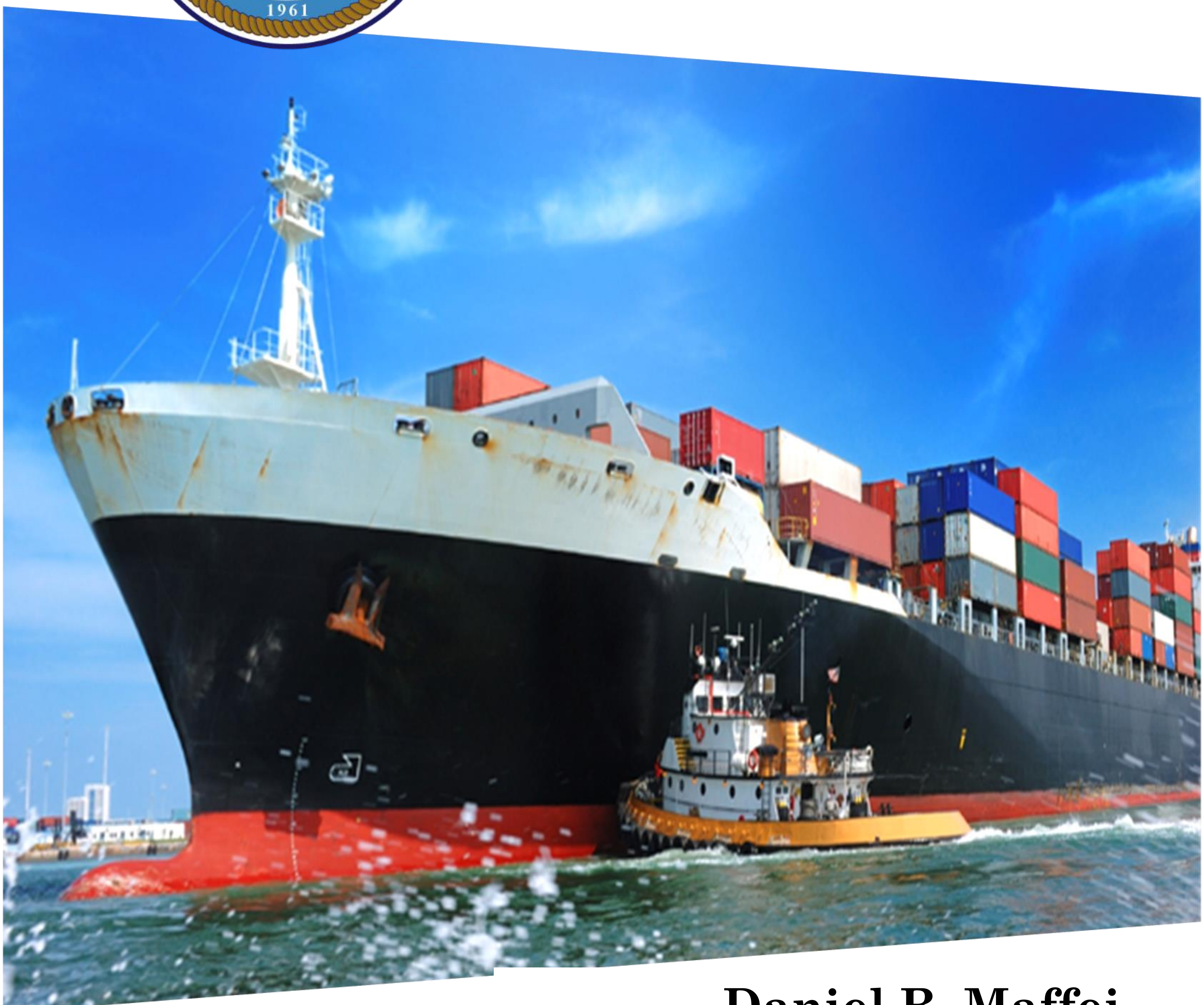
Federal Maritime Commission

Fiscal Year 2022
Budget Justification



Daniel B. Maffei
Chairman

May 2021

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Mission Statement

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.

The Federal Maritime Commission (FMC or Commission) is an independent agency that regulates the international ocean transportation supply system (both liner carriers and ocean transportation intermediaries). This system is vital to the Nation's commerce.

Congress created the FMC to administer and enforce the Shipping Act and related laws. The principal statutes administered by the Commission, codified at 46 U.S.C. §§ 40101-44106 and § 3503, are:

- The Shipping Act of 1984, as amended (Shipping Act);
- 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).

The primary goals of the Commission are to: (1) maintain a competitive and reliable international ocean transportation supply system, and (2) protect the public from unlawful, unfair, and deceptive practices. The Commission achieves its mission by ensuring that the fundamental dynamics of a free, open, and competitive ocean transportation market drive economic outcomes.

FY 2022 Budget Request

Proposed Appropriation Language: Salaries and Expenses

For necessary expenses of the Federal Maritime Commission as authorized by section 201(d) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 46107), including services as authorized by section 3109 of title 5, United States Code; hire of passenger motor vehicles as authorized by section 1343(b) of title 31, United States Code; and uniforms or allowances therefore, as authorized by sections 5901 and 5902 of title 5, United States Code, $30,873,000: Provided, that not to exceed $3,500 shall be for official reception and representation expenses. (Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2021.)

Needed Resources for FY 2022

The FMC respectfully requests $30,873,000 to maintain ongoing hiring efforts to reach a staffing level of 128 full time positions (FTP). This request supports approximately 124.8 full time equivalents (FTEs). The difference between FTP and FTE is due to partial year vacancies in staff positions created by the time lag between departures and/or retirements and onboarding of replacement staff. This staff level will give the Commission the ability to meet its mission and maintain a high level of performance in FY 2022.

FMC Budget Request
By Year and Program

Program	FY 2020	FY 2021	FY 2022	FY 2022 - FY 2020 Change	FY 2022 - FY 2021 Change
O&A	$26,921,218	$29,746,256	$30,295,219	$3,374,001	$548,963
OIG	$490,223	$553,744	$577,781	$87,558	$24,037
Total FMC	$27,411,441	$30,300,000	$30,873,000	$3,461,559	$573,000

Historically, the appointed Commissioners and professional FMC staff have developed targeted and fiscally responsible agency budgets consistent with its statutorily mandated mission and the Administration’s objectives. The $30,873,000 request is a continuation of the previous years’ fiscally responsible budgets and seeks to carefully balance workforce requirements to meet strategic performance goals, while continuing to develop and deploy the modernized information technology (IT) applications expected of the Commission by American businesses and taxpayers. The FMC’s request reflects a review of all requirements for cost-reduction opportunities with a focus on strategies to reduce or contain costs associated with personnel, contracting, travel, and training.

Three expense categories comprise over 93% of FMC's Budget:

- **Workforce - Salaries/Benefits** are 72.1 percent;
- **Office Lease/Building Security** is 14.8 percent; and
- **IT and Cyber Security** is 6.6 percent.

Workforce

The Commission's workforce accomplishes its mission efficiently with its current appropriated resources. FY 2022 funding is needed to support the FMC's staff of economists, attorneys, and experts in ocean transportation. Augmenting its Washington, D.C. headquarters staff (118 FTPs), the Commission maintains a presence in six major port locations nationwide (10 FTPs).

Current projections for FY 2021 and FY 2022 are to hire to our desired full FTP level of 128 with an FTE projection of 124.8. This projection is based on overall workload – the Commission has prioritized IT funding and automation efforts, but staff are also needed to complete the Commission's mission.

Fiscal Year	President's Budget FTPs	Actual or Projected FTEs
2018	127	116.0
2019	129	112.4
2020	128	111.2
2021	128	121.0
2022	128	124.8

Rent - Headquarters and Field Office Space

The FMC's annual FY 2022 rent estimate for physical space is $3,362,168 and an additional $352,000 for estimated escalation of taxes, for a total of $3,714,168. FY 2022 security costs, attributable primarily to the FMC's headquarters office space, are estimated at $877,382. Security costs are determined by the Federal Protective Service (FPS) working in conjunction with the building's Federal Security Committee.

