

FEDERAL MARITIME COMMISSION



FINAL ANNUAL PERFORMANCE PLAN

FOR FY 2003

February 2002

INTRODUCTION

This document comprises the Federal Maritime Commission's Annual Performance Plan for FY 2003. As set forth in the Government Performance and Results Act ("GPRA") and general guidelines published by OMB, the Commission has prepared a single Performance Plan so as to present a comprehensive picture of performance across the agency. This plan is closely linked to the agency's Strategic Plan, although its content is more detailed and specific as opposed to the general and long-term focus of the Strategic Plan. We also have concentrated on developing objective performance goals and narrow, measurable performance indicators, so as to facilitate the plan's implementation and assessment of performance.

This plan was developed with the benefit of nearly three years' experience under the new ocean shipping environment resulting from the Ocean Shipping Reform Act of 1998 ("OSRA"). The FMC was able to draw on the industry's business decisions and altered practices in response to OSRA, as well as its own operations under the various statutory changes that became effective on May 1, 1999. Also, the Commission benefitted from preparation of its two-year study of OSRA, *The Impact of the Ocean Shipping Reform Act of 1998*, which was issued in September 2001. The Report relied on a broad range of sources in culling information on how the new law has played out across the ocean shipping industry. It provides objective, impartial findings on the regulatory and commercial impact of OSRA, and identifies the issues the Commission must continue to address as it fulfills its oversight mandates.

Additionally, in preparing this plan, the Commission has paid particular attention to the importance of effectively managing and utilizing its human resources. Building on the initiatives undertaken pursuant to prior annual performance plans, we have established performance goals that seek to enhance employee performance while providing the staff with the capability to provide more efficient, user-friendly services to those who interact with us.

Further, our FY 2003 Plan seeks to take better advantage of emerging technologies and to offer time/cost saving e-services to regulated entities and the public at large. The advances we hope to achieve under the Government Paperwork Elimination and E-Sign statutes in FY 2002 should put the agency in a position to better serve our stakeholders and other interested parties.

The Commission continues to tailor its Annual Performance Plan to comport with the overall objectives of GPRA, while maintaining flexibility in its presentation and application. This modified approach has been authorized by OMB since the majority of Commission activities are statute-driven and our goals essentially are based upon legislative mandates which are clear and direct. Significant alteration of our existing programs is not possible, given that many measures and goals are required by statute.

Accordingly, OMB agreed that the Commission should use an appropriately scaled mechanism for GPRA process and development with a framework which would be productive, yet less resource-intensive. Nonetheless, our plan presents relevant information clearly and concisely, and strives to be as detailed as necessary while avoiding minutiae.

Our plan sets forth the mission statement and general goals from our Strategic Plan, as a point of reference for the reader. In accordance with general OMB guidance, we have prepared performance goals for each of the five Program Activities reflected in our budget. The strategic goals aligned with these performance goals are appropriately displayed. Each performance goal has been stated as a narrow, measurable objective. For each performance goal, we have identified the intended outcome, the processes and resources required to accomplish it, an appropriate performance indicator, and the means for measuring/evaluating performance. To ensure a clear understanding of the plan's contents, set forth below are definitions of basic terms used. We relied on OMB's published guidance for these definitions, and have included parenthetically our interpretation of their practical application.

Budget Program Activity - The FMC's Program Activities as listed in the program and financing schedules of the agency budget (the agency's major activities).

Performance Goal - A target level of performance; a measurable objective (a specific, proposed performance action).

Outcome - Intended result or consequence of the Program Activity (the projected effect or what is hoped to be achieved).

Performance Indicator - A value or characteristic for measuring results (the quantifier or qualifier of performance).

Processes/Activities - The processes, skills, or resources that are required to effectively accomplish a performance goal (what is needed to achieve the goal).

Performance Measure/Evaluation - The means used to verify and validate measured values (methods used for assessing if programs achieved objectives, or, the specific means to measure if outcomes were realized).

