



FEDERAL MARITIME COMMISSION STRATEGIC PLAN

FY 2022-2026

March 2022

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Message from the Chairman

The Federal Maritime Commission (FMC or Commission) is pleased to issue its Strategic Plan for fiscal years (FY) 2022-2026.

The FMC's work to maintain competition and integrity throughout the Nation's ocean transportation supply chain is vital to America's economy and job growth. The international ocean transportation system is experiencing significant challenges in the wake of the COVID-19 pandemic, including a surge in cargo movements that require the system to respond efficiently and appropriately. The U.S. has brought in more ocean freight in less time than ever before in our Nation's history. The Commission's efforts in facilitating commerce and protecting U.S. shippers will continue to be critical in the upcoming years.

Our Strategic Plan provides the framework to address current and anticipated challenges in the ocean transportation industry over the next five years. It calibrates performance measures to ensure the Commission is meeting its statutory mission and the needs of a rapidly changing ocean transportation supply system. Finally, this plan is intended to be flexible and adaptable as the shipping industry evolves, while providing clear and measurable targets.

This Strategic Plan builds on the success of our prior Strategic Plan, which covered FY 2018-2022. In looking forward over the next five years, the Commission has set forth two strategic goals as well as a stewardship objective for organizational excellence to guide our efforts and ensure that the Commission efficiently and effectively carries out its mission and serves the public.

The challenges of the pandemic have changed some of the day-to-day operations of the FMC but has not changed the Commission's ability to fully meet its mission and strategic goals. The Commission's unwavering commitment to achieving its mission and meeting high performance standards from its staff will continue to ensure that we execute our Strategic Plan to achieve results for the American people. My colleagues and I look forward to the work ahead as we continue to fulfill our important mission.

Daniel B. Maffei
Chairman
Federal Maritime Commission

About the Federal Maritime Commission

Mission

Ensure a competitive and reliable international ocean transportation supply system that supports the U.S. economy and protects the public from unfair and deceptive practices.

History and Statutory Authority

The Federal Maritime Commission (FMC or Commission) is an independent agency charged with regulating liner shipping in the U.S. international trades. From its creation in 1961, the FMC has ensured a competitive and reliable international ocean transportation supply system that supports the U.S. economy and job growth, and protects the public from unlawful, unfair, and deceptive practices. While the specifics of the U.S. maritime policy and laws have changed during the last few decades, the FMC's mission and dual strategic goals are the focus of today's regulatory efforts.

Congress assigned these responsibilities to the FMC in the following laws now codified at 46 U.S.C. §§ 40101-44106:

- The Shipping Act of 1984 (Shipping Act), as amended by the Ocean Shipping Reform Act (OSRA) of 1998;
- The Foreign Shipping Practices Act of 1988 (FSPA);
- Section 19 of the Merchant Marine Act, 1920 (1920 Act);
- Sections 2 and 3 of Pub. L. No. 89-777, 80 Stat. 1350; and
- Section 834 of the Frank LoBiondo Coast Guard Authorization Act of 2018 (LoBiondo Act).

FMC Strategic Plan Fiscal Years 2022-2026

Overview and how to use the Strategic Plan

The Federal Maritime Commission's ***Strategic Plan for FY 2022-2026*** (Strategic Plan or Plan) sets goals and objectives for achieving the FMC's mission. The FMC publishes its Strategic Plan every four years, aligning with presidential administrations. This Plan contains targets and measures linked to objectives via strategies through FY 2026. These objectives, targets, and measures drive the agency's performance and budgetary process.

The Commission's goals and objectives are:

Strategic Goal 1: Maintain a competitive and reliable international ocean transportation supply system.

Objective 1.1: Ensure no unreasonable increases in transportation costs or decreases in transportation service are attributed to anticompetitive practices under FMC-filed agreements.

Objective 1.2: Ensure competition is preserved in the purchase of certain covered services (46 U.S.C. § 40102(5)) through 46 U.S.C. § 40307 authorities.

Strategic Goal 2: Protect the public from unlawful, unfair, and deceptive ocean transportation practices.

Objective 2.1: Identify and take action to end unlawful, unfair, and deceptive practices.

Objective 2.2: Prevent public harm through licensing and financial responsibility requirements.

Objective 2.3: Enhance public awareness of agency resources, remedies, and regulatory requirements through education and outreach.

Objective 2.4: Impartially and timely resolve international shipping disputes through alternative dispute resolution and adjudication.

Stewardship Objective: Advance the FMC's performance through excellence in organizational management.

Stewardship Sub-objective 1: Strengthen infrastructure and effective resource management.

Stewardship Sub-objective 2: Foster a high performing, engaged, and diverse workforce where staff understand how their efforts contribute to the goals of the Commission.

This is how the Strategic Plan can be used by both internal and external audiences.

FMC Employees:	Use as a roadmap to plan work and track performance outcomes. Provide feedback on implementation and whether and how measures are working in real time.
External Stakeholders/ the Public:	Use as a tool to understand the FMC's priorities and focus over next four years and how the FMC accounts for its actions and progress.

Additional information

This Strategic Plan conforms with the spirit and letter of the GPRA Modernization Act of 2010; OMB Circular A-11, *Preparation of Submission of Strategic Plans, and Annual Program Performance Reports*; and Executive Order 13450 – *Improving Government Program Performance*.

This Strategic Plan was developed through a review of available evidence including experience with evolving industry structural and behavioral changes, current challenges, and future industry forecasts to determine the best strategies to support a competitive and reliable shipping industry and to drive continuous improvement in the FMC's performance.

This strategic planning process validated retention of the Commission's two previous strategic goals, as broad outcomes that the Commission should continue to achieve consistent with its statutory mandate. The FMC's strategic planning refined and focused several of the strategies and measures and added a stewardship objective that supports the mission activities across the Commission. This new objective focuses on human resources; information technology (IT); contracting and property management; and financial management. Each of these important functions are subject to their own stringent planning and measuring regimes pursuant to various laws and executive mandates.

Strategic Goal 1 – Maintain a competitive and reliable international ocean transportation supply system.

