Federal Maritime Commission
FY 2026 Budget Justification

May 2025

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Introduction

The Federal Maritime Commission (FMC or Commission) has jurisdiction over competition, practices and service in the ocean shipping industry. Our mission is 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. The FMC's vital oversight of antitrust-exempt agreements by ocean common carriers and marine terminal operators, enforcement of the Shipping Act and related laws, licensing of ocean transportation intermediaries, administration of financial responsibility requirements for cruise lines, and dispute resolution services are essential functions to maintaining a level playing field for U.S. businesses and consumers.

The Commission requests a budget of $40 million in Fiscal Year (FY) 2026. This budget provides for resources to carry out its responsibilities to ensure consistent industry oversight, enhanced enforcement, and improved service to the public and industry stakeholders.

The Fiscal Year 2026 Congressional Budget Justification aligns with the FMC's Fiscal Years 2022-2026 Strategic Plan goals and objectives. The strategic plan includes performance measures to ensure that the Commission meets its mission, statutory responsibilities, and the needs of a changing ocean transportation supply system. The Commission's FY 2026 - FY 2030 Strategic Plan will be developed in FY 2025 and will ensure that the Commission meets its critical mission.

FY 2026 Budget Overview

The FMC's total budget request for FY 2026 is $40,000,000, and reflects no change from the FY 2025 enacted budget of $40,000,000.

Of the $40,000,000 requested, $25,869,320 is allocated for Salaries and Expenses to support 120 Full-Time Equivalents (FTEs), enabling the Commission to carry out its core objectives. The budget also supports essential mission-driven spending. Information technology (IT) application development, totaling $1,569,000, is critical for upgrading outdated systems and improving public access to Commission services. Additionally, $12,561,680 is designated for other operating expenses, including rent, building security, ongoing IT maintenance, and administrative services.

FY 2026 Budget Request Detail

Budget Request Detail
(Amounts in $000)

Budget Object Class (BOC)		FY 2024 Enacted	FY2025 Enacted	FY2026 Request	FY2025-FY2026 Change	% Change
Full Time Equivalents		**138**	**127**	**120**	**-7**	**-6%**
(11.1) Full-Time Permanent		$19,812	$ 18,983	$ 17,632	($1,351)	-7%
(11.5) Other Personnel Compensation		$436	$904	$ 510	($394)	-44%
(12.1) Civilian Personnel Benefits		$8,163	$8,041	$ 7,727	($314)	-4%
Sub-Total Personnel Compensation & Benefits		**$28,411**	**$27,928**	**$25,869**	**($2,059)**	**-7%**
(21.0) Travel and Transportation of Persons		$255	$138	$255	$117	85%
(22.0) Transportation of Things		$29	$28	$8	($20)	-71%
(23.1) Rental Payments to GSA		$1,912	$3,215	$3,245	$30	1%
(23.3) Communications, Utilities, and Miscellaneous Charges		$925	$503	$569	$66	13%
(24.0) Printing and Reproduction		$80	$70	$70	$0	0%
(25.1) Advisory and Assistance Services		$2,069	$2,410	$2,459	$49	2%
(25.2) Other Services from Non-Federal Sources		$374	$1,317	$3,244	$1,927	146%
(25.3) Other Goods and Services from Federal Sources		$1,613	$2,104	$2,325	$221	11%
(25.7) Operation and Maintenance of Equipment		$11	$11	$13	$2	18%
(26.0) Supplies and Materials		$100	$100	$101	$1	1%
(31.0) Equipment		$2,091	$107	$273	$166	155%
IT App Development		$2,130	$2,069	$1,569	($500)	-24%
Sub-Total Administrative Expenses		**$11,589**	**$12,072**	**$14,131**	**$2,059**	17%
Total		**$40,000**	**$40,000**	**$40,000**	**$0**	**0%**
Operations & Administrative (O&A) Program ($/FTE)	Amount	$37,403	$37,403	$37,289		
	FTE	126.5	115.5	117.5	2	
Operations & Administrative (O&A) Program ($/FTE) (Multi-year)	Amount	$2,000	$2,000	$2,000		
	FTE	9	9	0	-9	
Office of Inspector General Program ($/FTE)	Amount	$597	$597	$711		
	FTE	2.5	2.5	2.5	0	

Summary of FY 2026 Spending Compared to the FY 2025 Congressionally Enacted Budget ($40,000,000) By Spending Type	*Proposed FY 2026 Budget $40,000,000*
Employee Salary and Benefits **Request: $25,869,000** Advancing the Commission’s mission requires sustained operational capacity. The FY 2026 budget request includes funding for 120 FTEs.	- $2,059,000
***Rent & Building* Security** **Request: $4,240,000** The total cost for leasing Washington, D.C., headquarters office space in FY 2026 will be $3,245,440. The lease agreement is a negotiated contract through GSA and is scheduled to increase by $152,000 in FY 2026. The building security is estimated to cost $994,928.	+$152,000
Information Technology Modernization **Request: $1,569,000** The Commission’s IT Strategic Modernization plan to modernize and optimize the organization’s technology performance and to better support the Commission’s stakeholders will continue in FY 2026 with application development.	-$500,000
IT Operations **Request: $4,492,000** The Commission continues to implement cloud-based IT enhancements, as well as tools to improve productivity, collaboration, and data analysis. The cost reflects an emphasis on cybersecurity, privacy, records management, communications, and a refresh of equipment initiatives. These funds would also enable progress in managing internal data and infrastructure, making certain data is more accessible, and improving digital experience for stakeholders.	+$1,447,000
Travel & Training **Request: $455,000** The Commission operates within a specialized regulatory field and relies on subject matter experts with the knowledge, skills, and abilities essential to fulfilling its mission. Investment in job-specific training and leadership development is critical to advancing workforce capability and preparing future leaders. The Commission’s request also includes funding for travel to support its enforcement efforts, consumer assistance, and outreach to U.S. exporters.	+$217,500