The FMC is headquartered in Washington, D.C. and maintains a small field presence in six port locations within the U.S. All FMC office space is leased through the GSA. The FMC follows federal best practices to align the size of federal real property assets with program needs and will continue to evaluate its space needs going forward. The Commission's current effort optimizes office space use with the goal of reducing rental costs when possible.

IT Modernization, Data Management, and Cyber Security

Funding at the requested $30,873,000 level will allow the Commission to continue its long-term IT modernization projects, enhancing both public-facing services and internal workflow processes.

The FMC's ongoing investments in its IT infrastructure has allowed it to remain fully operational under maximum telework flexibilities during the ongoing COVID-19 pandemic.

In FY 2022, the Commission will be working on the final stages of implementing critical updates to the FMC-18 Ocean Transportation Intermediary (OTI) License and Registration Application, and the agency's Regulated Persons Index (RPI), as well as modernizing the Passenger Vessel Operator (PVO) system (for managing application filing, processing, and reports), the Commission's electronic reading room, and the dockets filing system for Commission proceedings.

These planned initiatives continue the work of previous budget cycles, which allowed the FMC to prioritize IT development, inclusive of mission-critical IT contract support. This multiyear strategy committed a dedicated funding stream to planned IT initiatives for both currently underway and projected initiative development. Current and future investments in IT development are necessary to sustain and improve future performance and quality of the IT network systems and programs essential to support the FMC's mission and operations.

The projected costs include contractor-provided software engineering services to assist the Commission's IT staff to modernize its infrastructure, server platforms, and mission-critical web applications, while providing on-site, hands-on training and knowledge transfer. Although prior years' IT expenditures have set the stage for implementing the FMC's application modernization plan, the goal of completing and successfully deploying our modernized FMC-18 enterprise application requires continued funding.

Continued IT development to facilitate processing of agency workload and delivery of services to the shipping industry are necessary to assist current staffing levels with increased volume of license applications filed, license renewals processed, carrier and marine terminal operator (MTO) agreements requiring review and analysis, etc. These planned IT improvements are critical to restraining future personnel growth and permitting options for the FMC to reallocate existing personnel to the strategic program needs of the future.

The Commission will continue to improve public access to data. In addition to FMC-developed systems, the Commission will modernize its digital consent and access to information by leveraging cross-government tools such as login.gov and forms.gov. In FY 2022, the Commission will offer a digital services option to ensure that individuals have the ability to digitally request access to, or to consent to disclosure of their records for Privacy Act and Freedom of Information Act (FOIA) requests.

Activities of the FMC and Actions Planned for FY 2022

This section provides an overview of the programs and work of the FMC that this budget request supports and the work that will be accomplished with a $30,873,000 funding level.

International ocean shipping is vital to the Nation's commerce, moving more than $1 trillion in U.S. exports and imports each year.[1] The FMC's significant statutory mandate – to 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 – is an undertaking accomplished by a relatively small number of talented and dedicated shipping industry experts with a very modest budget and workforce complement. Continuing a trend that has spanned the past decade, the international ocean transportation industry continues to adjust and react to challenging market conditions and, in recent months, a global pandemic. Carriers and MTOs have been forced to find ways to cut costs and realize greater efficiencies, whether individually or through consolidation, mergers, or operational cooperation with their competitors under agreements filed with the FMC. These changes in carrier and MTO-concerted activity and market structure likewise require the FMC to quickly respond by timely and efficiently analyzing the competitive impact of proposed agreements in the vessel-operating common carriers (VOCC) and MTO industries to guard against possible anticompetitive abuse of the filed agreement authority; to avoid unreasonable increases in transportation costs or decreases in transportation services; and to address other activities prohibited by the Shipping Act.

[1] According to the U.S. Census Bureau: Economic Indicators Division USA Trade Online. *Source: U.S. Import and Export Merchandise trade statistics*, U.S. exports and imports totaled $1,083,854,025,082 in 2019.

Coronavirus (COVID-19) Impact and Actions

The novel SARS-CoV-2 virus that causes the COVID-19 disease reached pandemic level in March 2020 and disrupted the global shipping industry and the cruise industry. The Commission has continued to work remotely, utilizing the IT systems developed and deployed as part of its multi-year modernization efforts, and will continue to be responsive to changes in industry conditions and needs during and after the pandemic.

In response to the negative impacts on the U.S. economy caused by the COVID-19 pandemic, the Commission aggressively responded by taking quick and meaningful action to help the shipping industry and the American economy in recovery, including implementing service contract filing relief, facilitating stakeholder discussions on supply chain challenges, and implementing temporary relief for small U.S. cruise businesses. The relief extended to the industry made during this period is likely to continue indefinitely, requiring staff resources to manage Commission assistance to the shipping public.

Providing Industry Regulatory Relief: The FMC granted shippers and carriers more flexibility in meeting service contract filing requirements. Effective June 2, 2021, the new rule amends existing FMC regulations so ocean carriers are able to file original service contracts with the Commission up to 30 days after they go into effect. This change was prompted by positive industry response to the temporary service contact filing relief provided during the pandemic to minimize COVID-19 related impacts to the supply chain. That temporary relief expires on June 1, 2021. The filing change provides consistent treatment of initial service contracts and amendments and continued flexibility for carriers while retaining filing and FMC oversight of service contracts. In making its decision, the Commission carefully weighed the regulatory burden on regulated entities and the need for the FMC to carry out its mission and statutory oversight of service contracts. Information on this, and other pending regulatory proceedings, is found in Appendix G, the Commission's biennial report to Congress on the status of unfinished regulatory proceedings.

Addressing Supply Chain Challenges: The COVID-19 pandemic has highlighted the economic urgency of responsive port and terminal operations to the effectiveness of the United States' international freight delivery system. Given its mandate to ensure an efficient and reliable transportation system for ocean commerce, the Commission has a clear and compelling responsibility to actively respond to current challenges impacting the global supply chain and the American economy. On March 31, 2020, the Commission initiated Fact Finding 29, *International Ocean Transportation Supply Chain Engagement*. This ongoing investigation convened supply chain innovation teams to address port and terminal operational challenges in the wake of the COVID-19 pandemic and will continue to make industry recommendations as warranted. By Order issued on November 19, 2020, this investigation was expanded to investigate whether alliances are employing practices or regulations in violation of 46 U.S.C. § 41102(c) including, but not limited to, practices and regulations related to demurrage and detention in light of 46 C.F.R. §

545.5, empty container return, and practices related to the carriage of U.S. exports. In February 2021, the Fact Finding Officer announced issuance of information demand orders to ocean carriers and marine terminal operators to determine if legal obligations related to detention and demurrage practices are being met.

Addressing Cruise Industry Challenges: COVID-19 has also severely impacted the cruise industry. On March 14, 2020, the Centers for Disease Control and Prevention (CDC) issued a No Sail Order and Suspension of Further Embarkation causing all but the smallest PVOs to cease all operations, which was extended through October 2020. Consequently, questions concerning future travel and passengers' ability to obtain refunds of monies remitted for transportation disrupted by COVID-19 were legion. On April 30, 2020, the Commission initiated Fact Finding 30, *COVID-19 Impact on Cruise Industry*, to engage industry stakeholders, including PVOs, passengers, and MTOs, to identify commercial solutions to COVID-19-related issues that interfere with the operation of the cruise industry. On July 23, 2020, the Commission adopted a proposal put forward by the Fact Finding Officer providing limited and temporary relief to small U.S. passenger vessel operators whose operations and business had been disrupted by the response to COVID-19. Small passenger vessel operators may now qualify for alternative forms of evidence of financial responsibility, provided applicants meet key conditions. The relief remained in effect until April 1, 2021. On September 23, 2020, the Fact Finding Officer issued an interim report on the impact of COVID-19 on the cruise industry. On October 20, 2020 and December 16, 2020, the Fact Finding Officer issued interim reports on the impacts on the cruise industry for the U.S. Pacific Northwest and Gulf Coasts. On March 17, 2021, the Fact Finding Officer issued an interim report on the impacts on California, Hawaii, and U.S. Pacific Territories. Investigative efforts will continue during the pandemic and recovery to assist with identifying commercial solutions to COVID-19-related issues that interfere with the operation of the cruise industry.