The Commission used its existing consultation process in developing this plan. We have kept key Congressional Committees apprised of our planning process and efforts, and have responded to any inquiries. We also have remained fully apprised of the views and positions of all entities involved in the ocean shipping industry. In preparing our two-year study of the impact of OSRA, we contacted all sectors of the ocean shipping industry to solicit input on the key issues that needed to be addressed. A formal Notice of Inquiry also was issued to obtain industry feedback on specific areas of relevance. Various Commission stakeholders have offered their comments on both the agency's performance and appropriate objectives for the future. Their opinions have assisted us in developing our

performance goals and implementing approaches.

While there is no industry consensus, it is clear that those involved in the various sectors of U.S. ocean shipping have a full understanding of the Commission's major program activities, and at the same time, the Commission is fully cognizant of the views of all parties with whom it interacts. Therefore, it was not necessary for the Commission to embark on further outreach efforts when developing this plan.

In line with OMB guidance, the Commission has reflected the resources needed to accomplish its performance goals. We have provided an FTE and funding figure for each Budget Program Activity, which reflects what we believe will be required to accomplish the three performance goals under each respective Activity. It is important to note that these figures, when summed, do not reflect the full FTE and funding levels of the President's FY 2003 budget for the Commission. Naturally, the Commission performs significant duties beyond those reflected in our performance goals, and also accomplishes a host of day-to-day responsibilities that do not rise to the level of a high-profile performance goal. Those activities clearly require the allocation of necessary resources. The portion of our FTEs and funding not specifically reflected in this plan is necessary to perform those other activities. Additionally, our funding figures do not consider the \$1,126,000 added to the Commission's budget to cover the potential shifting of certain retirement and health benefit costs from central accounts to our specific program accounts, as envisioned by the proposed Freedom to Manage Act of 2001.

The Commission has posted this Performance Plan on its Internet website to ensure that it is readily accessible to interested parties, and has advised all employees to take the time to review it. Additionally, we continue to ensure that all employee performance plans comport with the agency's Strategic and Annual Performance Plans, and that they contain specific elements and standards aimed at achieving the agency's strategic and performance goals. Performance of managers and staff is evaluated in part on how they achieve the objectives in this plan.

FMC MISSION

To achieve its vision, the FMC's mission is:

Ensure the Nation's interests are met through an efficient, competitive, market-driven, and nondiscriminatory ocean transportation system that is free of unfair foreign maritime trade practices.

OSRA is significantly changing the manner in which the business of ocean shipping is being conducted. Additionally, the industry continues to restructure itself while adapting to dynamic economic conditions and emerging trends. And, international trade remains

dependent upon an efficient ocean transportation system. Therefore, it is imperative for the FMC to ensure that its oversight activities produce a competitive and nondiscriminatory trading environment in U.S. ocean commerce that is in harmony with and responsive to international shipping practices. We must focus our energies and efforts on this mission, and assure that the agency is organized and managed in a manner best suited to accomplish it with a minimum of government intervention and regulatory costs. Our actions also must encourage the development of a sound U.S.-flag liner fleet. Accordingly, and in conformity with the Shipping Act of 1984 ("1984 Act"), as amended by OSRA, the FMC has established the following four strategic goals.

FMC STRATEGIC GOALS

1. *Efficient Regulatory Process:* Provide a timely, efficient and decisive regulatory process, to enable all segments of the industry to plan and conduct their operations more effectively and with minimal regulatory costs.
2. *Balanced Enforcement:* Foster economic efficiencies and reliance on marketplace factors by administering U.S. shipping statutes in a balanced and equitable manner that redresses excessive anticompetitive actions and restrictive practices of foreign governments.
3. *Compliance:* Promote the development of U.S. exports and the efficiency of ocean shipping by monitoring and assisting stakeholders in achieving compliance with shipping statutes administered by the FMC.
4. *Internal Capabilities:* Ensure the FMC has the organizational ability and the managerial leadership necessary to meet its industry assistance, enforcement, and educational responsibilities.

LINKAGE BETWEEN MISSION STATEMENT AND STRATEGIC GOALS

Our strategic goals address essential FMC programmatic, policy, and management responsibilities. They were developed with a specific focus on accomplishing the basic thrusts of our mission and attaining the competitive, nondiscriminatory shipping environment envisioned by OSRA.