The FMC carries out the Shipping Act’s policy objective “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 the international ocean transportation supply system remains critical. Ocean transportation plays a primary role in the movement of more than \$1 trillion in U.S. exports and imports annually. The COVID-19 pandemic surge in demand for ocean transportation, supply chain congestion, carrier consolidations, mergers, and a major carrier bankruptcy have greatly impacted the industry. The Commission’s work protects shippers, both exporters and importers, as well as the Nation’s interest in a competitive ocean supply chain that reliably delivers goods to the American public.

Under the Shipping Act, carriers and other regulated entities can file agreements with the FMC. The FMC ensures that actions taken pursuant to these filed agreements do not result in unreasonable increases in transportation costs and/or unreasonable decreases in transportation services. Competition among participants in the U.S. liner trades fosters competitive rates and encourages innovation and a variety of service offerings for the benefit of U.S. exporters and importers, and ultimately consumers.

To achieve the strategic goal of maintaining a competitive and reliable international ocean transportation supply system, the FMC developed two strategic objectives.

Objective 1.1: Ensure no unreasonable increases in transportation costs or decreases in transportation service are attributed to anticompetitive practices under FMC-filed agreements.

Objective 1.2: Ensure competition is preserved in the purchase of certain covered services (46 U.S.C. § 40102(5)) through 46 U.S.C. § 40307 authorities.

Strategic Objective 1.1: Ensure no unreasonable increases in transportation costs or decreases in transportation service are attributed to anticompetitive practices under FMC-filed agreements.

Under the Shipping Act, vessel-operating common carriers (VOCCs) and marine terminal operators (MTOs) establishing agreements that benefit from antitrust immunity must file their agreements with the FMC. Agency staff reviews proposed agreements for competitive harm before they can take effect. The FMC is authorized, pursuant to 46 U.S.C. § 41307(b), to seek appropriate injunctive relief against any agreement that is likely to result in a reduction in competition 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 agreement parties to: (a) provide information needed to assess certain categories of agreements; (b) file certain standard types of reports — including economic data and/or minutes of meetings held by the agreement parties; and (c) submit special ongoing informational reports once the agreement becomes effective. Both the baseline and periodic monitoring reports allow the FMC to initially evaluate, and monitor on an ongoing basis, the conduct of the parties to VOCC and MTO agreements.

Strategies:

- Review initial agreements and amendments, including additional information requested by the FMC, to determine the likelihood that the agreement parties could engage in substantially anticompetitive conduct with respect to transportation costs or services.
- Regularly review information provided in standard and special reporting to assess the existence or likelihood of substantially anticompetitive conduct or unfavorable trade conditions.
- Apply visualization techniques and statistical tests to identify potential anticompetitive changes in transportation costs or services.
- Conduct research studies on current competition issues with respect to U.S. trades.
- Actively monitor foreign government-owned 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.
- Encourage and support stakeholder-developed, market-driven solutions to systemic supply chain inefficiencies by sponsoring opportunities for collaboration across a diverse group of industry stakeholders.
- Ensure 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 reliability in ocean transportation by seeking appropriate injunctive relief for agreements likely to produce an unreasonable reduction in transportation service or an unreasonable increase in transportation cost.

- Address disruptions in the ocean transportation marketplace by investigating 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 other entities providing maritime or maritime-related services in the United States.
- Create rules and regulations pursuant to the 1920 Act to address conditions that are unfavorable to shipping in the foreign trade.
- Ensure timely action on formal proceedings.
- Maintain an electronic agreement library on the FMC's website to provide transparent, real-time public access to agreements.

Five-Year Performance Measures

Performance Measure: Percentage of newly filed vessel sharing agreements and amendments to agreements analyzed and presented to the Commission within 32 days.

Validation: This outcome goal is measured using data from the eAgreements electronic filing system and tracking the time elapsed between the agreement submission and review.

Performance Measure: Percentage of agreement monitoring reports reviewed within 30 days of receipt to detect actionable information, including market-distorting behavior.

Validation: This outcome goal is measured using data contained in the eMonitoring system used for the electronic filing of agreement monitoring submissions. Performance is measured by comparing the file receipt date to the date that the filing was reviewed by staff analyst.

Strategic Objective 1.2: Ensure competition is preserved in the purchase of certain covered services (46 U.S.C. § 40102(5)) through 46 U.S.C. § 40307 authorities.

The LoBiondo Act modified the legal standard in the Shipping Act of 1984 for enjoining agreements. The Commission may now enjoin agreements that are likely “to substantially lessen competition in the purchasing of certain covered services.” 46 U.S.C. § 40307(b)(1). The LoBiondo Act also established a requirement that the Commission include in its annual report to Congress an analysis of the competitive impact of ocean carrier alliance purchases of “certain covered services” and a “summary of actions, including corrective actions, taken by the Commission, to promote such competition.” 46 U.S.C. § 306(b)(6).

Strategies

- Produce an annual report analysis of agreements that permit jointly negotiated ocean carrier purchases of terminal services for anticompetitive outcomes.
- Encourage agreement parties to remove provisions that permit jointly negotiated purchases.
- Develop alternative periodic reporting requirements for parties to agreements that permit jointly negotiated purchases of certain covered services to evaluate the extent of utilization and potential anticompetitive effects.

Five-Year Performance Measure

Performance measure: Percentage of alternative agreement reports indicating joint contracting/procurement of covered services analyzed and escalated to regular monitoring status within 30 days of receipt to ensure systematic analysis of data for actionable information.

Validation: This outcome goal is measured using regulated entities' data. Performance is measured by reviewing information received and identifying whether reports indicating covered services are moved from this system to the eMonitoring system within 30 days.

Strategic Goal 2 – Protect the public from unlawful, unfair, and deceptive ocean transportation practices.

The FMC has responsibilities related to protecting the shipping public from financial harm that may be caused by the commercial activities of regulated entities. The FMC licenses ocean transportation intermediaries serving the U.S. trades; certifies that passenger vessel operators meet the required financial responsibility levels for death, injury, or nonperformance; assists the public with resolving informal complaints related to the shipment of goods or to passenger vessel cruises; identifies and prosecutes unreasonable or unjust practices by VOCCs, OTIs, or MTOs; and investigates formal, private-party complaints or FMC-initiated proceedings alleging Shipping Act violations.

To achieve its strategic goal of protecting the public from unlawful, unfair, and deceptive ocean transportation practices, the FMC developed four objectives.