Strategic Plan Activities

The Commission's FY 2018-2022 Strategic Plan provides the framework to address current and anticipated challenges in the ocean transportation industry. The FMC's Strategic Plan calibrates performance measures to ensure that the Commission is meeting its statutory mission and the needs of a constantly evolving ocean shipping industry. The Strategic Plan is a living document, flexible and adaptable, as the shipping industry evolves and it addresses emerging challenges, while providing clear and measurable targets that will drive continuous improvement in the FMC's performance. Detailed performance information can be found in the FMC's annual Performance and Accountability Report on the FMC's website.

Development and drafting of the Commission's FY 2022-2026 Strategic Plan is underway and will be finalized during FY 2022. During development of the FY 2022-2026 Strategic Plan, the Commission will consider evidence-building efforts in its program activities. Program evaluations, monitoring activities, and analyses will continue to be used to rigorously and credibly document program effectiveness.

During the strategic planning process, the Commission will also address potential inequities affecting underserved communities. By reviewing policies and programs that it administers, the FMC will look introspectively to ensure consistent and systematically fair, just, and impartial treatment of individuals in underserved communities that may have been denied such treatment in the past. In FY 2021, the Commission will also complete equity assessments of its services under Executive Order 13985 and may incorporate recommendations into its strategic plan when appropriate.

The Commission's current FY 2018-2022 Strategic Plan contains two strategic goals. With necessary funding, the FMC will fully meet its mission and strategic goals. Planned activities for the upcoming year and FY 2022 will continue to support the FMC's mission and goals.

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

The requested $30,873,000 budget will provide $10,239,133 in funding towards Strategic Goal 1. Through the activities under this goal, the Commission analyzes and evaluates the competitive impact of the shipping industries' practices, detecting and addressing, as necessary, any unreasonable increases in transportation costs and/or unreasonable decreases in transportation services for the benefit of U.S. exporters/importers and the U.S. consumer.

Objective: Ensure that actions under filed agreements do not result in unreasonable increases in transportation costs and/or unreasonable decreases in transportation services

The FMC ensures that America's international ocean transportation supply system provides the public with competitive and reliable movement of goods by monitoring, analyzing, and evaluating the competitive impact of the shipping industry's practices, detecting and addressing, as necessary, any unreasonable increases in transportation costs and/or unreasonable decreases in transportation services. In analyzing and taking actions on agreements filed with the Commission, it balances the cost-containment strategies and cooperative working arrangements among carriers or MTOs with the legitimate business needs of the Nation's many exporters/importers to ensure that their goods reach international markets efficiently and reliably. In upcoming fiscal years, the FMC will continue its focus on competition and integrity for America's ocean supply chain by:

- Analyzing and monitoring key U.S. trade lanes;
- Assessing the competitive effects of agreement parties' activities, particularly focusing on issues of costs (freight rates), vessel capacity (supply), and equipment availability upon the business community;
- Licensing our Nation's OTIs, and registering foreign-based NVOCCs;

- Administering an effective surety bond program to ensure payment of claims against OTIs;
- Investigating violations of the Shipping Act, FSPA, and 1920 Act; and
- Monitoring changes taking place in the provision of chassis for the inland movement of containerized goods, and the competitive effects of changing carrier alliance structures, particularly as they may affect concerted procurement of carrier services in U.S. ports.

Agreements Review

The FMC's statutory authority and regulations require the filing of written agreements with the Commission to ensure that the parties' activities comply with U.S. shipping statutes and regulations. These written agreements memorialize cooperation among carriers and/or MTOs. The Commission analyzes these agreements when they are initially filed and then monitors the agreements on an ongoing basis. There are approximately 400 agreements on file and monitored by the Commission, including approximately 90 MTO agreements.

Through data provided in agreements and agreement monitoring reports, Commission staff analyze market conditions in key U.S. liner trades. Using this information, the Commission identifies and researches economic or commercial issues that may distort competition in, or impair access to, U.S. liner markets and tracks and assesses developments in international trade and the global economy.

Agreements filed with the FMC remain a valuable tool for carriers and MTOs to cooperate and achieve efficiencies and cost savings for U.S. shippers and ultimately, the U.S. consumer. The requested budget level will:

- Enable the Commission to timely review and prepare competitive analyses for both newly filed agreements and amendments to existing agreements; and
- Allow for effective management and review of multiple major agreements in the same 45-day review period.

Recent Statutory Changes to Agreement Activities and Commission Analysis

The recently enacted LoBiondo Act places restrictions on cooperation between or among ocean carriers and MTOs, including removing antitrust immunity for certain activities, prohibiting certain joint procurement activities, restricting overlapping agreement participation, and modifying the legal standard for enjoining agreements to jointly procure certain covered services, including:

- The berthing or bunkering of a vessel;
- The loading or unloading of cargo to/from a vessel, or to/from a point on a wharf or terminal;
- The positioning, removal, or replacement of buoys related to the movement of the vessel; or

- Towing vessel services provided to a vessel.

Section 703 of the LoBiondo Act also requires that the Commission annually provide to Congress: (1) an analysis of the competitive impact of ocean carrier alliance joint purchases of the covered services mentioned above; and (2) a summary of actions, including corrective actions, taken by the Commission to promote competition.

The Commission may issue a request for additional information on an agreement, and/or negotiate a language change with filing parties to alleviate reduction in competition concerns. Agreements with potential competition issues may ultimately be withdrawn by filing counsel after negotiations with the Commission. Additionally, the LoBiondo Act permits the Commission to seek an injunction if it determines that an agreement is likely "to substantially lessen competition in the purchasing of certain covered services." 46 U.S.C. § 41307(b)(1). This new legal standard may be applied to existing agreements as well as any agreements filed in the future.

With respect to vessels operated by an ocean common carrier in the United States, the LoBiondo amendments to the Shipping Act stipulate that no group of two or more common carriers may negotiate for the purchase of certain covered services unless the negotiations and any resulting agreements are not in violation of the U.S. antitrust laws (46 U.S.C. § 41105(6)). The U.S. Department of Justice (DOJ) and the Federal Trade Commission (FTC) have jointly issued guidance on the appropriate safeguards that should be implemented when market participants engage in joint purchasing. In FYs 2021 and 2022, the FMC will continue to monitor and report on jointly negotiated terminal and stevedoring services agreements to ensure conformity with the DOJ/FTC guidelines for joint purchasing arrangements.

Marine Terminal Operator Agreements

As referenced above, the Commission monitors approximately 90 MTO agreements serving the U.S. East, Gulf, and West coasts. To facilitate operations, some U.S. marine terminals enter into agreements on rates and/or terminal charges or cooperate in their daily terminal operations and related practices.

Commission review and analysis of agreement filings frequently result in discussions with filing counsel on potential anticompetitive issues and often result in negotiated revisions to agreements that resolve issues without formal Commission action. For example, in FY 2020, the Commission completed reviews and economic analyses of amendments to the *Puerto Nuevo Terminals LLC Cooperative Working Agreement*, FMC No. 201292-001 and -002. The initial agreement between two MTOs at the Port of San Juan, PR, formed a joint venture to combine their facilities into a single marine terminal. This was a complicated agreement filing and required prolonged internal and external meetings with the parties and filing counsel, and development of questions for a formal request for additional information to determine whether the agreement fell within the Commission's jurisdiction. After withdrawing the first amendment, a second amendment was filed that maintains the parties as separate terminals and forms a joint shared terminal management company that may act as agent on behalf of the parties.

