

# **FEDERAL MARITIME COMMISSION**



*FINAL ANNUAL PERFORMANCE PLAN*

*FOR FY 2004*

**March 2003**

## LIST OF ACRONYMS

<i>1984 Act</i>	<i>Shipping Act of 1984</i>
<i>ADR</i>	<i>Alternative Dispute Resolution</i>
<i>ALJ</i>	<i>Administrative Law Judge</i>
<i>BCCL</i>	<i>Bureau of Consumer Complaints &amp; Licensing</i>
<i>FMC/Commission</i>	<i>Federal Maritime Commission</i>
<i>FTE</i>	<i>Full Time Equivalent Employee</i>
<i>FY</i>	<i>Fiscal Year</i>
<i>GC</i>	<i>General Counsel</i>
<i>GPRA</i>	<i>Government Performance and Results Act</i>
<i>IT</i>	<i>Information Technology</i>
<i>OGC</i>	<i>Office of General Counsel</i>
<i>OMB</i>	<i>Office of Management and Budget</i>
<i>OSRA</i>	<i>Ocean Shipping Reform Act of 1998</i>
<i>OTI</i>	<i>Ocean Transportation Intermediary</i>
<i>PVO</i>	<i>Passenger Vessel Operator</i>
<i>RPI</i>	<i>Regulated Persons Index</i>
<i>VOCC</i>	<i>Vessel-Operating Common Carrier</i>

## INTRODUCTION

This document comprises the FMC's Final Annual Performance Plan for FY 2004. As set forth in 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.

Our FY 2004 Plan continues our efforts to take better advantage of emerging technologies and to offer time/cost saving e-services to regulated entities and the public at large. We have included several performance goals designed to automate current processes and improve our exchange of information both internally and externally.

Our FY 2004 Plan also places a particular focus on security as it relates to ocean commerce; we have been active in this regard since the events of September 11, 2001. We have identified specific performance goals to improve the effectiveness of our joint activities with other government agencies, and to heighten our awareness of security issues as we perform our ongoing statutory functions.

The Commission's Annual Performance Plan comports 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 outcomes, appropriate performance indicators, the processes and resources required to accomplish it, 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 via regular and continuing contacts at all levels of the agency. We have used rulemakings and formal inquiries to solicit industry views on particular issues. And we continued our ad hoc meetings and visits with all sectors of the industry to discuss the state of U.S. ocean shipping and the FMC's oversight responsibilities. We continue to obtain industry feedback on specific areas of relevance that need to be addressed, and ensure that all appropriate channels of communication are utilized effectively. The opinions and comments we received 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 our FY 2004 budget. 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.

The Commission will post this Performance Plan on its Internet website to ensure that it is readily accessible to interested parties, and will advise all employees to take the time to review it. Additionally, all employee performance plans are required to comport with the agency's Strategic and Annual Performance Plans, and 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:

*Advance the Nation's interests by fostering an efficient, competitive, secure, market-driven, and nondiscriminatory ocean transportation system that is free of unfair foreign maritime trade practices and market-distorting activities.*

OSRA and the events of September 11, 2001, have significantly changed the manner in which the business of ocean shipping is being conducted. The industry continues to restructure its operations to adapt to dynamic economic conditions, emerging trends, and maritime security efforts. 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 trading environment in U.S. ocean commerce that is in harmony with and responsive to international shipping practices, and permits fair and open commerce. 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 cost. Effective use of emerging information technologies will facilitate our efforts. Our actions also must encourage the development of a sound U.S.-flag liner fleet. Accordingly, the FMC has established the following five strategic goals to carry out its statutory mandates.

## **FMC STRATEGIC GOALS**

1. *Efficient Regulatory Process:* Provide a timely, efficient and decisive regulatory process, including alternative dispute resolution, to enable all segments of the industry to operate more effectively, with a minimum of regulatory costs.
2. *Compliance:* Promote efficiency and fairness in U.S. foreign waterborne commerce through various means, including outreach and monitoring, to protect the public and assist stakeholders in achieving compliance with ocean transportation statutes administered by the FMC.
3. *Balanced Enforcement:* Foster economic efficiencies, reliance on marketplace factors and maritime security by administering U.S. shipping statutes in a balanced and equitable manner to redress excessive anticompetitive actions and other unlawful activities.
4. *Technological Efficiencies:* Employ technological enhancements to improve efficiency and to facilitate the exchange of information.
5. *Management Capabilities:* Ensure the FMC has the appropriate organizational framework and management systems to carry out its statutory mandates.