Objective 2.1: Identify and take action to end unlawful, unfair, and deceptive practices.

Objective 2.2: Prevent public harm through licensing and financial responsibility requirements.

Objective 2.3: Enhance public awareness of agency resources, remedies, and regulatory requirements through education and outreach.

Objective 2.4: Impartially and timely resolve international shipping disputes through alternative dispute resolution and adjudication.

Objective 2.1: Identify and take action to end unlawful, unfair, and deceptive practices.

The FMC is responsible for ensuring that regulated entities, including individual VOCCs and MTOs, 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 set out in the Shipping Act. In the effort to identify prohibited acts, the FMC maintains a visible presence among regulated entities, collects intelligence and analyzes trade data, and exchanges intelligence with other regulatory and law enforcement agencies.

The Commission's focus on ending unlawful, unfair, and deceptive practices is multifaceted. To ensure compliance with laws and regulations under the jurisdiction of the FMC, various formal enforcement and informal compliance actions may be taken by the Commission. Formal proceedings may be initiated to investigate and prosecute Shipping Act violations. The Commission often enters settlement agreements to informally resolve and correct prohibited activities.

The Commission's work strengthens protections for shippers and ensures compliance with the Shipping Act. Through Fact Finding Investigations, the Commission uses its authority to address challenges facing shippers and the industry through facilitating discussions and solutions among stakeholders. The FMC has established a National Shipper Advisory Committee that will advise the FMC on policies related to the competitiveness, reliability, integrity, and fairness of the international ocean freight delivery system.

In July 2021, the FMC established an audit program and dedicated team to assess carrier compliance with the Shipping Act and the FMC's detention and demurrage interpretive rule. By analyzing the practices of the top carriers by market share and working with carriers to address their application of the rules and clarify ambiguities, the FMC will protect shippers from unfair disadvantages.

Additionally, the FMC has identified this objective as a possible area for future equity review. A new measure for Objective 2.1 will track the percentage of businesses that received shipping licenses after being identified as unlicensed shippers and then brought into compliance through FMC licensing assistance, as opposed to enforcement actions. The FMC will monitor any trends coming from this area and may determine that demographic information is needed to ensure equitable outcomes in the future.

Strategies

- Investigate and respond to allegations of Shipping Act violations.
- Prosecute alleged violations of the Shipping Act through formal proceedings.
- Enter into voluntary settlement agreements with alleged violators through informal procedures to terminate unlawful activities and bring about compliance with requirements of the law or regulations.
- Engage and audit ocean carriers and advise of any required corrective action and/or best practices.
- Initiate Fact Finding Investigations to address industry conditions impacting Shipping Act and regulatory compliance.
- Engage with National Shipper Advisory Committee members on international ocean freight delivery system.
- Review tariffs and authorized alternative pricing mechanisms to ensure compliance with the Shipping Act and Commission regulations.
- Enter into voluntary settlement agreements with alleged violators through informal procedures to terminate unlawful activities and bring about compliance with requirements of the law or regulations.
- Gather intelligence through visible and accessible presence in the regulated community to identify unlicensed OTIs and other violations including monitoring OTI advertising to identify potential illegal activity.
- Identify subjects who offer, advertise, or provide passage on passenger vessels having berths or staterooms to accommodate 50 or more passengers and have not met FMC financial requirements.
- Exchange information and liaise with other federal, state, and local investigative and regulatory agencies and bureaus.

Five-Year Performance Measures

Performance Measure: Percentage of enforcement actions taken under the Shipping Act successfully resolved through compliance audits, judgments, settlements, compromise agreements, or issuance of default judgments, that are favorable to the FMC's enforcement program.

Validation: This outcome goal is measured by examining enforcement case inventory and counting the number of cases resolved.

Performance Measure: Percentage of contacted unlicensed OTIs that submit license applications within one year after pre-enforcement contact and education from an area representative.

Validation: This outcome goal is measured by correlating prior fiscal year area representatives' approved pre-enforcement case inventories with the current fiscal year data and notices on the status of ocean transportation intermediary licenses. This data is collected and maintained by the Bureau of Certification and Licensing on the Regulated Persons Index and the list of FMC Licensed & Bonded OTIs.

Objective 2.2: Prevent public harm through licensing and financial responsibility requirements.

The FMC licenses and regulates ocean transportation intermediaries, including ocean freight forwarders and non-vessel-operating common carriers (NVOCCs), and ensures that OTIs have the required financial responsibility. The FMC also issues certificates to owners and operators of passenger vessels that have evidenced financial responsibility to satisfy liability incurred for nonperformance of voyages and for death or injury to passengers and other persons.

Strategies

- License OTIs with the requisite character, experience, and financial responsibility.
- Process OTI license and registration triennial updates (renewals) to ensure OTIs continue to maintain the financial responsibility and experience required to perform OTI activities.
- Issue Passenger Vessel Operator (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 PVO UPR receipts.
- Periodically review and assess the need to update OTI bonds and coverage amount.

Five-Year Performance Measures

Performance Measure: Percentage of decisions on completed OTI license applications rendered within 60 calendar days of receipt, facilitating lawful operation of OTIs with appropriate character and experience requirements.

Validation: This outcome goal is measured by comparing the total number of OTI applications assigned to an analyst (X) and the number of applications completed by an analyst on or before the 60th calendar day following assignment (Y) during a specific time period. The outcome goal is calculated as $(Y / X) \times 100 = \%$.

Performance Measure: Percentage of license renewals completed on or prior to the 3-year renewal deadlines to timely verify regulatory compliance.

Validation: The Completion Status Report, generated in the license renewal system, provides the total number of renewals completed (X) and the number of renewals completed on or before the renewal deadline (Y) during a specific time period.

The outcome goal is calculated as $(Y / X) \times 100 = \%$.

Performance Measure: Percentage of PVOs examined during the year that have the full financial coverage required by regulation to protect against loss from nonperformance or casualty.

Validation: This outcome goal is measured by comparing reported financial coverage amounts against required coverage amounts. Operators covered by this program file semi-annual, monthly, and weekly unearned passenger revenue reports. This information is used to compare reported coverage against required coverage amounts.

Objective 2.3: Enhance public awareness of agency resources, remedies, and regulatory requirements through education and outreach.