Therefore, the primary intention of Strategic Goal No. 1 is to minimize regulatory costs by maintaining timely and decisive regulatory processes. This will render the FMC more effective in addressing matters that are perpetuating discrimination or precluding industry efficiency, while reducing the industry's costs in pursuing matters before the Commission. More decisive action on our part will help to remove uncertainties as to statutory interpretations or the application of FMC rules. Such uncertainties delay operational efficiencies or technological changes, each of which can foster a more economical ocean

shipping system.

Our second strategic goal is designed to foster economic efficiencies and reliance on typical marketplace factors, and to redress excessive anticompetitive practices harmful to international commerce. This is a direct link to our mission statement's call for an efficient, competitive, market-driven ocean transportation system. And our continuing efforts to effectively address the actions of foreign governments that adversely affect U.S. interests

and our foreign trade comport with that aspect of our mission aimed at creating an environment "free of unfair foreign maritime trade practices."

Strategic Goal No. 3 centers on achieving compliance with the substantive provisions of the shipping statutes the FMC administers. Accomplishing this goal should minimize the unjust discrimination and undue preference or prejudice that precludes certain shipping interests from obtaining rates or service levels that can render their businesses more economical and efficient. Increasing industry compliance should enable stakeholders to concentrate on fair and legal means of enhancing operational efficiency, secure in the knowledge that competitors are not engaging in widespread illegal actions aimed at improving short-term bottom-line profits without concern for the harmful long-term effects on the industry. The shipping public also will have added protection from potential cargo losses and disruptions through the agency's focus on intermediaries operating in U.S. trades having the necessary character and financial responsibility to offer viable services. Effective accomplishment of this goal also can help to promote the growth of U.S. exports.

Finally, we have a single comprehensive goal to address internal Commission management and operations. Enhancing our management oversight and improving employee morale can both foster the accomplishment of various Administration directives and programs in this regard, while putting us in a position to more effectively address the specific aims of our mission. This strategic goal also ensures continuation of a comprehensive approach to performance management.

Achieving these mission-driven goals will enable us to effectively address the external factors we face, while assuring an equitable and efficient administration of the shipping statutes under our jurisdiction. Our processes and procedures will be refined or updated as necessary. We are committed to accomplishing our strategic goals and the outcome goals related to them. Therefore, specific means have been identified to enable the FMC to achieve these goals in the most cost-efficient and least disruptive manner possible.

Budget Program Activity:

Formal Proceedings - 16.35 FTEs and \$2,099,883 will be required to accomplish the goals under this Program Activity.

Related Strategic Goals:

1. *Efficient Regulatory Process:* Provide a timely, efficient and decisive regulatory process, to enable all segments of the industry to plan and conduct their operations more effectively and with minimal regulatory costs.

4. *Internal Capabilities:* Ensure the FMC has the organizational ability and the managerial leadership necessary to meet its industry assistance, enforcement, and educational responsibilities.

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
<p>1. Increase by 50% over FY 2002 the number of formal proceedings in which the Commission's ADR mediation services are actively utilized towards informally resolving the involved dispute.</p>	<ul style="list-style-type: none"> - Reduce litigants' costs in resolving complaints. - More expeditious resolution of shipping disputes. - Streamline agency operations and reduce agency costs related to deciding complaints via the full hearing process. 	<ul style="list-style-type: none"> - Establishment of effective procedures for inter-agency coordination. - Number of cases in which agency mediators actively attempt dispute resolution. - Number of cases successfully mediated which result in settlement or withdrawal of the complaint. - Number of cases where mediation facilitates case processing and decision-making by the involved ALJ. 	<ul style="list-style-type: none"> - Ongoing coordination between the Office of ALJs, the Commission's Chief Mediator in the Bureau of Consumer Complaints & Licensing, and the Secretary's Office. - ALJs work actively at the outset of a proceeding to encourage mediation in line with the procedures set forth in the Commission's final rule in this area. - Active publication of the benefits of the Commission's mediation services, e.g., website 	<ul style="list-style-type: none"> - Assigned ALJs' management of formal proceedings. - Oversight of mediation activity by agency's Chief Mediator. - Compare program efforts with prior year's results. - Processing of formal proceedings by Secretary's Office.