## **LINKAGE BETWEEN MISSION STATEMENT AND STRATEGIC GOALS**

Our strategic goals address essential FMC statutory, programmatic, and management responsibilities. They were developed with a specific focus on accomplishing the basic purposes of our mission and attaining the competitive, nondiscriminatory shipping environment envisioned by the 1984 Act, as amended by OSRA.

The primary intention of Strategic Goal 1 is to minimize regulatory costs by maintaining timely and decisive regulatory processes, and providing various dispute resolution services. This will render the FMC more effective in addressing matters that perpetuate discrimination or preclude industry efficiency, while reducing the costs of pursuing matters before the Commission. Decisive action and effective assistance in resolving informal complaints or disputes will help to remove

uncertainties as to statutory interpretations or the application of FMC rules. Such uncertainties may impede operational efficiencies or technological changes, each of which can foster a more economical ocean shipping system.

Our second strategic goal centers on achieving compliance with the substantive provisions of the shipping statutes the FMC administers, and protecting those involved in U.S. ocean commerce from unfair practices. We will address this goal particularly by interacting with all sectors of the industry, and by vigilant monitoring of ongoing commercial activities. 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 economic 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 profits. The agency's focus on the qualifications of intermediaries operating in the U.S. trades will afford greater protection to our stakeholders and contribute to national maritime security. And cruise passengers also will be protected through the demonstration of financial responsibility by passenger vessel operators.

Strategic Goal 3 is designed to foster economic efficiencies, assist maritime security initiatives, promote reliance on marketplace factors, and redress excessive anticompetitive practices harmful to international commerce. This is a direct link to our mission statement's call for an efficient, secure, competitive, market-driven ocean transportation system. Our continuing efforts to 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." Our focus on commercial malpractices enhances our objective of limiting unlawful activities.

We also have a specific strategic goal that focuses on making effective use of advancements in IT to improve the efficiency of our operations and enhance our exchange of information with external parties. Carrying out the agency's mission in times of budgetary limitations dictates that we appropriately utilize all available resources. Dynamic changes continue to be made in this area, and the Commission intends to take advantage of any improvement that can enable it to perform its functions more effectively. We plan to improve our business operations so as to add efficiency to the Commission's dissemination and receipt of information. We intend to perform the research and analysis necessary to identify the best options for implementing technical enhancements to facilitate our efforts to achieve our mission.

Finally, our fifth strategic goal addresses Commission management and operations. In order to achieve the objectives of our mission, we must maintain effective processes that enhance efficiency, without serving as ends in themselves. It is

essential that we manage for results, and that we effectively tie our budget needs to our performance. This strategic goal serves as the internal underpinning that enables us to accomplish the policy objectives set forth in our mission statement. This goal also ensures continuation of a comprehensive approach to the strategic management of our human capital.

Achieving these mission-driven goals will enable us to 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** - 9.7 FTEs and \$1,485,577 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, including alternative dispute resolution, to enable all segments of the industry to operate more effectively, with a minimum of regulatory costs.
3. *Balanced Enforcement:* Foster economic efficiencies, reliance on marketplace factors and maritime security by administering U.S. shipping statutes in a balanced and equitable manner to redress excessive anticompetitive actions and other unlawful activities.
4. *Technological Efficiencies:* Employ technological enhancements to improve efficiency and to facilitate the exchange of information.

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
1. Compile and convert to electronic form ALJ Initial Decisions and Commission Reports and Orders issued for the first year subsequent to the period covered by Volume 28 of <i>Federal Maritime Commission Reports</i> .	<ul style="list-style-type: none"> <li>- Facilitate public access to the Commission’s decisions.</li> <li>- Enable stakeholders and the public to proceed with actions or make business decisions more promptly and in a more informed manner with regard to the reasoning the Commission’s ALJs and the Commission itself applies to the resolution of shipping disputes.</li> <li>- Reduce burden of providing hard copies of such documents to interested parties.</li> </ul>	<ul style="list-style-type: none"> <li>- Paper copies of ALJ Initial Decisions and Commission Reports and Orders for involved period compiled and converted to electronic format.</li> <li>- Positive feedback from external and internal users.</li> </ul>	<ul style="list-style-type: none"> <li>- Office of Secretary compiles, on an FY basis, ALJ Initial Decisions and Commission Reports and Orders issued for the first year subsequent to the period covered by Volume 28 of <i>Federal Maritime Commission Reports</i>.</li> <li>- Hard copies scanned into electronic format.</li> </ul>	<ul style="list-style-type: none"> <li>- Office of Secretary reviews number of paper copies of ALJ Initial Decisions and Commission Reports and Orders compiled and converted to electronic form.</li> <li>- Assess feedback from external and internal users.</li> <li>- Progress achieved and feedback dictate whether to continue program in the future.</li> </ul>