Protection of the public requires educating regulated entities and industry stakeholders about their responsibilities under the Shipping Act and Commission regulations. The FMC must inform the shipping public of agency services and the remedies available in the event of non-compliance, injury, or unresolved disputes.

This area is identified as a possible area for future equity consideration. The Commission will review website and other resources to ensure plain language and accessibility. In consideration of limited English proficiency communities, the agency continues to seek staff with multiple language capabilities for certain vacant positions. The FMC will also consider issuing Public Service Announcements (PSAs) to targeted communities and continue to post Advisory Notices to the website in English and other languages as appropriate when specific issues arise. The FMC will consider issuing PSAs on online publications or social media when specific Shipping Act-related issues arise in underserved communities.

Strategies

- Use plain language and consider accessibility on the FMC's website and in other resources.
- Make available to the public all documents filed or issued in formal proceedings through the Commission's website.
- Publish news releases and compromise agreements reached under informal penalty procedures on the Commission's website.
- Leverage the Commission's website and social media presence to educate the

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public regarding events affecting the shipping or cruise industry, industry trends, challenges, and risks associated with using unlicensed companies (including companies whose licenses have been revoked and may still be conducting business).

- Promote general awareness of resources available through Commission’s website.
- Maintain an accessible presence in local regulated communities.
- Proactively educate regulated entities on regulatory requirements.
- Educate regulated entities and the shipping public about dispute resolution services available through CADRS.
- Publish VOCC and NVOCC tariff location information on the agency website.
- Emphasize OTI requirements to new licensees.
- Promote awareness of FMC-licensing and financial requirements.
- Continuously expand and update information available to the public through the Commission’s website and other online offerings (e.g., webinars, social media).
- Employ additional strategies and external partnerships to amplify outreach initiatives (e.g., National Moving Month with trade associations; popular vacation times for cruising with AARP, AAA; and National Consumer Protection Week).
- Consider issuing Public Service Announcements (PSAs) targeting community locations and continue to post Advisory Notices to communities on the website in English and other languages as appropriate when specific issues arise.
- Consider using PSAs on publications online or social media when specific Shipping Act-related issues arise in underserved communities.
- Seek language capabilities for certain vacant positions to better communicate with communities with limited English proficiency.

Five -Year Performance Measure

Performance Measure: Percentage of Commission issuances, orders, and reports available through the Commission’s website within 5 working days of receipt.

Validation: This outcome goal is measured by reviewing the workflow processes for posting documents to the Commission’s website docket activity logs. The date that each docket activity log is updated with new filings or issuances is compared to the date the document is filed with or issued by the Commission in a particular proceeding.

Objective 2.4: Impartially and timely resolve international shipping disputes through alternative dispute resolution and adjudication.

The Commission has several means by which the public, shippers, or regulated entities may resolve a problem with an ocean shipment. The Commission provides direct assistance through its Office of Consumer Affairs and Dispute Resolution Services. When parties are able to reach a compromise, this assistance has the potential to save supply chain participants and the FMC significant time and resources.

In addition to alternative dispute resolution (ADR), the Shipping Act authorizes formal complaints alleging Shipping Act violations to be filed with the FMC for formal adjudicatory hearings by an FMC administrative law judge. Commission procedures also authorize informal dockets, similar to small claims matters in local courts, to adjudicate allegations of Shipping Act violations where the compensation sought is under \$50,000. These cases are decided by Settlement Officers in the Office of the Administrative Law Judge. In all adjudications, parties are encouraged to utilize and may request FMC sponsored ADR at any time during a proceeding.

Strategies

- Provide and promote ADR services to resolve commercial cargo, passenger vessel, household goods, and other disputes related to the FMC's authority and mission.
- Offer ADR services to parties seeking formal complaints as a more efficient and cost-effective method to resolve disputes.
- Conduct mediation conferences to explore the use of mediation to resolve formal complaints filed with the Commission pursuant to 46 CFR § 502.64.
- Adjudicate and issue Special Docket Application decisions within 90 days of receipt.
- Adjudicate disputes under the jurisdiction of the agency through an FMC administrative law judge, with the possibility of appeal to the Commission, use of settlement officers, and through arbitration.
- Conduct Commission proceedings so that litigants and the shipping industry can adjust behavior accordingly to maintain regulatory compliance.
- Develop and streamline internal business processes and databases to reduce intake and processing time for resolving shipping disputes.

Five -Year Performance Measures

Performance Measure: Percentage of dispute resolution matters closed within 6 months of request for assistance.

Validation: This outcome goal is measured using data maintained by the Commission

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on each dispute resolution matter opened. Cases are opened upon the request of the public for assistance and are subject to the normal fluctuations in businesses and consumers seeking help from the Commission. Cases are closed upon resolution, voluntary termination by the parties, refusal to participate or failure to respond by a party, or when the CADRS mediator determines that particular issues prevent the possibility for successful resolution.

Performance Measure: Percentage of formal complaints or Commission-initiated orders of investigation completed within 2 years of filing or Commission initiation.

Validation: This outcome goal is measured by using docket activity logs maintained by the Commission and used for docket management, and monthly and annual reporting purposes.

Stewardship Objective – Advance the FMC’s performance through excellence in organizational management.

The FMC recognizes the critical importance of providing effective, performance-oriented management and ensuring that all resources allocated to its mission are wisely employed. The Commission’s stewardship objective and sub-objectives have been created to measure agency administration in supporting the FMC’s mission.

The Commission’s ability to carry out its mission and serve its customers depends on having a well-trained, highly-skilled, and flexible workforce. The FMC is committed to the principles of diversity, equity, inclusion, and accessibility, and the implementation of policies and objectives to enhance the Commission’s workforce. The Commission’s Office of Equal Employment Opportunity, along with senior leaders and the Diversity and Inclusion Council, effectively carries out this commitment.

Stewardship Sub-objective 1: Strengthen infrastructure and effective resource management.