During FY 2020, the Bureau of Tariff Analysis (BTA) continued a comprehensive review of the status of MTOs and removed from the Commission's website those that are no longer active in providing MTO services. MTO agreements may now be filed and amended using the online eAgreements system, which eliminates the administrative burden associated with paper filings. In addition, for those MTOs that elect to make their MTO schedules publicly available, BTA staff verified the internet location where those schedules are published and updated the FMC website accordingly to provide more current information to the shipping public to inform their business decisions.

Service Contracts and Tariffs

The Commission oversees the process by which service contracts between shippers and VOCCs are filed with the Commission. Under service contracts, shippers make a commitment to provide a certain volume or portion of cargo over a fixed period of time, and carriers commit to a specified rate and a defined service level. These confidential contracts are filed with the Commission in its automated SERVCON system. Commission rules also permit NVOCCs to enter into NVOCC service arrangements (NSAs) with their shipper customers, which are similar to service contracts between VOCCs and shippers. In 2018, the Commission exempted NVOCCs from the requirement to file NSAs into SERVCON and eliminated the corresponding NSA Essential Terms publication requirements. Commission Docket No. 20-02, finalized in FY 2020, provided substantial regulatory relief to VOCCs by removing the requirement and associated costs to publish essential terms of each individual service contract filed with the Commission.

On its website, the FMC maintains an up-to-date electronic listing of ocean carrier tariff locations for the public's use in identifying ocean carriers' publicly available rules and rates for the transportation of cargo. The FMC's transportation analysts also research, verify, and maintain a listing of marine terminal schedule locations on the Commission's website for the shipping public to inform their business decisions.

The Commission provides regulatory relief from its NVOCC rate tariff requirements by exempting licensed and foreign-registered NVOCCs when using NVOCC Negotiated Rate Arrangements (NRAs). NVOCCs have indicated that NRAs, which are not required to be published or filed with the Commission, are a less burdensome commercial pricing option than rate tariffs, which must be published. Consequently, NVOCCs advised that NRAs save them both time and money. In August 2018, the Commission provided further regulatory relief to NVOCCs by significantly expanding the commercial flexibilities available to NVOCCs and their shippers under NRAs (see Docket No. 17-10). The majority of NVOCCs which have implemented NRAs continue to use a combination of NRAs and tariff rate filings.

Commission rules also granted regulatory relief from rate tariff requirements by allowing NVOCCs to offer transportation services pursuant to individually negotiated, confidential service arrangements with customers, termed NVOCC Service Arrangements (NSAs), rather than under a published tariff. The Commission expanded this regulatory relief to NVOCCs by eliminating the requirement to file NSAs and their amendments with the Commission as of August 22, 2018 (also see Docket No. 17-10). As a pricing option, NSAs are more commonly offered by larger volume NVOCCs. Smaller volume NVOCCs tend to use NRAs and tariff rates as pricing options for their shipper customers.

Since the FMC's rulemaking in Docket No. 17-10 expanded commercial flexibilities for NVOCC rate arrangements and eased the regulatory burden associated with NSAs, the FMC has regularly provided guidance to NVOCCs seeking to expand NRA offerings to their shippers or to introduce NRAs as a pricing option to their customers. The FMC has also advised NVOCCs of the regulatory relief for NSA requirements and has participated in outreach efforts to facilitate the industry's ability to take advantage of the NRA and NSA regulatory changes. The Commission will continue to provide such guidance in the upcoming fiscal years.

During FY 2020, more than 45,000 service contracts and nearly 800,000 contract amendments were filed into the SERVCON system by 76 VOCCs. At the end of the fiscal year, the FMC had posted more than 6,000 active/current publicly available tariff locations to the agency's website. Original service contract filings are expected to nearly double to 90,000 in FY 2021 and increase to 95,000 in FY 2022, due to changes in carrier contracting practices. Service contract amendments are expected to increase to 840,000 in FY 2021 and are expected to continue to increase in FY 2022.

The FMC is working to optimize the internal architecture of its SERVCON filing system for service contracts to ensure the search functionality keeps pace with the rapid accumulation of records in the system. The Commission continued to reach out to various service contract filers to encourage the use of web services when filing service contracts to increase efficiency, reduce costs, and eliminate frequent filing errors. The Commission anticipates that its workload through 2021 and 2022 will remain relatively steady with respect to service contracts.

The FMC's work in this area is also impacted by the continual entry and exit of various OTIs to and from the market, which requires ongoing monitoring and verification by the FMC's transportation analysts to ensure that an accurate listing of tariff publication locations on the Commission's website is maintained and also to ensure that published tariffs meet the Commission's tariff requirements. In addition, the FMC has substantial responsibilities associated with monitoring VOCC tariffs for compliance and verifying that VOCCs continue to operate as common carriers in the U.S. waterborne foreign commerce. This FMC work ensures that all VOCCs and OTIs follow the requirements of the Shipping Act and that the rates and terms of shipping contracts are clear and unambiguous to shippers prior to tendering cargo.

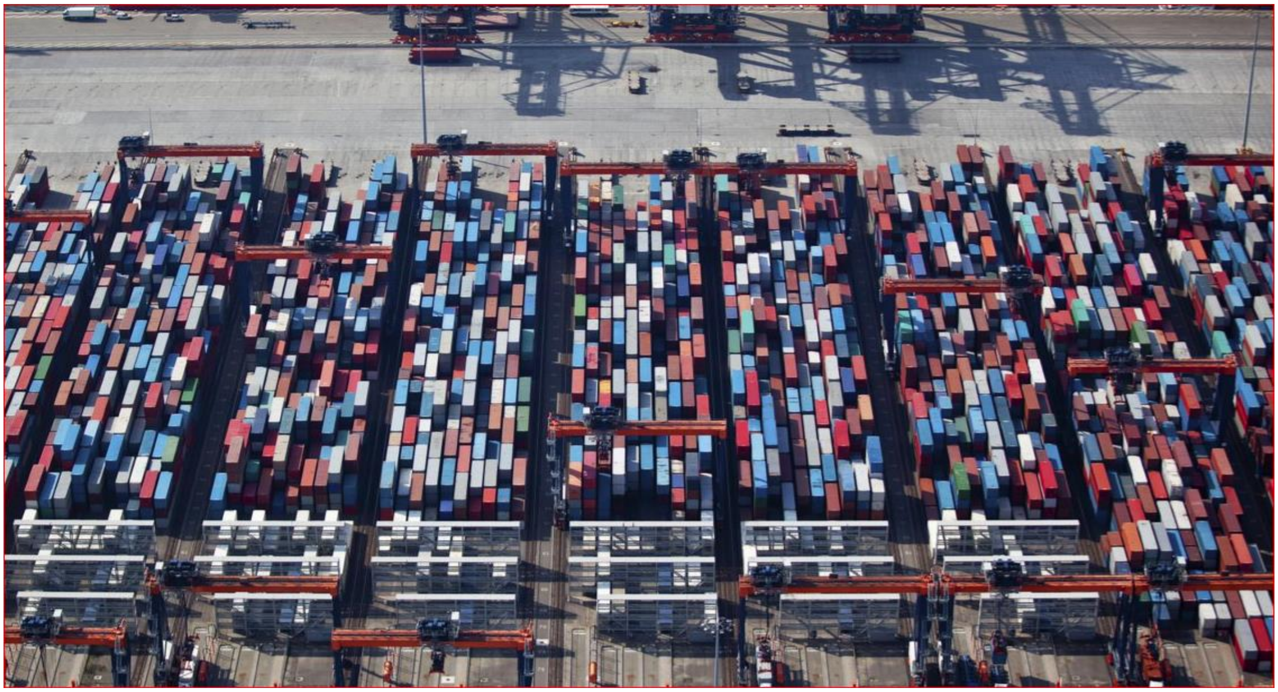
International Affairs

The Commission's international affairs program monitors foreign shipping laws and practices that may have an adverse effect on the industry and makes recommendations to the Commission for investigating and addressing such practices. The Commission has the authority to address restrictive foreign shipping practices under the 1920 Act and FSPA.