<b>Performance Goal</b>	<b>Outcome</b>	<b>Performance Indicator</b>	<b>Process/Activity</b>	<b>Performance Measure/Evaluation</b>
<p>2. Review Commission rules and evaluate for consistency with port and maritime security initiatives undertaken by Congress and other Federal agencies. Amend rules as necessary.</p>	<ul style="list-style-type: none"> <li>- Ensure uniformity among Federal initiatives to improve port and maritime security.</li> <li>- Provide ocean transportation industry with clear and consistent regulatory requirements, to allow for efficient and secure flow of ocean transportation.</li> <li>- Enhance protection of U.S. importers and exporters.</li> </ul>	<ul style="list-style-type: none"> <li>- Positive feedback from stakeholders, the public and other agencies.</li> </ul>	<ul style="list-style-type: none"> <li>- OGC monitors legislative and regulatory efforts relating to port and maritime security initiatives.</li> <li>- OGC serves as liaison with Congress and with the National Infrastructure Security Committee, Container Working Group.</li> <li>- Chairman provides policy direction to OGC.</li> <li>- OGC coordinates with bureaus.</li> <li>- GC circulates recommendations to bureaus for input.</li> <li>- GC submits to Commission any recommendations to amend rules.</li> </ul>	<ul style="list-style-type: none"> <li>- Final Commission determinations on staff recommendations.</li> <li>- Assess comments received to proposed actions.</li> <li>- Assess impact of any proposals finalized.</li> </ul>
<p>3. Permanent Task Force on International Affairs monitors foreign laws and practices to determine whether there is any disadvantage to U.S. interests or any unjust non-market barriers to fair trade.</p>	<ul style="list-style-type: none"> <li>- Helps eliminate restrictions that unjustly disadvantage U.S. interests.</li> <li>- Addresses non-market barriers that may impede the secure and efficient flow of U.S. imports and exports.</li> <li>- Advises FMC program areas of potential impact of international laws or practices on their program functions.</li> </ul>	<ul style="list-style-type: none"> <li>- Ongoing regular reports to the Commission.</li> <li>- Semiannual briefing papers to Commission.</li> <li>- Recommend appropriate FMC action.</li> </ul>	<ul style="list-style-type: none"> <li>- Task Force comprised of attorneys, economists and transportation specialists who meet on a regular basis.</li> <li>- Task Force researches, analyzes and exchanges information and prepares updates and recommendations to Commission.</li> <li>- OGC liaison maintains regular contact with Federal agencies and representatives of foreign governments.</li> </ul>	<ul style="list-style-type: none"> <li>- GC monitors Task Force efforts.</li> <li>- Information provided to Commission through reports and briefings.</li> <li>- Ongoing dialogue with Federal agencies, U.S.-flag carriers and U.S. shipping interests.</li> <li>- Annual report to Congress and budget submissions to OMB and Congress.</li> </ul>

**Budget Program Activity:** **Operational and Administrative** - 15.2 FTEs and \$2,348,492 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, including alternative dispute resolution, to enable all segments of the industry to operate more effectively, with a minimum of regulatory costs.
  5. *Management Capabilities:* Ensure the FMC has the appropriate organizational framework and management systems to carry out its statutory mandates.