- S.1.1 Manage risks and continue mission essential operations.**
- S.1.2 FMC’s financial management systems and practices demonstrate fiscal responsibility and proper accounting.**
- S.1.3 Information Technology is optimized and IT systems are protected.**
- S.1.4 Maintain the Commission’s cloud-based website to allow industry access to FMC resources and applications.**

Strategies

- Maintain updated Continuity of Operations (COOP) program, COOP Plan and Disaster Recovery Plan, and training and exercises for staff and emergency response team.
- Implement enterprise risk management practices, including updating the FMC's annual Risk Profile and providing risk management training to proactively manage risks to the agency and the completion of its mission. The FMC uses evidence-based decision making to manage its risks and develop appropriate internal controls.
- Promote economy and efficiency by detecting waste, fraud, and abuse in the agency's programs via auditing agency operations.
- Execute financial management policies and programs; manage agency appropriations; administer internal control systems for agency funds, travel, and cash management; and coordinate with contractors who provide accounting and payroll services.
- Use technology and IT expertise to streamline and automate the agency's work processes and enhance the productivity and efficiency of the workforce, as well as maintain accessibility of FMC website, applications, and resources.
- Secure FMC IT systems to protect against cybersecurity threats.
- Provide clear and timely guidance to staff regarding administrative matters, including procurement, personnel, and contracting issues.
- Ensure program compliance with rules and regulations regarding such areas as forms clearance, Paperwork Reduction Act, Small Business Paperwork Relief Act, and other federally required reports and submissions.

Five-Year Performance Measures

S.1.1 Manage risks and continue mission essential operations.

Performance Measure: COOP activities, including annual training, notification exercises, and an annual COOP exercise are conducted throughout the year consistent with the FMC COOP Plan.

Validation: Complete and document all activities between July 1 and June 30. Sources include annual training materials, sign-in sheets/confirmation emails, and after-action reports.

S.1.2 FMC's financial management systems and practices demonstrate fiscal responsibility and proper accounting.

Performance Measure: Achieve an unmodified (clean) opinion from the independent auditor on the Commission's fiscal year's end financial statements. (Data: Office of the Inspector General Independent Auditor's Report.)

Validation: This outcome goal is an unmodified (clean) opinion by the Office of the Inspector General based on the findings from the independent auditor's review of the FMC's annual financial statements and internal controls over financial reporting. Each year, the independent auditor reviews approximately 75 processes, documents, procedures, checklists, transaction types, and reports that are all considered in the overall assessment.

S.1.3 Information technology is optimized and IT systems are protected.

Performance Measure: Percentage of overall cybersecurity compliance with mandates that are issued.

Validation: This objective is measured through the report card from the Cybersecurity and Infrastructure Security Agency (CISA).

S.1.4 Maintain the Commission's cloud-based website to allow industry access to FMC resources and applications.

Performance Measure: FMC website uptime percentage.

Validation: This objective is measured through the Commission's Azure server uptime report.

Stewardship Sub-objective 2: Foster a high performing, engaged, and diverse workforce where staff understand how their efforts contribute to the goals of the Commission.

S.2.1 Management promotes a culture that is open, diverse, inclusive, and engaged.

S.2.2 Management promotes a results-oriented performance culture.

Strategies

- Identify and alleviate current and future skills gaps by fostering human resources management principles, including recruitment and placement, position classification and pay administration, occupational safety and health, employee assistance, employee relations, workforce discipline, performance management and incentive awards, employee benefits, career transition, retirement, employee development and training, executive resources, personnel security, and equal employment opportunity.
- Assess and promote the benefits of diversity, equity, inclusion, and accessibility for Federal performance and operations and barriers to achieving these goals.

- Collect and use employee feedback provided during employee exit interviews. The information obtained in employee exit survey responses provides valuable information to support the agency's efforts to sustain a diverse and inclusive workforce by analyzing employee retention and turnover. The survey also supplements the FEVS responses provided by the workforce to ensure the FMC is attuned to different employee perspectives.

Five -Year Performance Measures

S.2.1 Management promotes a culture that is open, diverse, inclusive, and engaged.

Performance Measure: Benchmarking EEI index is above the average for small agencies; no more than 10% drop from the prior year.

Validation: Annual employee responses from the Federal Employee Viewpoint Survey (FEVS).

S.2.2 Management promotes a results-oriented performance culture.

Performance Measure: Benchmarking FEVS results tied to a results-oriented performance culture.

Validation: Annual employee responses from the FEVS.

Performance Measure: Percent of staff with the majority of (3 or more expectations per performance element) performance goals rated as meeting the characteristics of a specific, measurable, achievable, realistic, and timely (SMART) goal. Targets are for non-SES/non-supervisory staff. SES and supervisor targets will exceed listed staff targets.

Validation: Review of performance plans each performance year.

Equity

As an independent agency, the Commission supports the Administration's efforts to promote equity and remove barriers from underserved populations as provided in Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, and OMB Memo M-21-17. The FMC voluntarily conducted initial equity assessments of programs and services directed at the public, specifically reviewing its public access to information, as well as its licensing program. These areas both have opportunities for the FMC to consider in ensuring that the Commission is accessible to underserved groups. For more information on how the FMC may consider equity among groups served by FMC-licensed OTIs through Objective 2.1, see page 9. For more information on equitable access to FMC's public information in Objective 2.3, see page 12.

The FMC is also voluntarily participating in efforts to address potential diversity, equity, inclusion, and accessibility issues in its workforce as directed in Executive Order 14035, *Diversity, Equity, Inclusion and Accessibility in the Federal Workforce*. For more information on the FMC's Stewardship Objective S.2.1 - promoting a culture that is open, diverse, inclusive, and engaged see pages 17-18.

Program Evaluation and Evidence

The FMC maintains a steady focus on meeting the Commission's mission and goals, and in ensuring that the Commission's efforts are responsive to changing industry practices and circumstances. The FMC periodically reviews all program areas in light of identified performance measures, recognizing that measures and strategies may need to be modified to better meet the strategic goals.

The Commission continuously seeks ways to make compliance with its statutory and regulatory requirements less burdensome and more cost effective for shippers, VOCCs, and OTIs. The Commission does this by evaluating evidence collected, both qualitatively and, when applicable, quantitatively, to improve its rules or policies to benefit the American public.

External Factors

The FMC is a small agency that has established considerable in-house expertise in the legal, economic, and organizational aspects of international liner shipping, the intermodal movement of ocean cargo, and the cruise line business operating from the United States. That expertise allows the FMC to effectively pursue its goals of maintaining a competitive and reliable 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 the shipping industry.