The 1920 Act provides the Commission with authority to investigate and sanction discriminatory conditions caused by laws, rules, or regulations of foreign governments. If the Commission finds that such regulations result in conditions unfavorable to shipping in a U.S.-foreign trade, then the 1920 Act provides the FMC with several remedies that include: levying fines on foreign vessels calling at U.S. ports, prohibiting foreign vessel calls at U.S. ports, and restricting cargos that may be carried between the U.S. and the foreign country.

On March 6, 2020, the Commission received a petition from the Lake Carriers' Association, a trade association made up of owners and operators of vessels on the Great Lakes, alleging that proposed ballast water management regulations issued by Transport Canada, an agency of the Government of Canada, created unfavorable conditions to shipping in the United States/Canada trade, pursuant to Section 19 of the 1920 Act. On June 16, 2020, the Commission formally initiated its investigation of pending Canadian ballast water regulations and invited interested parties to supplement information collected by FMC staff as they investigate allegations that Canadian ballast water regulations are unfavorable and detrimental to U.S.-flag Laker vessels. FMC staff resources are dedicated to this investigation which is ongoing and expected to continue in FY 2021 and FY 2022.

The FSPA directs the Commission to address adverse conditions that affect U.S. carriers in the foreign trade and that do not exist for foreign carriers in the United States. Part of the FMC's work in FY 2022 will be to pursue potentially restrictive foreign practices, including new foreign legislation, new interpretations of existing legislation, and potential regulations, such as those concerning surcharges. The FMC will continue to participate, both formally and informally, in international agreement negotiations that could affect foreign-borne cargo shipments to the United States. The FMC will also track consumer and U.S.-flag vessel operator inquiries regarding possible foreign restrictive shipping practices.



Strategic Goal 2. Protecting the public from unlawful, unfair, and deceptive practices

The requested $30,873,000 budget will provide $20,633,868 in funding towards Strategic Goal 2. This goal encompasses a broader mandate to protect the shipping public and consists of four objectives to meet this goal.

Objective 1: Identify and take action to end unlawful, unfair, and deceptive practices

The Commission effectively uses both its enforcement and compliance programs to support investigations under the Shipping Act, the FSPA, and the 1920 Act that identify unlawful, unfair, and deceptive practices.

In FY 2020, the Commission informally pursued several matters that involved potentially restrictive foreign practices including new legislation, new interpretations of existing legislation, and potential regulations. In addition, the Commission tracked consumer inquiries regarding possible foreign restrictive shipping practices. The Commission will continue this critical work to protect the public.

Enforcement Program

In September 2019, the Commission embarked on creating a new "pre-enforcement process" to be followed by the FMC's Bureau of Enforcement (BOE). Commissioners voted to enhance the Commission's oversight of the enforcement process by issuing a Direct Final Rule that revised civil penalty compromise authority previously delegated to the BOE. The revisions included advance notice to the subject of an investigation that BOE intends to recommend to the Commission to initiate enforcement proceedings and provide the subject an opportunity to submit a response before an enforcement action is recommended. The process requires Commission approval before formal or informal enforcement action may be taken by BOE. After the Direct Final Rule became effective in December 2019, Commission staff were directed to develop the detailed steps to be followed.

The new enforcement process was recently implemented, and the Commission will utilize these new procedures to guide its enforcement actions moving forward into FY 2021 and FY 2022. During development of the new pre-enforcement process in FY 2020, 28 investigations were referred for enforcement action or informal compromise, and 2 matters were administratively closed. Using the Commission's new process, pre-enforcement notices have been sent to 2 subjects of investigation, with additional notices to follow.

Enforcement-based initiatives will continue to address VOCCs and NVOCCs that engage in unfair service contracting practices, particularly those practices which permit unlicensed OTIs to compete unlawfully with carriers and OTIs operating in compliance with U.S. laws. In February 2020, the Commission amended its regulations in accordance with the LoBiondo Act, expanding the class of persons that must be licensed as OTIs and meet the OTI financial responsibility requirements to include persons that advertise or hold themselves out as OTIs, 46 U.S.C. § 40901(a); § 40902(a); Public Law 115-282, § 707(a),(c). Previously, only persons that *acted* as OTIs were subject to the licensing and financial responsibility requirements. This regulatory change will allow the FMC to more easily enforce the licensing and financial responsibility requirements and prosecute noncompliant OTIs. It is anticipated that this clarification will also increase our Area Representatives' investigation workload and subsequent enforcement actions brought by our Bureau of Enforcement designed to protect the shipping public.

The FMC will pursue enforcement actions against those who employ market-distorting, fraudulent, or anticompetitive practices harmful to the industry and the public. For example, in FY 2019, the Commission completed a significant informal enforcement action involving four carriers operating pursuant to agreements that were neither filed nor effective as required by the Shipping Act. The efforts resulted in a compromise agreement with the involved carriers, including a payment of $350,000, and in the filing of an agreement among these carriers with the Commission that complies with the Shipping Act. Maintaining current resource levels would further support FMC efforts to identify and address potential Shipping Act violations such as evolving concerns about misdeclaration of hazardous cargo and to what extent regulated entities may be involved in malpractices involving dangerous cargoes which threaten the safety of vessels, marine terminal facilities, and essential transport personnel.

Compliance Program

In FY 2020, the compliance and audit program continued as a key focus for the review of licensed OTIs' operations, to help guide them into compliance with statutory and regulatory requirements. The program also reviews entities holding out as VOCCs to help establish the existence of actual vessel operations. During FY 2020, 130 audits were commenced and 122 were completed. With funding at the requested amount, the Commission can continue to perform this critical work at this pace.

International Cooperation

The Commission will continue its international outreach efforts to coordinate with foreign counterparts to end unlawful, unfair, and deceptive practices. FMC leaders will attend and coordinate events with foreign embassies and counterparts, such as the Global Maritime Forum Annual Summit, which brings together various industry stakeholders and regulators from around the world. International events, such as in-person bilateral discussions, may be cancelled or postponed in FY 2021 due to the COVID-19 pandemic, but with the pandemic subsiding in the future, may again be scheduled in FY 2022. Both in-person and virtual international discussions will play an important role in the global economic post-pandemic recovery.

Cross-Agency Cooperation

The FMC is active in security initiatives as they relate to U.S. ocean commerce. The FMC makes use of database systems with agencies engaged in homeland security to improve identification of entities providing and utilizing maritime transportation services. To facilitate these activities, the FMC has an ongoing Memorandum of Understanding (MOU) with the U.S. Department of Homeland Security, Customs and Border Protection (CBP), to provide a more efficient utilization of existing systems and services, such as CBP's Automated Commercial Environment (ACE). The FMC also has an active Inter-Agency Agreement with the Census Bureau at the U.S. Department of Commerce for access to the Census' Automated Export System (AES) database. A new MOU with the U.S. Department of Homeland Security, Coast Guard, was executed in 2020. These affiliations facilitate access to confidential U.S. export shipment data, helping the FMC to accomplish its mission and to protect national security interests. The Nation's economic and security interests are also supported by the Commission's continued partnership with the National Intellectual Property Rights Coordination Center (IPR Center), a U.S. Department of Homeland Security-led partnership of 25 federal and international agencies targeting intellectual property- and trade-related crimes. This relationship has brought about coordinated enforcement efforts addressing international criminal activity to provide a more efficient utilization of existing systems and services.

Objective 2: Prevent public harm through licensing and financial responsibility requirements

The Commission's certification and licensing program focuses on three primary areas: OTI activities (licensing, registrations), OTI bond activity, and passenger vessel monitoring and certifications. These activities are fundamental to protecting the public from unqualified and underfunded shipping companies. At the requested funding level, the Commission will continue to quickly and efficiently process licensing applications and enforce bonding requirements, which supports vital shipping and passenger vessel businesses, including small businesses critical to keeping U.S. exports/imports moving and job growth in this sector.