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
1. Ensure that information disseminated to the public complies with all requirements of section 515 of the Treasury and General Government Appropriations Act for Fiscal Year 2001, in accordance with the procedures and standards set forth in the Commission's published Information Quality Guidelines.	<ul style="list-style-type: none"> <li>- Quality standards become integral to the creation and collection of information by the agency.</li> <li>- Accurate, objective information furnished to the public.</li> <li>- Facilitate the staff's maintenance and dissemination of information.</li> <li>- Any inaccurate information disseminated is promptly and properly corrected.</li> </ul>	<ul style="list-style-type: none"> <li>- Number of requests for information correction received from the public.</li> <li>- Other feedback from interested parties.</li> <li>- Bureau and office heads' oversight of the creation, collection, and maintenance of information.</li> </ul>	<ul style="list-style-type: none"> <li>- Final Information Quality Guidelines issued in first quarter of FY 2004.</li> <li>- Guidelines posted on FMC website.</li> <li>- Bureau/office heads ensure staff complies with guidelines.</li> <li>- Office of Secretary coordinates all dissemination of information and processing of requests for correction.</li> </ul>	<ul style="list-style-type: none"> <li>- Office of Secretary ensures agency compliance with applicable statutory requirements, as well as attendant procedural requirements.</li> <li>- Office of Secretary assesses agency dissemination of information.</li> <li>- Office of Secretary prepares required reports to OMB.</li> </ul>

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
<p>2. Assess all forms, processes, and systems changed to comport with the Government Paperwork Elimination Act, and develop/implement a plan for the organized and effective use of the involved information/data.</p>	<ul style="list-style-type: none"> <li>- Coordinated and efficient use of agency data and information.</li> <li>- Increased effectiveness of agency operations.</li> <li>- Wider use of available information in preparation of agency analyses and reports.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduction in paper documents filed and reviewed, and increase in electronic work processing.</li> <li>- Processing time for various agency operations is reduced.</li> <li>- Agency staff indicates increased effectiveness in performing day-to-day operations.</li> <li>- Bureau/office heads indicate wider use of available information in memoranda and reports.</li> </ul>	<ul style="list-style-type: none"> <li>- Deputy Executive Director coordinates with bureau/office heads in preparation of appropriate plan.</li> <li>- Deputy Executive Director oversees execution of all steps of plan, including IT integration and requirements.</li> </ul>	<ul style="list-style-type: none"> <li>- Deputy Executive Director audits use of available information from operational/technological standpoint.</li> <li>- Senior management assesses quality and timeliness of work products.</li> </ul>
<p>3. Assess the agency's performance appraisal process to ensure that employee performance elements directly support accomplishment of the agency mission, and employee appraisals accurately reflect the level of achievement.</p>	<ul style="list-style-type: none"> <li>- All employees work toward accomplishment of agency's major goals and objectives.</li> <li>- Employees have clear understanding of responsibilities and expectations.</li> <li>- Employees are provided with timely and appropriate feedback on their performance.</li> <li>- Positive performance is appropriately rewarded, and performance requiring improvement is properly addressed.</li> </ul>	<ul style="list-style-type: none"> <li>- Appropriate performance plans in place in a timely manner.</li> <li>- Employees all working toward major goals and objectives established by senior management.</li> <li>- Timely and effective appraisal of employee performance.</li> </ul>	<ul style="list-style-type: none"> <li>- Bureau/office heads ensure effective performance plans in place.</li> <li>- Bureau/office heads ensure that all employees are given appropriate appraisals of their performance in a timely and straightforward manner.</li> <li>- Executive Director oversees overall effort.</li> </ul>	<ul style="list-style-type: none"> <li>- Executive Director's Office assesses a sampling of performance plans from each agency unit.</li> <li>- Executive Director, as agency Performance Awards Budget Manager, reviews employee appraisals.</li> <li>- Chairman reviews and approves all award recommendations.</li> <li>- Executive Director assesses bureau/office heads' efforts to deal with employees whose performance requires improvement.</li> </ul>

**Budget Program Activity:** Consumer Complaints & Licensing - 10.7 FTEs and \$1,578,528 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, including alternative dispute resolution, to enable all segments of the industry to operate more effectively, with a minimum of regulatory costs.
  3. *Compliance:* Promote efficiency and fairness in U.S. foreign waterborne commerce through various means, including outreach and monitoring, to protect the public and assist stakeholders in achieving compliance with ocean transportation statutes administered by the FMC.
  4. *Technological Efficiencies:* Employ technological enhancements to improve efficiency and to facilitate the exchange of information.