The FMC has considered external factors and, to the extent possible, has factored those into this Plan. The industry has recently experienced challenges due in part to the COVID-19 pandemic, and the FMC has responded with efforts – both rulemakings and investigatory actions – to support the industry, maintain competition, and protect the public. These actions will continue in the years ahead as conditions continue to develop.

Congressional and stakeholder interest in the Shipping Act and FMC authorities could result in changes to the Commission's statutory authorities. If changed, the FMC will act with appropriate regulatory changes and consider revision to the goals and/or objectives in this Strategic Plan.

Appendix A: Summary of Performance Measures by Strategic Goals and Objectives

Summary of Strategic Goals, Objectives, and Performance Measures

STRATEGIC GOAL 1: Maintain a competitive and reliable international ocean transportation supply system.					
OBJECTIVE 1.1: Ensure no unreasonable increases in transportation costs or decreases in transportation service are attributed to anticompetitive practices under FMC-filed agreements.					
<p>Performance Measure: Percentage of newly filed vessel sharing agreements and amendments to agreements analyzed and presented to the Commission within 32 days.</p> <p>Validation: This outcome goal is measured using data from the eAgreements electronic filing system and tracking the time elapsed between the agreement submission and review.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	85%	85%	85%	85%	86%
	FY 2022 Actual: TBD				
<p>Performance Measure: Percentage of agreement monitoring reports reviewed within 30 days of receipt to detect actionable information, including market-distorting behavior.</p> <p>Validation: This outcome goal is measured using data contained in the eMonitoring system used for the electronic filing of agreement monitoring submissions. Performance is measured by comparing the file receipt date to the date that the filing was reviewed by staff analyst.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	80%	80%	80%	80%	80%
	FY 2022 Actual: TBD				
OBJECTIVE 1.2: Ensure competition is preserved in the purchase of certain covered services (46 U.S.C. § 40102(5)) through 46 U.S.C. § 40307 authorities.					
<p>Performance Measure: Percentage of alternative agreement reports indicating joint contracting/procurement of covered services analyzed and escalated to regular monitoring status within 30 days of receipt to ensure systematic analysis of data for actionable information.</p> <p>Validation: This outcome goal is measured using regulated entities' data. Performance is measured by reviewing information received and identifying whether reports indicating covered services are moved from this system to the eMonitoring system within 30 days.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	>95%	>98%	>98%	>98%	>98%
	FY 2022 Actual: TBD				

Summary of Strategic Goals, Objectives, and Performance Measures - Continued

STRATEGIC GOAL 2: Protect the public from unlawful, unfair, and deceptive ocean transportation practices.					
OBJECTIVE 2.1: Identify and take action to end unlawful, unfair, and deceptive practices.					
<p>Performance Measure: Percentage of enforcement actions taken under the Shipping Act successfully resolved through compliance audits, judgments, settlements, compromise agreements, or issuance of default judgments, that are favorable to the FMC’s enforcement program.</p> <p>Validation: This outcome goal is measured by examining enforcement case inventory and counting the number of cases resolved.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	77.5%	77.5%	77.5%	77.5%	77.5%
	FY 2022 Actual: TBD				
<p>Performance Measure: Percentage of contacted unlicensed OTIs that submit license applications within one year after pre-enforcement contact and education from an area representative.</p> <p>Validation: This outcome goal is measured by correlating prior fiscal year area representatives’ approved pre-enforcement case inventories with the current fiscal year data and notices on the status of Ocean Transportation Intermediary licenses. This data is collected and maintained by the Bureau of Certification and Licensing on the Regulated Persons Index and the list of FMC Licensed & Bonded OTIs.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	10%	15%	15%	20%	25%
	FY 2022 Actual: TBD				
OBJECTIVE 2.2: Prevent public harm through licensing and financial responsibility requirements.					
<p>Performance Measure: Percentage of decisions on completed OTI license applications rendered within 60 calendar days of receipt, facilitating lawful operation of OTIs with appropriate character and experience requirements.</p> <p>Validation: This outcome goal is measured by comparing the total number of OTI applications assigned to an analyst (X) and the number of applications completed by an analyst on or before the 60th calendar day following assignment (Y) during a specific time period. The outcome goal is calculated as $(Y / X) \times 100 = \%$.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	75%	75%	75%	75%	75%
	FY 2022 Actual: TBD				

Summary of Strategic Goals, Objectives, and Performance Measures - Continued

OBJECTIVE 2.2 (CONTINUED): Prevent public harm through licensing and financial responsibility requirements.					
<p>Performance Measure: Percentage of license renewals completed on or prior to the 3-year renewal deadlines to timely verify regulatory compliance.</p> <p>Validation: The Completion Status Report, generated in the license renewal system, provides the total number of renewals completed (X) and the number of renewals completed on or before the renewal deadline (Y) during a specific time period. The outcome goal is calculated as $(Y / X) \times 100 = \%$.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	75%	75%	75%	75%	75%
	FY 2022 Actual: TBD				
<p>Performance Measure: Percentage of PVOs examined during the year that have the full financial coverage required by regulation to protect against loss from nonperformance or casualty.</p> <p>Validation: This outcome goal is measured by comparing reported financial coverage amounts against required coverage amounts. Operators covered by this program file semi-annual, monthly, and weekly unearned passenger revenue reports. This information is used to compare reported coverage against required coverage amounts.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	95%	95%	95%	95%	95%
	FY 2022 Actual: TBD				
OBJECTIVE 2.3: Enhance public awareness of agency resources, remedies, and regulatory requirements through education and outreach.					
<p>Performance Measure: Percentage of Commission issuances, orders, and reports available through the Commission’s website within 5 working days of receipt.</p> <p>Validation: This outcome goal is measured by reviewing the workflow processes for posting documents to the Commission’s website docket activity logs. The date that each docket activity log is updated with new filings or issuances is compared to the date the document is filed with or issued by the Commission in a particular proceeding.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	90%	90%	92%	92%	92%
	FY 2022 Actual: TBD				