			<p>information, attending industry meetings/conferences, press coverage.</p> <p>- Ongoing training for Commission mediators to enhance skills toward more successful mediation efforts.</p>	
<p>2. By 3/30/03, requests for public information received by the Office of the Secretary are referred for response on the date received, and initial contact is made within one business day.</p>	<ul style="list-style-type: none"> - Expedite Commission's response to public inquiries. - A citizen-centered program that enhances the Commission's delivery of services to interested parties. - Enable stakeholders and the public to proceed with actions or make business decisions more promptly and in a more informed manner. - Better management of agency services. 	<ul style="list-style-type: none"> - Number of inquiries referred and acted upon. - Time frames involved in referring and responding to inquiries. - Feedback from stakeholders and the public. 	<ul style="list-style-type: none"> - Secretary's Office establishes internal guidelines for reviewing and referring inquiries. - Bureau/office directors establish operating procedures to ensure that all inquiries are responded to within one business day. 	<ul style="list-style-type: none"> - Office of Secretary measures time between date of receipt and date of response. - Bureau/office directors' oversight of their unit's actions. - Office of Secretary's periodic followup on inquiries to ensure prompt response received.
<p>3. Provide assistance and technical advice to Congress regarding issues identified in the Commission's OSRA Impact Study as areas for possible legislative</p>	<ul style="list-style-type: none"> - Congress can proceed on a more informed basis with a complete and accurate record. - Remove any negative 	<ul style="list-style-type: none"> - Ongoing assistance provided to Congressional committees. 	<ul style="list-style-type: none"> - Office of General Counsel serves as liaison with Congressional committees and coordinates all staff efforts. 	<ul style="list-style-type: none"> - Chairman monitors progress via periodic meetings with General Counsel. - General Counsel maintains ongoing contact with Congressional staff.

<p>consideration.</p>	<p>effects caused by legislative uncertainties.</p> <ul style="list-style-type: none"> - Enable all sectors of the industry to make business decisions and conduct operations with more certainty as to legally permissible activities. - Congressional action can facilitate FMC oversight. 	<ul style="list-style-type: none"> - Accurate and clearly presented data/information/written products forwarded to Congress in a timely manner. - Feedback from Congressional staff and stakeholders. 	<ul style="list-style-type: none"> - Chairman provides oversight and policy direction to Office of General Counsel. - Office of General Counsel keeps Commission apprised of ongoing activities. 	<ul style="list-style-type: none"> - General Counsel monitors progress of information and suggestions/comments forwarded to Congress.
-----------------------	--	---	--	--

Budget Program Activity:

Operational and Administrative - 14.05 FTEs and \$1,924,196 will be required to accomplish the goals under this Program Activity.

Related Strategic Goals:

1. *Efficient Regulatory Process:* Provide a timely, efficient and decisive regulatory process, to enable all segments of the industry to plan and conduct their operations more effectively and with minimal regulatory costs.

4. *Internal Capabilities:* Ensure the FMC has the organizational ability and the managerial leadership necessary to meet its industry assistance, enforcement, and educational responsibilities.

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
<p>1. Ensure that an effective agency-wide security program that complies with the Government Information Security Reform Act ("GISRA") is in place by 6/30/03. The program must provide for: appropriate management controls and risk management; all necessary contingency planning; the physical security of all equipment; security awareness training for agency employees; and appropriate documentation</p>	<ul style="list-style-type: none"> - Compliance with GISRA. - Minimize security risks and provide appropriate security for Government information and equipment. - Agency is in a better position to identify risks/vulnerabilities and move effectively to address same. - Employees properly trained and fully cognizant of relevant security requirements. 	<ul style="list-style-type: none"> - All necessary documentation properly prepared regarding agency systems/programs, e.g., Configuration Management Guide, Contingency Plan. - IG finds no material weakness or significant deficiencies in agency security operations. - Agency reports no material weakness in 03 Federal Managers' Financial Integrity Act report and other related 	<ul style="list-style-type: none"> - Contract for a consultant to assist in correcting previously identified deficiencies, e.g., preparing necessary documentation, training staff, etc. (up to \$175,000 will be earmarked for this assistance). - OIRM staff, with oversight of Executive Director's Office, to work closely with bureaus/offices to improve security plans and prepare effective self-assessments. 	<ul style="list-style-type: none"> - Results of contractor assistance. - Executive Director's Office oversees agency actions and reports to Chairman on progress and need for improvements. - IG audits and reports. - GISRA analyses/submissions.