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
1. By 9/30/04, modernize the FMC's RPI database.	<ul style="list-style-type: none"> <li>- Software is updated to take advantage of more powerful searches/queries.</li> <li>- Provides agency with timely, accurate information about persons doing business with the Commission.</li> <li>- Facilitates information availability to other government agencies.</li> </ul>	<ul style="list-style-type: none"> <li>- Modernized RPI is on the local area network by 9/30/04.</li> <li>- Users have access to easily retrievable information.</li> </ul>	<ul style="list-style-type: none"> <li>- Determine data to be collected and maintained in database.</li> <li>- Determine how data to be input into database.</li> <li>- Determine access.</li> <li>- Develop appropriate reports, queries, etc.</li> <li>- BCCL coordinates with other bureaus for consistency and appropriate integration of Commission databases.</li> </ul>	<ul style="list-style-type: none"> <li>- Bureau Director assesses database integrity and ease of data manipulation/retrieval.</li> <li>- Feedback from users.</li> </ul>
2. Complete a rulemaking by 9/30/04 that makes the changes necessary to ensure that PVOs' financial responsibility requirements for nonperformance are providing appropriate protection for the public.	<ul style="list-style-type: none"> <li>- Rules that ensure cruise passengers are protected adequately against nonperformance by PVOs.</li> <li>- Compliance with statutory intent.</li> <li>- Reasonable regulations that consider the concerns and views of all affected entities.</li> </ul>	<ul style="list-style-type: none"> <li>- Rules drafted and published for comment.</li> <li>- Assessment of all comments received and appropriate changes to proposed rule, if any.</li> <li>- Final Rule implemented.</li> </ul>	<ul style="list-style-type: none"> <li>- Research industry practices.</li> <li>- Analysis of rules, PVO data, comments, commercial and competitive impact, and complaints with regard to PVO noncompliance.</li> <li>- Preparation of draft rule with senior management and legal review.</li> </ul>	<ul style="list-style-type: none"> <li>- Bureau Director evaluates staff efforts.</li> <li>- Executive Director reviews final draft.</li> <li>- Bureau Director oversees staff efforts.</li> <li>- FMC action on staff proposal.</li> </ul>

<b>Performance Goal</b>	<b>Outcome</b>	<b>Performance Indicator</b>	<b>Process/Activity</b>	<b>Performance Measure/Evaluation</b>
3. Utilize ADR, including exploring the use of arbitration, to resolve passenger claims in the PVO program.	<ul style="list-style-type: none"> <li>- Quicker resolution and payment of nonperformance disputes.</li> <li>- Informal resolution without resort to formal processes.</li> </ul>	<ul style="list-style-type: none"> <li>- Less time involved to resolve and pay legitimate passenger claims against performance coverage.</li> <li>- Bureau has direct involvement in resolving claims.</li> </ul>	<ul style="list-style-type: none"> <li>- Appropriate research and analysis.</li> <li>- ADR specialist plans initiative to use ADR to resolve PVO passenger claims against performance coverage.</li> <li>- Bureau Director oversees operation of ongoing efforts.</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback from industry and cruising public.</li> <li>- Measure length of time resources expended and number of cases resolved in overall effort.</li> </ul>

**Budget Program Activity:** Trade Analysis - 14.4 FTEs and \$2,064,245 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, including alternative dispute resolution, to enable all segments of the industry to operate more effectively, with a minimum of regulatory costs.
  4. *Technological Efficiencies:* Employ technological enhancements to improve efficiency and to facilitate the exchange of information.
  5. *Management Capabilities:* Ensure the FMC has the appropriate organizational framework and management systems to carry out its statutory mandates.

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
<p>1. By 1/1/04, develop and implement an automated agreement library that will be accessible online through the agency’s website, and use the agency’s website to announce agreement filings.</p>	<ul style="list-style-type: none"> <li>- Agreement filing information more readily available to the general public, as well as internally.</li> <li>- Reduced agency costs in producing agreement information for the public.</li> <li>- Virtual elimination of copying costs for the public.</li> <li>- Heightened public awareness of agreement filings, possibly leading to more public input/comment on commercial/economic consequences of agreements.</li> </ul>	<ul style="list-style-type: none"> <li>- Number of “hits” on the agency website for agreement information.</li> <li>- Positive feedback from the public and internally on the utility of the automated library and filing notices.</li> <li>- Higher productivity in other administrative/program functions.</li> </ul>	<ul style="list-style-type: none"> <li>- Identify software and hardware needs to accomplish task.</li> <li>- Develop methodology for loading agreement information, including necessary indices, into an appropriate format for easy access and download.</li> <li>- Develop processes for continuing record maintenance.</li> <li>- Seek input from potential users on the concept and whether additional functions would be useful.</li> </ul>	<ul style="list-style-type: none"> <li>- Assess complaints and comments from within and outside the agency on the usefulness of the automated system.</li> <li>-Review agency costs for reproducing agreement information.</li> <li>- Assessing productivity of involved staff in other areas.</li> <li>- Greater amount of public comment on filed agreements.</li> </ul>