Licensing

Ocean transportation intermediaries are the middlemen for oceanborne cargo moving in the U.S.-foreign trades. Before the FMC grants licenses to OTIs, each OTI applicant must establish that it employs a Qualifying Individual with the necessary character and a minimum of three years of experience in the U.S., as well as establish its financial responsibility by means of a bond, insurance, or other instrument, as mandated by the Shipping Act.

Over 6,600 OTIs are regulated by the Commission, including approximately 4,900 licensed entities based in the United States. In addition, more than 1,700 foreign-based NVOCCs are registered with the Commission. The Commission continues to streamline its OTI licensing process, resulting in a reduction in the time to process applications and render a decision, supporting the Commission's goal of completing 75 percent of all OTI license applications within 60 days. At its current funding level in FY 2020, the Commission exceeded its 75 percent target, completing 85 percent of all OTI license applications within 60 days for the third year in a row. More than 650 new and amended OTI applications were received during the fiscal year, and of those, approximately 75 percent were accepted and processed for formal determination of approval. The remaining 25 percent were returned to the applicant due to lack of completeness or lack of appropriate qualifications. These efforts directly benefit U.S. export shippers who rely on licensed OTIs to help get their goods to foreign markets.

The FMC's triennial renewal program for licensed OTIs provides a user-friendly, online renewal process for OTIs to review and update their essential information on file with the Commission within minutes. In FY 2020, approximately 1,500 OTI licenses were renewed, with most reviewed and processed within 48 hours of submission. The Commission projects that trend will continue in FY 2021 and FY 2022 and beyond, as approximately one-third, or about 2,000, OTIs are required to renew their licenses each year. These renewals protect shippers by keeping licensed entities with the appropriate credentials, such as maintaining an appropriate qualifying individual.

At the requested funding level of $30,873,000, the Commission projects that the licensing and registration processes will continue unimpeded.

Financial Responsibility

All licensed and registered OTIs must maintain proof of financial responsibility with the Commission. At present, this amounts to approximately $710 million in surety bonds to protect the shipping public. The FMC annually processes over 1,000 bond termination notices, 1,000 OTI bond riders, and 1,000 new and replacement bonds. The Commission also receives a small number of bond riders and bond rider cancellations for the China trade. Failure to file and maintain proof of financial responsibility leads to license revocation.

Passenger Vessels

The FMC oversees a program to ensure financial responsibility for passenger vessels that have berth or stateroom accommodations for 50 or more passengers and embark passengers at U.S. ports and territories. The requirement for Certificates of Performance, which provide financial responsibility for the indemnification of passengers for non-performance of transportation, prevents unscrupulous or financially vulnerable operators from serving U.S. ports. The PVO program includes 244 vessels and 52 passenger vessel operators, with aggregate evidence of financial responsibility coverage of over $600 million for non-performance and $750 million for casualty. PVO Certificates of Performance for passenger vessels are reissued every five years, however, during FY 2020 no vessels were scheduled for reissuance. Through its website and the Consumer and Dispute Resolution Services (CADRS) office, the FMC offers information and guidance to the cruising public on passenger rights and obligations regarding monies paid to cruise lines that fail to perform voyages.

In August 2020, the Commission initiated a process that may lead to amending its regulations concerning "non-performance" by a PVO/cruise line and under what circumstances passengers must be provided a refund for a cancelled or delayed voyage. The Commission accepted a recommendation made in Fact Finding 30, and directed staff to draft an advanced notice of proposed rulemaking (ANPRM) to solicit public comment on possible regulatory changes. The ANPRM was published on October 14, 2020, and the comments received are being analyzed. It is anticipated that the notice of proposed rulemaking (NPRM) will be issued in June 2021. Information on this, and other pending regulatory proceedings, is found in Appendix G, the Commission's biennial report to Congress on the status of unfinished regulatory proceedings.

Objective 3: Enhance public awareness of agency resources, remedies, and regulatory requirements through education and outreach

The Commission provides information in many forms to educate regulated entities, stakeholders, and the public about its resources, remedies, and regulatory requirements. The Commission's website offers brochures, how-to guides, forms and applications, reference libraries, news releases, information on investigations, and advice on topics such as FMC regulations, OTI licensing, household goods moves, and use of alternative dispute resolution (ADR) services to assist parties with resolving cruise- and cargo-related disputes.

In FY 2022, staff from the various operating bureaus and offices will provide presentations and instructional opportunities to educate consumers, regulated entities, various shipper and industry trade associations, as well as academic institutions regarding regulations, shipping trends, and the effective use of available FMC resources to resolve formal proceedings, cruise and cargo-related disputes, service contract matters, and other commercial shipping disputes.

Objective 4: Impartially and timely resolve international shipping disputes through alternative dispute resolution and adjudication

The FMC offers informal dispute resolution and adjudicates claims of unlawful practices by carriers, MTOs, and OTIs. The Commission's Area Representatives and CADRS staff educate industry members and the public on the Shipping Act and shipping regulations and help to address international ocean transportation disputes.

Alternative Dispute Resolution

The FMC, through CADRS, offers both facilitation and arbitration services to the industry and shipping public to resolve disputes. The Commission supports mediation and collaborative dispute resolution when feasible, and requires parties involved in formal Commission docketed proceedings to attend mandatory mediation conferences. These conferences may be held in person or virtually, thus providing an option for a cost-effective process and conflict resolution in a pandemic and post-pandemic world. An online mediation tutorial and tool is available for parties to use to prepare for mediation.

Proceedings before the FMC

The Commission's Administrative Law Judges (ALJs) operate independently under the Administrative Procedure Act, 5 U.S.C. Subchapter II, to resolve cases involving alleged violations of the Shipping Act and other laws within the Commission's jurisdiction. Cases may be initiated either by private parties or by the Commission (represented by the BOE) to seek civil penalties for statutory violations. Small claims complaints, valued at up to $50,000, may be assigned to a Small Claims Officer for resolution. At the requested budget level, proceedings will continue expeditiously at the Commission in FY 2022.

Inspector General Request and Certification

FEDERAL MARITIME COMMISSION
Washington, DC 20573

April 14, 2021

Office of Inspector General

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

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

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

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

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

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

- a separate statement of the budget estimate submitted by each IG,
- the amount requested by the President for each OIG,
- the amount requested by the President for training of OIGs,
- the amount requested by the President for support of the CIGIE, and
- any comments of the affected IG with respect to the proposal if the IG concludes that the budget submitted by the President would substantially inhibit the IG from performing duties of the OIG.

Following the requirements as specified above, the Federal Maritime Commission (FMC) Inspector General submits the following information relating to the OIG's requested budget for FY 2022:

- the aggregate budget request for the operations of the OIG, to include overhead, is $577,781,
- the portion of this amount needed for OIG training is $2,500, and
- the portion of this amount needed to support the CIGIE is $2,000.

I certify as the Inspector General of the FMC that the amount requested satisfies the needs of the OIG for FY 2022, including all FMC OIG training requirements, and resources to support CIGIE.

Jon Hatfield, Inspector General
Federal Maritime Commission

Appendices

FY 2022 Budget Request Explanatory Materials

The Commission's budget allocations are organized by program, project, or activity (PPA). The FMC has two PPAs: (1) Operational and Administrative, and (2) Office of the Inspector General. This FY 2022 Budget Request includes several graphs and tables which explain the funding and FTE resources needed to meet the Commission's mission and statutory mandates:

Appendix A provides detailed funding and FTE requirements at the program level;

Appendix B categorizes the funding resources needed for FY 2020 through FY 2022 by object class;

Appendix C provides funding by program areas and the relationship of the Commission's obligations to outlays by fiscal year;

Appendix D contains organizational information including current members of the FMC;

Appendix E provides FY 2022 performance goals;

Appendix F provides current workload statistics; and

Appendix G is the Commission's biennial report to Congress on the status of unfinished regulatory proceedings.