<p>of all procedures and system operations.</p>		<p>management reports.</p> <p>- Security training properly accomplished.</p>	<p>- Staff coordinates with IG in performing GISRA reviews/assessments, and initiating necessary security measures.</p> <p>- Executive Director's Office directs ad hoc risk management and vulnerability assessments on specified systems/operations.</p>	
<p>2. Develop and implement a comprehensive training plan that focuses on enhancing staff analytical and communications skills, acclimating new hires to the maritime industry and agency operations, and enabling staff to fully utilize emerging developments in the IT area.</p>	<p>- Employees develop important skills and abilities to accomplish their various responsibilities more effectively.</p> <p>- Employees provided with better understanding of regulated industry and FMC's mission/strategic goals.</p> <p>- Better utilization of available technology to increase employee efficiency and effectiveness.</p>	<p>- Plan developed by 10/31/02.</p> <p>- Widespread agency enrollment in various training courses beginning in November 02 and running through the fiscal year.</p> <p>- Internal cross-training program initiated by end of second quarter for purpose of educating staff on operations of various agency units as well as relevant industry activities/practices.</p>	<p>- Training Officer plans, coordinates, and manages program.</p> <p>- Supervisors surveyed to assess primary areas of focus.</p> <p>- Employees surveyed to identify particular courses/training needs.</p> <p>- Training Officer explores all avenues for training, including e-learning options, Small Agency Council offerings, group training sessions, and free or reduced rate government courses.</p> <p>- Executive Director's Office coordinates development of cross-training program.</p>	<p>- Executive Director's Office reviews periodic training reports.</p> <p>- Training Officer assesses feedback from trainees and supervisors on various training courses attended.</p> <p>- Ongoing assessment of the quality of substantive work products.</p> <p>- Review monthly workload statistics to determine productivity gains.</p> <p>- Use ad hoc meetings, e.g., at progress reviews and performance appraisals, to assess employee morale.</p>

<p>3. Review all internal Commission issuances for continued applicability, accuracy, clarity, and potentially unnecessary procedures/processes, and then develop a plan for implementing all appropriate modifications.</p>	<ul style="list-style-type: none"> - Ensure that only issuances that serve a viable purpose remain in effect. - Eliminate unnecessary procedures/burdens/requirements that could be resulting in unwise use of employee time. - Clarify and update applicable issuances to facilitate accomplishment of relevant tasks and objectives. - Employees' time freed-up for more substantive assignments. 	<ul style="list-style-type: none"> - Review of all issuances completed by 10/31/02. - A comprehensive plan is developed by 11/14/02 that identifies all issuances requiring change and makes necessary assignments. - All changes and revocations are completed by 9/30/03. 	<ul style="list-style-type: none"> - Project will be managed from Executive Director's Office by Executive Assistant to the ED. - Executive Assistant will review all Commission Orders and make initial suggestions/recommendations. - Each agency unit will have a designated point of contact familiar with its unit's operations, to be responsible for all substantive review and modifications. - Various Commission Order changes and revocations are initiated and then forwarded through normal clearance process for review and approval. 	<ul style="list-style-type: none"> - Executive Director ensures the plan is in place by established deadline. - Executive Director performs periodic checks and assessments to ensure appropriate progress is being accomplished. - Executive Director compares status of issuances at fiscal year end with status at fiscal year beginning. - Executive Director checks with bureau/office heads to determine if changes implemented are facilitating accomplishment of responsibilities and if more staff time generally is available for substantive work.
--	---	--	---	---

Budget Program Activity:

Consumer Complaints & Licensing - 10.9 FTEs and \$1,376,623 will be required to accomplish the goals under this Program Activity.