<b>Performance Goal</b>	<b>Outcome</b>	<b>Performance Indicator</b>	<b>Process/Activity</b>	<b>Performance Measure/Evaluation</b>
<p>2. By 9/30/04 develop prototype for confidential, semiannual Commission trade profile on economic and liner trade conditions in major U.S. trade lanes.</p>	<ul style="list-style-type: none"> <li>- Improve Commission access to and awareness of competitive economic conditions in major trade lanes.</li> <li>- More comprehensive and consistent analysis of agreement activities and trade conditions, e.g., service contract activities.</li> <li>- Compliance with Commission Information Form and Monitoring Report regulations.</li> <li>- More efficient use of information for multiple Commission programs, activities or analyses.</li> </ul>	<ul style="list-style-type: none"> <li>- Accurate and clearly presented trade profile data/information forwarded to the Commission and other Commission components in a routine and timely manner.</li> <li>- Positive feedback from Commission and other Commission components.</li> <li>- Reduction in the number of inquiries requesting further information or clarification on agreement/trade activities.</li> <li>- Heightened Commission awareness of economic activities in major trades.</li> </ul>	<ul style="list-style-type: none"> <li>- Designated Bureau staffers coordinate with bureau/offices to identify and coordinate information to be captured and appropriate format to be used.</li> <li>- Review and analyze economic data and information filed in agreement monitoring reports.</li> <li>- Review databases and trade periodicals for information pertinent to agreement/trade analysis.</li> <li>- Capital requirements include having appropriate software and hardware for continued access to various agency/outside databases and the possible development of new databases.</li> </ul>	<ul style="list-style-type: none"> <li>- Bureau Director manages ongoing staff efforts.</li> <li>- Assess responsiveness to inquiries on agreement, service contract, and tariff activities.</li> <li>- Determine if information generated for profile is incorporated into other Commission programs, activities or analyses, such as Annual Report to Congress, 6(g) analysis, or identification of possible discriminatory practices.</li> <li>- Assess agreement parties' compliance with applicable information filing requirements.</li> </ul>
<p>3. Refine and update methodology to develop freight rate indices for major U.S. trade lanes.</p>	<ul style="list-style-type: none"> <li>- More comprehensive and consistent analysis of liner freight rate trends in major U.S. trade lanes.</li> <li>- Ability to identify rate trends and respond to inquiries/complaints regarding concerted carrier rate activity.</li> <li>- Enhance agreement review process through more timely rate analysis.</li> <li>- Reduce number of requests for information from agreement parties on rate matters.</li> </ul>	<ul style="list-style-type: none"> <li>- Sound methodology for developing freight rate indices used in evaluating competitive impact of agreements.</li> <li>- Number of complaints about collective carrier activity concerning freight rates.</li> <li>- Positive feedback from the Commission and shipping industry.</li> </ul>	<ul style="list-style-type: none"> <li>- Review and analyze previous methodologies employed to determine most feasible and effective approach under current liner shipping environment.</li> <li>- Review and evaluate data sources and computer software to be used for development of indices.</li> <li>- Establish contact with appropriate industry representatives to obtain and verify rate information.</li> <li>- Conduct pilot program to compile and test freight rate indices in two major trade lanes.</li> </ul>	<ul style="list-style-type: none"> <li>- Bureau Director reviews the methodology that is developed, and oversees testing and implementation.</li> <li>- Bureau Director assesses reports/results of analyses.</li> <li>- Assess Commission responsiveness to inquiries/complaints regarding freight rate activity.</li> </ul>



**Budget Program Activity:** Enforcement - 15.4 FTEs and \$2,291,876 will be required to accomplish the goals under this Program Activity.

- Related Strategic Goals:**
1. *Efficient Regulatory Process:* Provide a timely, efficiency and decisive regulatory process, including alternative dispute resolution, to enable all segments of the industry to operate more effectively, with a minimum of regulatory costs.
  2. *Compliance:* Promote efficiency and fairness in U.S. foreign waterborne commerce through various means, including outreach and monitoring, to protect the public and assist stakeholders in achieving compliance with ocean transportation statutes administered by the FMC.
  3. *Balanced Enforcement:* Foster economic efficiencies, reliance on marketplace factors and maritime security by administering U.S. shipping statutes in a balanced and equitable manner to redress excessive anticompetitive actions and other unlawful activities.