Summary of Strategic Goals, Objectives, and Performance Measures - Continued

OBJECTIVE 2.4: Impartially and timely resolve international shipping disputes through alternative dispute resolution and adjudication.					
<p>Performance Measure: Percentage of dispute resolution matters closed within 6 months of request for assistance.</p> <p>Validation: This outcome goal is measured using data maintained by the Commission on each dispute resolution matter opened. Cases are opened upon the request of the public for assistance and are subject to the normal fluctuations in businesses and consumers seeking help from the Commission. Cases are closed upon resolution, voluntary termination by the parties, refusal to participate or failure to respond by a party, or when the CADRS mediator determines that particular issues prevent the possibility for successful resolution.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	67%	70%	73%	75%	80%
	FY 2022 Actual: TBD				
<p>Performance Measure: Percentage of formal complaints or Commission-initiated orders of investigation completed within 2 years of filing or Commission initiation.</p> <p>Validation: This outcome goal is measured by using docket activity logs maintained by the Commission and used for docket management, and monthly and annual reporting purposes.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	72%	72%	72%	72%	72%
	FY 2022 Actual: TBD				

Summary of Stewardships Objectives and Performance Measures

Stewardship Objective: Advance the FMC’s performance through excellence in organizational management.					
Stewardship Sub-objective 1: Strengthen infrastructure and effective resource management.					
S.1.1. Manage risks and continue mission essential operations.					
<p>Performance Measure: COOP activities, including annual training, notification exercises, and an annual COOP exercise are conducted throughout the year consistent with the FMC COOP Plan.</p> <p>Validation: Complete and document all activities between July 1 and June 30. Sources include annual training materials, sign-in sheets/confirmation emails, and after-action reports.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	100%	100%	100%	100%	100%
	FY 2022 Actual: TBD				
S.1.2. FMC’s financial management systems and practices demonstrate fiscal responsibility and proper accounting.					
<p>Performance Measure: Achieve an unmodified (clean) opinion from the independent auditor on the Commission’s fiscal year’s end financial statements. (Data: Office of the Inspector General Independent Auditor’s Report.)</p> <p>Validation: This outcome goal is an unmodified (clean) opinion by the Office of the Inspector General based on findings from the independent auditor’s review of the FMC’s annual financial statements and internal controls over financial reporting. Each year, the independent auditor reviews approximately 75 processes, documents, procedures, checklists, transaction types, and reports that are all considered in the overall assessment.</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	100%	100%	100%	100%	100%
	FY 2022 Actual: TBD				
S.1.3. Information technology is optimized and IT systems are protected.					
<p>Performance Measure: Percentage of overall cybersecurity compliance with mandates that are issued.</p> <p>Validation: This objective is measured through the report card from the Cybersecurity and Infrastructure Security Agency (CISA).</p>	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	100%	100%	100%	100%	100%
	FY 2022 Actual: TBD				

Summary of Stewardship Objectives and Performance Measures - Continued

Stewardship Sub-objective 1 (continued): Strengthen infrastructure and effective resource management.

S.1.4. Maintain the Commission’s cloud-based website to allow industry access to FMC resources and applications.

Performance Measure: FMC website uptime percentage. Validation: This objective is measured through the Commission’s Azure server uptime report.	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	99.5%	99.5%	99.5%	99.5%	99.5%
	FY 2022 Actual: TBD				

Stewardship Sub-objective 2: Foster a high performing, engaged, and diverse workforce where staff understand how their efforts contribute to the goals of the Commission.

S.2.1. Management promotes a culture that is open, diverse, inclusive, and engaged.

Performance Measure: Benchmarking EEI index is above the average for small agencies; no more than 10% drop from the prior year. Validation: Annual employee responses from the Federal Employee Viewpoint Survey (FEVS).	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	>-10%	>-10%	>-10%	>-10%	>-10%
	FY 2022 Actual: TBD				

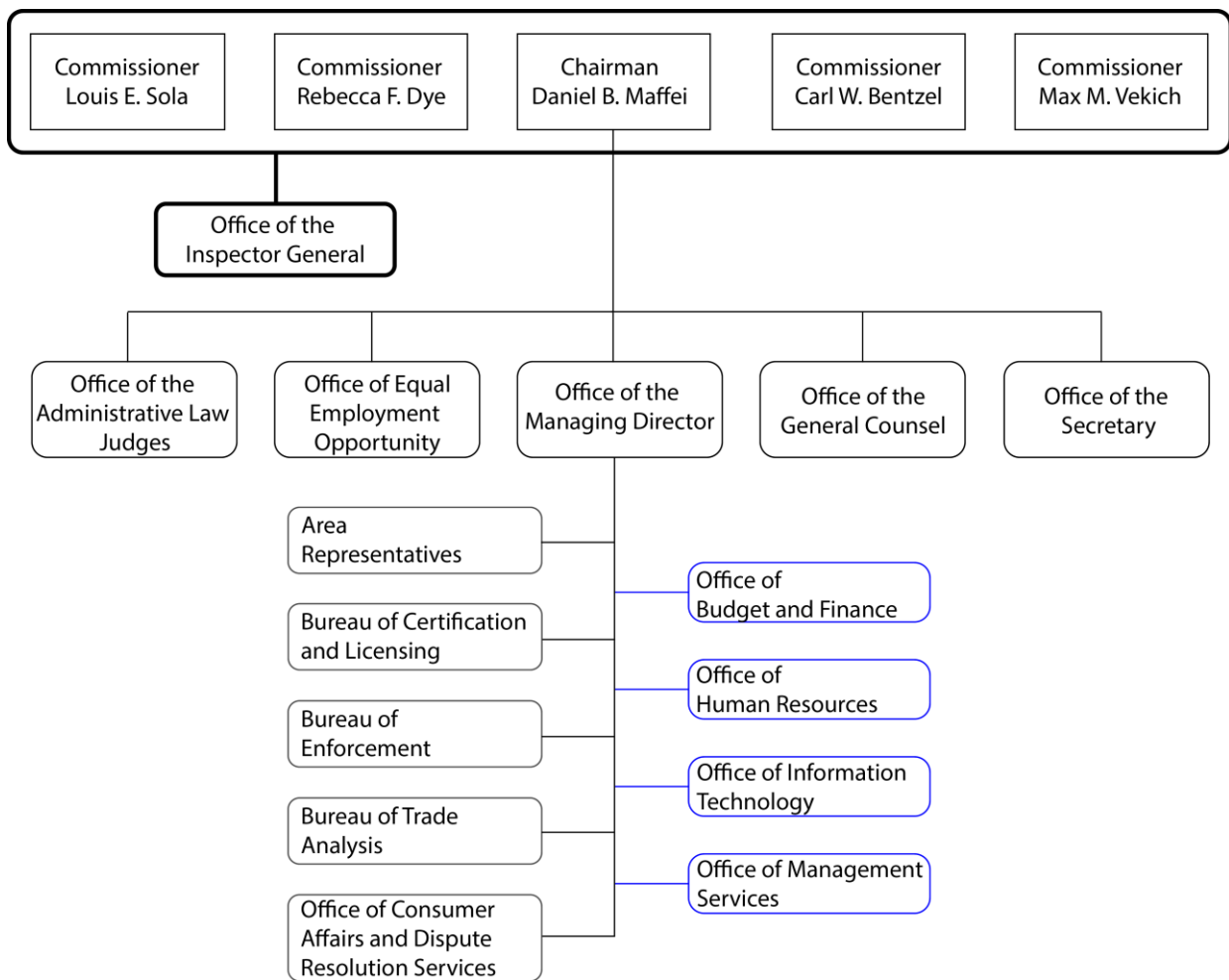
S.2.2. Management promotes a results-oriented performance culture.