Related Strategic Goals:

- 1. *Efficient Regulatory Process:* Provide a timely, efficient and decisive regulatory process, to enable all segments of the industry to plan and conduct their operations more effectively and with minimal regulatory costs.

- 3. *Compliance:* Promote the development of U.S. exports and the efficiency of ocean shipping by monitoring and assisting stakeholders in achieving compliance with shipping statutes administered by the FMC.

- 4. *Internal Capabilities:* Ensure the FMC has the organizational ability and the managerial leadership necessary to meet its industry assistance, enforcement, and educational responsibilities.

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
1. Evaluate passenger vessel operator ("PVO") program and suggest changes, if necessary, to assure that it meets contemporary needs of cruising public.	<ul style="list-style-type: none"> - Statutory compliance. - Assist cruising public in dealings with PVOs. - Enhance public's protection against non-performance by cruise operators. 	<ul style="list-style-type: none"> - Report delivered by 9/30/03 for comments/evaluation of recommendations. - Approved recommendations implemented in a timely, effective manner. 	<ul style="list-style-type: none"> - Discussions with staff and communication with industry experts. - Analysis of rules, PVO data, comments, and complaints with regard to PVO noncompliance. - Preparation of report for Commission consideration. 	<ul style="list-style-type: none"> - Bureau Director ensures timely completion of all aspects of project. - Executive Director oversees implementation of approved recommendations.

			- Implementation of report recommendations.	
2. Develop effective program for updating ocean transportation intermediary ("OTI") licensee data.	<ul style="list-style-type: none"> - Ensure OTI data maintained by the Commission is current. - Industry can conduct operations based on reliable data/information. - Enhance agency oversight and enforcement efforts. 	<ul style="list-style-type: none"> - Report delivered by 9/30/03 for comments/evaluation of recommendations. - Approved recommendations implemented in a timely, effective manner. - Feedback from industry and public. 	<ul style="list-style-type: none"> - Discussions with industry sources. - Coordination with Bureau of Enforcement on obtaining current information. - Increased staff focus on using all available sources to obtain current, reliable information. 	<ul style="list-style-type: none"> - Bureau Director assesses progress made. - Executive Director approves recommendations. - Ad hoc discussions with industry sources as to availability of reliable information.
3. Enhance informal complaint database to include more specific details on types of complaints against cruise operators.	<ul style="list-style-type: none"> - Users of the Commission's informal complaint database receive timely, accurate, detailed information concerning the types of complaints filed against cruise lines, on both individual and aggregate bases. - Complements existing information sources with respect to identifying possible nonperformance risks. - Provides an evidentiary basis for determining possible legislative priorities in the passenger vessel area. 	<ul style="list-style-type: none"> - Database encompassing current data online and accessible by 6/30/03. - Reports available for inclusion in the monthly report by 6/30/03. 	<ul style="list-style-type: none"> - Design and maintenance of a Bureau of Consumer Complaints & Licensing database encompassing the input of detailed cruise complaint information at the times of filing and significant processing actions. - Systematic input into the system of recent historical complaint information. 	<ul style="list-style-type: none"> - Database integrity, i.e., accuracy of data input and timeliness of data entry. - Feedback from internal users of specific data and possible external users of aggregate data, such as the media.

Budget Program Activity:

Trade Analysis - 15.05 FTEs and \$1,834,611 will be required to accomplish the goals under this Program Activity.

Related Strategic Goals:

1. *Efficient Regulatory Process:* Provide a timely, efficient and decisive regulatory process, to enable all segments of the industry to plan and conduct their operations more effectively and with minimal regulatory costs.

2. *Balanced Enforcement:* Foster economic efficiencies and reliance on marketplace factors by administering U.S. shipping statutes in a balanced and equitable manner that redresses excessive anticompetitive actions and restrictive practices of foreign governments.