Performance Goal	Outcome	Performance Indicator	Process/Activity	Performance Measure/Evaluation
1. Utilize existing databases (i.e., Customs' Automated Commercial System, Journal of Commerce Port Import Export Reporting Service, FMC Internet-based Service Contract Filing System) to identify unlicensed and non-compliant OTIs participating in transportation subject to FMC jurisdiction and VOCCs which provide transportation services to these entities.	<ul style="list-style-type: none"> <li>- Ensure appropriate protection for users by identifying unbonded entities.</li> <li>- Promote lawful competition among OTIs and VOCCs.</li> <li>- Improve security in maritime commerce by identifying unknown entities and curtailing their participation in U.S. foreign transportation.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduction in number of unbonded, unlicensed OTIs.</li> <li>- Increase in number of licensed entities.</li> <li>- Reduction in complaints regarding unbonded, unlicensed entities.</li> </ul>	<ul style="list-style-type: none"> <li>- Review databases for evidence of activity by unknown OTIs.</li> <li>- Coordinate with BCCL regarding licensing processing and review of entities.</li> </ul>	<ul style="list-style-type: none"> <li>- Review the type and number of complaints received.</li> <li>- Log of time utilized and number of entities identified.</li> <li>- Review number of compliance letters sent and/or enforcement actions required.</li> </ul>
2. Coordinate databases with agencies or government groups involved in homeland security to improve identification of entities providing and utilizing maritime transportation services. Formalize coordination through memoranda of understanding where possible.	<ul style="list-style-type: none"> <li>- More efficient exchange of pertinent information with these groups.</li> <li>- More readily identify potential security threats or other problematic situations.</li> <li>- Coordinated and more effective approach in addressing problems that arise.</li> </ul>	<ul style="list-style-type: none"> <li>- Implement formal memoranda of understanding with other governmental entities.</li> <li>- Databases improved and capable of transmission to other entities.</li> <li>- Increased and more effective coordination on matters of mutual interest.</li> </ul>	<ul style="list-style-type: none"> <li>- Assign FMC staffer to lead necessary liaison activities with other governmental entities.</li> <li>- Meet with counterpart organizations to develop memoranda of understanding.</li> <li>- Create databases and acquire IT capability and equipment to facilitate transmission and receipt of database information.</li> </ul>	<ul style="list-style-type: none"> <li>- Determine if appropriate databases are developed.</li> <li>- Memoranda of understanding and IT capabilities in place.</li> <li>- Assess the value of the ongoing exchange of information and success of coordinated efforts in response thereto.</li> </ul>

<b>Performance Goal</b>	<b>Outcome</b>	<b>Performance Indicator</b>	<b>Process/Activity</b>	<b>Performance Measure/Evaluation</b>
<p>3. Utilize public outreach program to educate maritime transportation users and providers with regard to FMC statutes and regulations, and to encourage voluntary compliance with applicable laws and regulations.</p>	<ul style="list-style-type: none"> <li>- Less uncertainty among regulated entities as to the legality of their operations.</li> <li>- Improved compliance with statutes and regulations.</li> <li>- More efficient operations in U.S. ocean commerce.</li> <li>- More equitable trading conditions.</li> </ul>	<ul style="list-style-type: none"> <li>- Number of licenses issued increases.</li> <li>- Reduction in complaints of unlawful activity.</li> <li>- Positive feedback from providers and users.</li> </ul>	<ul style="list-style-type: none"> <li>- Prepare materials discussing FMC and its functions for distribution at public and industry meetings and to be available electronically also.</li> <li>- Appear at seminars and industry meetings to discuss FMC and its functions.</li> <li>- Area Representatives and other FMC personnel are made available to answer questions and assist with preparation of forms or applications necessary for compliance.</li> </ul>	<ul style="list-style-type: none"> <li>- Materials created and made available to public and industry.</li> <li>- Feedback on Commission representatives' participation in public and industry functions to discuss FMC and its purposes.</li> <li>- Assess number and type of entities licensed.</li> <li>- Review complaint activity in comparison to prior periods.</li> </ul>