Appendix A: Resource Allocation by Program, Year and Goal

The chart below details the Commission's current two programs, Operational and Administrative (O&A), and Office of the Inspector General (OIG).

Strategic Goal and Program			
Program	Strategic Goal #1 Maintain a competitive and reliable international ocean transportation supply system	Strategic Goal #2 Protect the public from unlawful, unfair and deceptive practices	Total
O&A	$10,181,354	$20,113,865	$30,295,219
OIG	$57,778	$520,003	$577,781
Total FMC	$10,239,133	$20,633,868	$30,873,000

Year and Program					
Program	FY 2020	FY 2021	FY 2022	FY 2022 - FY 2020 Change	FY 2022 - FY 2021 Change
O&A	$26,921,218	$29,746,256	$30,295,219	$3,374,001	$548,963
OIG	$490,223	$553,744	$577,781	$87,558	$24,037
Total FMC	$27,411,441	$30,300,000	$30,873,000	$3,461,559	$573,000

FTEs and Positions by Year and Program								
Program	FY 2020		FY 2021		FY 2022		FY 2022 - FY 2021 Change	
Program	FTE	Positions	FTE	Positions	FTE	Positions	FTE	Positions
O&A	109.2	112	119.0	126	122.8	126	3.8	0
OIG	2.0	2	2.0	2	2.0	2	0.0	0
FMC Total	111.2	114	121.0	128	124.8	128	3.8	0

Some amounts may not total due to rounding.

Appendix B: Obligations by Object Class

Obligations by Object Class				
Object Class	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2021 - FY 2022 Change**
(11.1) Full-Time Permanent	$14,301,563	$16,037,330	$16,386,826	$349,496
(11.5) Other Personnel Compensation	$227,841	$400,000	$278,681	($121,319)
(12.1) Civilian Personnel Benefits	$4,741,854	$5,372,807	$5,606,260	$233,452
Total Personnel Compensation & Benefits	**$19,271,258**	**$21,810,137**	**$22,271,767**	**$461,629**
(21.0) Travel and Transportation of Persons	$58,662	$198,300	$117,000	($81,300)
(22.0) Transportation of Things	$10,699	$15,500	$11,600	($3,900)
(23.1) Rental Payments to GSA	$3,479,601	$3,460,630	$3,714,168	$253,538
(23.3) Communications, Utilities, and Miscellaneous Charges	$241,179	$252,336	$337,892	$85,556
(24.0) Printing and Reproduction	$90,000	$83,000	$90,000	$7,000
(25.1) Advisory and Assistance Services	$960,005	$1,297,578	$1,296,882	($696)
(25.2) Other Services from Non-Federal Sources	$1,182,762	$1,075,000	$862,144	($212,856)
(25.3) Other Goods and Services from Federal Sources	$1,493,055	$1,711,265	$1,884,053	$172,788
(25.7) Operation and Maintenance of Equipment	$21,876	$26,500	$37,900	$11,400
(26.0) Supplies and Materials	$62,798	$65,000	$101,994	$36,994
(31.0) Equipment	$539,546	$304,754	$147,600	($157,154)
Total Administrative Expenses	**$8,140,183**	**$8,489,863**	**$8,601,233**	**$111,370**
Total	**$27,411,441**	**$30,300,000**	**$30,873,000**	**$573,000**

Some amounts may not total due to rounding.

Appendix C: Relationship of Obligations to Outlays

Program	FY 2020	FY 2021	FY 2022
Operational and Administrative	$27,512,841	$29,746,256	$30,305,569
Inspector General	$487,159	$553,744	$567,431
Unobligated	$588,559	$0	$0
Budget Authority	$28,000,000	$30,300,000	$30,873,000
Obligations	$27,411,441	$30,300,000	$30,873,000
Outlays*	$22,907,093	$25,320,993	$25,799,836
Outlay Rate (Obligation to Outlay)**	83.6%	83.6%	83.6%
Obligation Rate	97.9%	100.0%	100.0%

Gross Outlays for FY 2020	
Total outlays for fiscal year 2015 disbursed in fiscal year 2020	$2,152
Total outlays for fiscal year 2016 disbursed in fiscal year 2020	$0
Total outlays for fiscal year 2017 disbursed in fiscal year 2020	$2,975
Total outlays for fiscal year 2018 disbursed in fiscal year 2020	$317,256
Total outlays for fiscal year 2019 disbursed in fiscal year 2020	$3,552,315
Total outlays for fiscal year 2020	$22,907,093
Outlays	$26,781,791

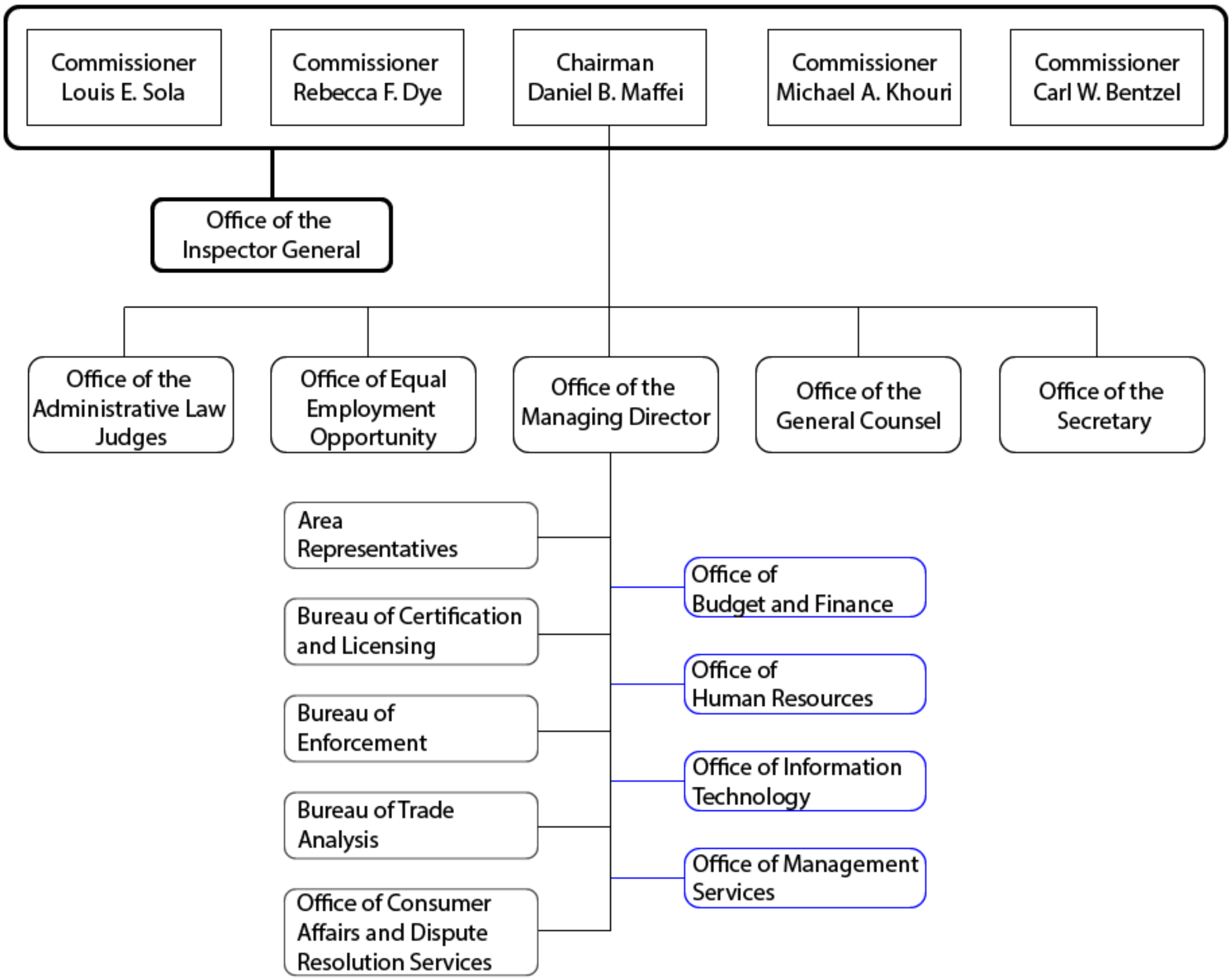
* Represents Outlays for FY 2020 as of September 30, 2020.