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
<p>1. By 12/31/02, further develop and apply updated ocean carrier constructive costs benchmark to be taken into account in analyses of controlled carrier rate activity under section 9 of the 1984 Act, as amended by OSRA.</p>	<ul style="list-style-type: none"> - Ability to expeditiously take into account as the need arises the compensatory costs of controlled carrier cargo movements being monitored for 1984 Act section 9 compliance. - Streamlined method for conducting 1984 Act section 9 cost analyses. 	<ul style="list-style-type: none"> - Reliable compensatory cost estimates that can be justified through valid sampling/statistical methods. - Sound methodology for calculating constructive costs that can be relied upon in 1984 Act section 9 analyses. 	<ul style="list-style-type: none"> - Present suggested approach to Commission. - Gather cost information from commercial operators. - Review vessel charter hire rates for proxy information on vessel costs. 	<ul style="list-style-type: none"> - Readily accessible figure(s) on commercial carrier breakeven costs in trades shared with controlled carriers. - Turnaround time on evaluating cost component of 1984 Act section 9 analyses. - Reliability of cost

	<ul style="list-style-type: none"> - More effective oversight of the rate activities of controlled carriers. 	<ul style="list-style-type: none"> - Feedback from U.S.-flag carriers. 	<ul style="list-style-type: none"> - Review trade press and public information sources for vessel cost information. 	<p>estimates as measured against recognized economic and statistical procedures.</p>
<p>2. By 3/31/03, refine the ongoing program to evaluate the level of adherence in individual carrier service contracts to agreement voluntary service contract guidelines in major trade lanes.</p>	<ul style="list-style-type: none"> - Full compliance with the shipping statute and agency regulations. - Agreement-related rate and service levels do not adversely affect U.S. commerce. - Planned program goal reduces the need for sporadic investigative action. - More comprehensive analyses of agreement activities and trade conditions. 	<ul style="list-style-type: none"> - Number of complaints about rates charged and service offered individually by agreement parties. - Feedback from other Commission components. - Number of informal inquiries requesting information and/or clarification on an agreement and its service contract activities. 	<ul style="list-style-type: none"> - Refine methodology for reviewing voluntary service contract guidelines. - Identify service contract guideline rate objectives to be audited. - Generate samples from the Commission's service contract database. - Compile information/data for analysis. - Compare guideline rate objectives with actual service contract rates for degree of adherence. - Report findings. 	<ul style="list-style-type: none"> - Level of complaints and comments on the impact of voluntary service contract guidelines on individual service contracting. - Number of formal Commission inquiries on agreement and service contract activities. - Periodic reports/results of findings.
<p>3. By 3/31/03, implement an internal training program directed at improving staff writing skills necessary for the proper analysis and presentation of issues arising from the monitoring of industry activity pursuant to underlying statutes.</p>	<ul style="list-style-type: none"> - Improve the ability of staff to write various memoranda and studies that the audience can easily understand. - Minimize editing time of supervisors. 	<ul style="list-style-type: none"> - Less editing is done by supervisors and senior level officials. - The overall quality of line-staff work products improves in comparison to performance in FY 02. 	<ul style="list-style-type: none"> - Conducting internal meetings dedicated to teaching the skills necessary for the writing, editing and presentation of memoranda and studies to Bureau management, senior officials and the Commission. 	<ul style="list-style-type: none"> - Managers' reviews of each individual employee's progress during the time of the internal training. - Feedback by senior level officials, and Commissioners and their staff.

	<p>- Clarity in writing and presentation will make it easier for senior level officials and the Commission to understand the thrust of the staff's memoranda/studies.</p>		<p>- This process may include relevant training available from public and private institutions depending upon the individual needs of each employee.</p>	
--	---	--	--	--

Budget Program Activity:

Enforcement - 14.25 FTEs and \$1,895,646 will be required to accomplish the goals under this Program Activity.

Related Strategic Goals:

1. *Efficient Regulatory Process:* Provide a timely, efficient and decisive regulatory process, to enable all segments of the industry to plan and conduct their operations more effectively and with minimal regulatory costs.

2. *Balanced Enforcement:* Foster economic efficiencies and reliance on marketplace factors by administering U.S. shipping statutes in a balanced and equitable manner that redresses excessive anticompetitive actions and restrictive practices of foreign governments.

