Action Planning Team (note lead and members): Hatsie Charbonneau (lead), David Kaplan

Action Steps

Actions to be Taken	Key Deliverables/Output	Start Date/ End Date	Responsible Party (Parties)	Budget, Resources, and Approvals Needed
Continue to provide information periodically about child care and elder care programs.	Email messages to All Employees; information sessions, as available	October 1, 2010/ September 30, 2011	OHR	HR Director
Make instructions for accessing information about child care and elder care readily available.	OHR information on the web	October 1, 2010/ September 30, 2011	OHR	HR Director

Appendix D

FEDERAL MARITIME COMMISSION
FEDERAL DATA CENTER CONSOLIDATION INITIATIVE
FINAL PLAN

Objective

The FMC is committed to the Administration's Data Center Consolidation Initiative. We have determined that we can efficiently and effectively deliver IT services through storage and server virtualization. The agency's data center houses all FMC information technology equipment. The data center is located in 200 square feet of space in FMC Headquarters. Our total data storage capacity is 8TB. We have used 60 percent (4.8TB) of this space. We have three server racks that house 20 Windows-based servers and one Linux-based server. The FMC has started its data center consolidation initiative beginning January 2011 and FMC's data center facility and IT infrastructure services consolidation project was completed in December 2010. The consolidation reduced the amount of equipment racks to two. The agency has reduced our Windows-based servers from 20 servers to 10 servers. We continue to support 1 Linux-based server.

Data Center Consolidation Goals

This effort included re-engineering the IT infrastructure considered necessary to support the mission and administrative activities of the FMC. Specific technology-related components of the IT data center facility and IT infrastructure services consolidation included:

- Data center facility: (1) evaluation of current data center capacity; (2) forecast of future data center needs; (3) recommendation for best use of and operation of existing facilities; and (4) sourcing of additional / future data center capacity at the FMC.

- Infrastructure services: (1) evaluation of current infrastructure assets and technologies; (2) identification of the needs and of infrastructure services related to data center, servers, storage, data management, IT management systems, security and disaster recovery; and (3) specification of the infrastructure standards and architecture necessary to support FMC services.

- Shared computing platforms including the hardware and software for the virtualized server environment, shared storage arrays, peripherals, database management system monitoring and management, and opportunities to leverage "cloud-computing" as a component of FMC IT infrastructure.