** Represents the percentage of FY 2020 obligations that were disbursed during FY 2020.

The Relationship of Obligations to Outlays identifies the actual outlay percentage for FY 2020. The chart also depicts the estimated outlay expenses for FY 2021 and FY 2022.

Appendix D: Organization and Members

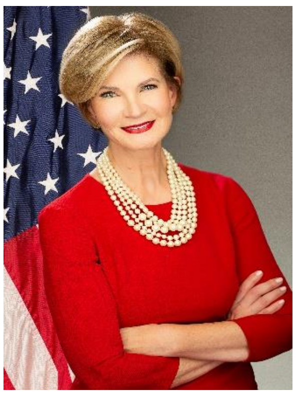
The FMC is composed of five Commissioners nominated by the President and confirmed by the Senate, each serving a staggered five-year term. The Commission is a bipartisan body; no more than three members of the Commission may be of the same political party. One Commissioner, designated by the President,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



*This is the current organization chart for the Commission, depicting a Congressionally-authorized realignment of the Office of Consumer Affairs and Dispute Resolution Services under the Managing Director, approved April 27, 2018. Counterpart changes in 46 C.F.R. Part 501 are currently pending publication.

Members of the Commission

Chairman Daniel B. Maffei



Commissioner Rebecca F. Dye

Commissioner Michael A. Khouri

Commissioner Louis E. Sola

Commissioner Carl W. Bentzel

Appendix E: Performance Goals

Summary of Strategic Goals, Objectives, and Performance Measures			
STRATEGIC GOAL 1: Maintain a competitive and reliable international ocean transportation supply system			
OBJECTIVE 1: Ensure that actions under filed agreements do not result in unreasonable increases in transportation costs and/or unreasonable decreases in transportation services.			
Performance Measure: Percentage of FMC-filed agreements reviewed at Commission level which are modified through negotiation to mitigate anticompetitive effects.	2020 Target	2021 Target	2022 Target
	52%	53%	54%
	2020 Actual: 60%		
Performance Measure: Percentage of agreement monitoring reports reviewed within 30 days of receipt to detect actionable information, including market-distorting behavior.	2020 Target	2021 Target	2022 Target
	67%	68%	69%
	2020 Actual: 91%		
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.			
Performance Measure: Percentage of enforcement actions taken under the Shipping Act successfully resolved through favorable judgment, settlement, issuance of default judgment, or compliance letter or notice.	2020 Target	2021 Target	2022 Target
	77.5%	77.5%	77.5%
	2020 Actual: 93%		
OBJECTIVE 2.2: Prevent public harm through licensing and financial responsibility requirements.			
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.	2020 Target	2021 Target	2022 Target
	75%	75%	75%
	2020 Actual: 88%		
Performance Measure: Percentage of PVOs examined during the year that have the full financial coverage required by regulation to protect against loss from non-performance or casualty.	2020 Target	2021 Target	2022 Target
	95%	95%	95%
	2020 Actual: 96%		
OBJECTIVE 2.3: Enhance public awareness of agency resources, remedies, and regulatory requirements through education and outreach.			
Performance Measure: Percentage of Commission issuances, orders and reports available through the Commission's website within 5 working days of receipt.	2020 Target	2021 Target	2022 Target
	86%	88%	90%
	2020 Actual: 100%		
OBJECTIVE 2.4: Impartially and timely resolve international shipping disputes through alternative dispute resolution and adjudication.			
Performance Measure: Percentage of ombuds and ADR matters closed within 6 months of request for assistance.	2020 Target	2021 Target	2022 Target
	63%	65%	67%
	2020 Actual: 99.6%		
Performance Measure: Percentage of formal complaints or Commission-initiated orders of investigation completed within 2 years of filing or Commission initiation.	2020 Target	2021 Target	2022 Target
	68%	70%	72%
	2020 Actual: 100%		

Appendix F: Workload Statistics

Workload Summary

Workload Category	On Hand 9/30/2019	FY 2020 Actual		FY 2021 Estimate		FY 2022 Estimate	
		Received	Output	Received	Output	Received	Output
Office of the Administrative Law Judges							
Formal Proceedings	6	10	11	10	10	10	10
Informal Proceedings	0	4	3	4	4	4	4
Office of the General Counsel							
Legal Opinions, Recommendations, Case Summaries, Decisions, and Final Orders	15	195	195	200	200	200	200
Office of the Secretary							
Decisions, Reports, in Docketed Proceedings before the Commission	13	23	28	25	25	25	25
Federal Register Notices	0	80	80	100	100	100	100
FOIA Requests	2	21	21	28	28	28	28
Office of Consumer Affairs and Dispute Resolution Services							
Ombuds	14	249	243	240	240	240	240
ADR Matters (formal dockets and requests)	13	6	6	6	6	8	8
Bureau of Enforcement							
Audits and Monitoring Activities	8	130	122	225	225	230	230
OTI Applicant and License Checks	0	483	483	655	655	655	655
Formal Proceedings	0	2	2	2	2	3	3
Civil Penalty Cases*	0	0	2	24	22	25	25
Bureau of Trade Analysis							
Agreements Filed	2	120	117	105	107	135	135
Agreement Reports	35	1,193	1,149	1,440	1,475	1,450	1,485
Service Contracts	0	45,164	45,164	90,000	90,000	95,000	95,000
Service Contract Amendments	0	779,884	779,884	840,000	840,000	869,000	869,000
FMC-1 Form	0	1,575	1,575	1,590	1,590	1,605	1,605
Bureau of Certification and Licensing							
OTI Applications – NEW	64	375	372	360	360	360	360
OTI Business Change Applications	77	273	289	310	310	310	310
OTI License Renewals	0	1,456	1,456	1,500	1,500	2,000	2,000
Foreign NVOCC Registrations (New, Amended, and Renewal)	0	751	751	800	800	1,000	1,000
OTI License Terminations	0	285	285	300	300	300	300
OTI Bond Transactions**	0	3,760	3760	4,000	4,000	4,000	4,000
PVO Applications (Performance)	5	5	5	15	15	15	15
PVO Applications (Casualty)	10	8	7	15	15	15	15
PVO Certificates (Performance) Reissued***	0	0	0	0	0	0	0

*In September 2019, the FMC embarked on creating a new "pre-enforcement process" to be followed by the BOE. See page 13 for discussion.

**Includes OTI bond terminations, bond riders, and new or replacement bonds.

***Commenced in FY 2018, PVO Certificates (Performance) are now reissued every 5 years.

Appendix G: Unfinished Regulatory Proceedings

The Commission reports to Congress biennially on the status of unfinished regulatory proceedings.

Unfinished Regulatory Proceedings		
Popular Title	**Passenger Vessel Financial Responsibility RIN 3072-AC82**	**Carrier Automated Tariffs RIN 3072-AC86**
Docket Number	20-15	21-03
Current Stage	Pre-rule	Pre-rule
Abstract	The Commission seeks comment on potential regulatory changes to its passenger vessel operator financial responsibility requirements. These changes were recommended in an Interim Report issued by the Fact Finding Officer in Commission Fact Finding 30: COVID-19 Impact on Cruise Industry.	The Commission seeks information regarding the impact of tariff access fees and access requirements and how common carriers are applying "pass through" charges under their tariffs.
What Prompted Action	Commission initiative	Commission initiative
Applicable Statutory, Regulatory, or Judicial Deadline	None	None
Initiated	ANPRM published – 10/14/2020	ANPRM published – 04/08/2021
Next Action	NPRM Scheduled – 6/2021	NPRM Scheduled – 9/2021