3. *Compliance:* Promote the development of U.S. exports and the efficiency of ocean shipping by monitoring and assisting stakeholders in achieving compliance with shipping statutes administered by the FMC.

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
1. Review and monitor activities of non-traditional transportation intermediaries and logistics service providers to determine applicability of, and compliance with, OTI regulations.	<ul style="list-style-type: none"> - Promote equitable competition among entities acting as OTI service providers. - When required, entities properly licensed and bonded. 	<ul style="list-style-type: none"> - Reduction of complaints from lawful OTIs regarding inequitable competition. - Reduction in number of improper entities holding themselves out to provide OTI services. 	- Bureau of Enforcement coordinates with Bureau of Consumer Complaints & Licensing and Bureau of Trade Analysis to identify and monitor non-traditional transportation intermediaries and logistics service providers.	<ul style="list-style-type: none"> - Number of third-party service providers seeking licensing. - Cases initiated to achieve compliance or necessary for enforcement.

	<ul style="list-style-type: none"> - Public receives protections provided by regulatory compliance. 		<ul style="list-style-type: none"> - Encourage voluntary compliance with Commission regulations. - Initiate enforcement activity if necessary to achieve compliance or to address market-distorting activities. 	
<p>2. Effectively automate the general indices of the Bureau of Enforcement's system of records used in OTI application review.</p>	<ul style="list-style-type: none"> - Improve the accuracy and timeliness of submission of essential information to the Bureau of Consumer Complaints & Licensing for use in OTI application process. - Public will receive resolution of OTI application issues in a more timely manner. - More efficient use of agency resources. 	<ul style="list-style-type: none"> - System automated and working appropriately by 6/30/03. - Bureau completes work in more expedient manner. - Bureau of Consumer Complaints & Licensing decision-making enhanced and OTI applications processed more quickly. 	<ul style="list-style-type: none"> - Work with OIRM to evaluate system and develop necessary actions for effective automation. - Bureau of Enforcement consults with Bureau of Consumer Complaints & Licensing to ensure program comports with its operations. - OIRM accomplishes necessary automation and, after appropriate testing, Bureau fully implements. 	<ul style="list-style-type: none"> - Bureau Director oversees coordination with OIRM and Bureau of Consumer Complaints & Licensing. - System developed and implemented. - Assess OTI application response time to determine level of improvement.
<p>3. By 12/15/02, refine and update the program for review and monitoring of activities of controlled carriers, to determine excessive anticompetitive actions or Controlled Carrier Act violations. Initiate appropriate enforcement</p>	<ul style="list-style-type: none"> - Fulfill 1984 Act policy objective of increasing reliance on marketplace factors to determine outcomes in U.S. ocean shipping. 	<ul style="list-style-type: none"> - Program timely developed and implemented. - More effective and timely review of tariffs, service contracts, and agreements involving controlled carriers. 	<ul style="list-style-type: none"> - Bureau of Enforcement works with Bureau of Trade Analysis and Office of General Counsel to develop appropriate program for review and ongoing monitoring. 	<ul style="list-style-type: none"> - Bureau Director manages ongoing staff efforts. - Oversight by Executive Director of general approaches in targeted cases.

<p>action as necessary to address any such activities or practices.</p>	<ul style="list-style-type: none"> - Promote equitable competition among common carriers by addressing anticompetitive activities which are detrimental to the marketplace and U.S. commerce. - Appropriately address practices that unjustly disadvantage U.S. interests and/or privately owned vessel operators. 	<ul style="list-style-type: none"> - Effective and prompt Commission response to identified anticompetitive activities of controlled carriers. 	<ul style="list-style-type: none"> - Information and data is solicited from ocean carriers in trades being reviewed. - Activities and practices of identified controlled carriers are targeted in important trades. - Initiate investigative activity and enforcement action if necessary to gather necessary information or to address identified anticompetitive actions. - Particular focus at regularly scheduled meetings of agency's Task Force on International Affairs. 	<ul style="list-style-type: none"> - General Counsel provides periodic reports to Commission on task force activities.
---	--	---	---	---