Performance Measure: Benchmarking FEVS results tied to a results-oriented performance culture. Validation: Annual employee responses from the FEVS.	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	>75%	>75%	>75%	>75%	>75%
	FY 2022 Actual: TBD				

Performance Measure: Percent of staff with the majority of (3 or more expectations per performance element) performance goals rated as meeting the characteristics of a specific, measurable, achievable, realistic, and timely (SMART) goal. Targets are for non-SES/non-supervisory staff. SES and supervisor targets will exceed listed staff targets. Validation: Review of performance plans each performance year.	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
	25%	>50%	>98%	>99%	>99%
	FY 2022 Actual: TBD				

Appendix B: Organization Chart and Commission Bureaus and Offices

The FMC is composed of five Commissioners nominated by the President and confirmed by the Senate, each serving a staggered five-year term. The Commission is a bipartisan body; no more than three members of the Commission may be of the same political party. One Commissioner, designated by the President, serves as Chairman, Chief Executive, and Chief Administrative Officer of the Commission.



FMC Bureaus and Offices

The Commission's staff includes economists, attorneys, and experts in ocean transportation and government administration. In addition to the Commissioner's offices, the staff of the FMC is organized into 10 bureaus and offices.

The Bureau of Certification and Licensing (BCL) protects the public from financial harm through its OTI licensing, registration, and renewal program. BCL also protects the public by requiring Passenger Vessel Operators (PVOs) to maintain adequate financial coverage to reimburse cruise cancellations or to cover liability in the event of death or injury at sea.

The Bureau of Enforcement (BOE) is the prosecutorial arm of the Commission. Bureau attorneys serve as trial counsel in formal proceedings and protect the shipping public by working closely with the Commission's area representatives in investigations of potential violations of the Shipping Act and Commission regulations. BOE negotiates settlements and informal compromises of civil penalties and may act as investigative officers in formal fact-finding investigations.

The Bureau of Trade Analysis (BTA) analyzes and monitors the concerted activities of VOCCs and MTOs to detect and guard against possible anticompetitive abuse of authority contained in filed agreements under the Shipping Act that could result in substantial increases in transportation costs or decreases in transportation services; and to identify and address other prohibited activities. BTA also reviews and analyzes service contracts, monitors rates of foreign,

government-owned controlled carriers; and reviews carrier-published tariff systems under the accessibility and accuracy standards of the Shipping Act.

The Office of the Administrative Law Judges (OALJ) resolves cases of alleged violations of the Shipping Act and other laws within the Commission's jurisdiction. Through trial-type hearings and the issuance of an initial decision, the OALJ ensures that the rights of all parties are preserved.

The Office of Consumer Affairs and Dispute Resolution Services (CADRS) aids shippers, OTIs, cruise operators and passengers, truckers, MTOs, and VOCCs by providing alternative dispute resolution services, ombuds assistance, mediation, facilitation, and arbitration to resolve disputes involving cargo shipments, household goods shipments, and cruises.

The Office of Equal Employment Opportunity (OEEO) advises and assists the Commission in carrying out its responsibilities relative to Titles VI and VII of the Civil Rights Act of 1964 (as amended), other laws, executive orders, and regulatory guidelines implementing affirmative employment, and the processing of EEO complaints. The agency's Diversity and Inclusion Council falls under the OEEO.

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The Office of the General Counsel (OGC) provides sound and timely legal services to the Commission and staff as it fulfills responsibilities that include: preparing final decisions, orders and regulations for Commission approval and issuance; representing the Commission in litigation before the courts; providing technical and policy assistance to other government agencies engaged in international negotiations or discussions on shipping matters; and providing legal opinions to the Commission, its staff, and the general public in appropriate instances. OGC also oversees the Commission's international affairs activities.

The Office of the Inspector General (OIG) is an independent and objective oversight office created within the FMC by the Inspector's General Act of 1978 (as amended) to conduct and supervise audits, inspections, and investigations relating to FMC programs; detect and prevent waste, fraud, and abuse; promote economy, efficiency, and effectiveness; review existing and proposed legislation and regulations; keep the Chairman, Commissioners, and Congress fully informed of serious problems and deficiencies and recommend corrective actions; and report violations of law to the U.S. Attorney General.

The Office of the Managing Director (OMD) is responsible for implementing the administrative directives of the Chairman, the management and coordination of Commission bureaus, and overseeing the agency's area representatives located in six major port areas nationwide. It has direct oversight of the administrative offices of the Commission, which include the offices of Budget and Finance, Human Resources, Information, and Management Services.

The Office of the Secretary (OS) serves as the office through which all filings are made in Commission proceedings, notices of proceedings are given, and from which all official actions are issued by the Commission. OS prepares and maintains agenda matters and actions taken by the Commission; maintains official files and records of formal proceedings; ensures compliance with Freedom of Information, Government in the Sunshine, and Privacy Acts; responds to information requests from the public; issues publications and authenticates instruments and documents of the Commission; maintains a public reference/law library and a docket library; and oversees the organization and content of the Commission's website.



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