All Other Budget Requirements **Request: $3,375,000**	
The Commission requests $3,375,000 to support essential operational needs, including assistance and advisory services, contracted support from non-federal sources (such as accounting and payroll services), and the procurement of equipment necessary to maintain a modern, efficient, and mission-ready work environment. These resources are vital to ensuring financial integrity, operational effectiveness, and the continued support of the Commission's expanding responsibilities.	+$479,000

Appropriation Language

Salaries and Expenses

For necessary expenses of the Federal Maritime Commission as authorized by section 46107 of Title 46, United States Code, 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, $40,000,000 of which $2,000,000 shall remain available until September 30, 2028: provided, that not to exceed $3,500 shall be for official reception and representation expenses. (Note - This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4)).

Budgeting for Results: FY 2026 Mission Priorities

The global supply chain and international ocean transportation competitive landscape remain highly susceptible to disruptions that can take place anywhere in the world. The FMC will continue to ensure fair treatment and unimpeded access to international ocean shipping for U.S. importers and exporters, and fair treatment for U.S.-flag carriers. To this end, the Commission in FY 2026 will expand its competition program to increase oversight of antitrust-exempt operational agreements and enhance its ability to monitor multiple or overlapping agreement activities across trade lanes and carrier groupings.

Moreover, the Commission will investigate and prosecute substantive ocean shipping law violations under an improved staffing model, and provide informal dispute resolution services to keep cargo moving, avoiding costly litigation for ocean transportation consumers. Finally, the Commission will leverage its expert compliance staff to bring ocean transportation intermediaries and passenger vessel operators into compliance with licensing and financial responsibility requirements, protecting American shippers and cruise passengers from unscrupulous or financially unstable operators. Underpinning these priorities are modernized information technology systems built in FY 2025 that will be used in FY 2026 to streamline FMC workflows and relieve industry stakeholders from unnecessary regulatory burdens.

Ensuring a Competitive Ocean Transportation System

The Commission's competition program ensures oversight of antitrust-exempt agreements filed by ocean common carriers and marine terminal operators (MTOs). These agreements help maintain stability and reliability in the ocean shipping supply chain, benefitting American importers and exporters. They are closely monitored by the Commission to ensure that they do not cause unreasonable increases in transportation costs or unreasonable reductions in transportation services. Monitoring is conducted by reviewing meeting minutes filed by agreement parties, holding semi-annual discussions with certain agreements at FMC headquarters, and tracking global trade data to detect and address effects on the supply and price of shipping services. The Commission also monitors the level of concentration within the shipping industry, and the impacts of ocean common carrier collaboration on concentration levels. There are 380 antitrust-exempt agreements on file with the Commission. In FY 2025, the Commission consolidated the competition program, which had been spread across two agency offices, into the Office of the General Counsel. With this realignment, the economists, trade analysts and lawyers in the program are now unified in a single team, enabling better and faster collaboration and oversight.

The Commission's controlled carrier program monitors the rates of ocean common carriers that are owned or controlled by foreign governments, to ensure that they do not abuse their subsidized position and distort the shipping market by engaging in unreasonable below-cost pricing. There are currently seven controlled carriers operating in U.S. foreign commerce; six are from the People's Republic of China, and one is from the Republic of Korea.

The Commission's international affairs program identifies and recommends action to address laws or regulations by foreign governments, or practices by foreign-flag carriers, that create unfavorable conditions in U.S. shipping, or that discriminate against U.S.-flag carriers. This oversight ensures that U.S. carriers and shippers benefit from full and fair access to the global shipping market. In FY 2025, the Commission concluded one proceeding concerning ballast water regulations of the Government of Canada, after Canada agreed to exempt U.S.-flag carriers from the applicability of these regulations. The Commission initiated three new proceedings in FY 2025. The first is directed to allegations that the Government of Spain has discriminated against U.S.-flag carriers by denying entry to its ports, including denying entry to U.S.-flag vessels in the Maritime Security Program. The second is a nonadjudicatory investigation of possible unfavorable shipping conditions caused by transit constraints at certain key maritime chokepoints, including the Panama Canal, Suez Canal, Strait of Gibraltar, and the Straits of Malacca and Singapore. The third is a nonadjudicatory investigation of possible unfavorable shipping conditions created by low-quality flags of convenience in global shipping.

Prosecuting Violations of Shipping Laws

The Commission's enforcement program investigates and prosecutes civil violations of U.S. shipping laws, as well as Commission regulations. The FMC's enforcement work stops ongoing unlawful practices and activities and serves as a significant deterrent to other regulated entities that may consider similar unlawful actions within the industry.

In FY 2025, the Commission reassigned its remote investigators to headquarters in Washington, D.C., to fully integrate the investigative function with the FMC's enforcement strategy and priorities, increase staff collaboration, and to fully comply with government-wide return to in-person work directives. Investigative staff will report to headquarters starting July 1, 2025.

Enforcement Priorities

The FMC's investigative and enforcement priorities focus on unlawful common carrier and MTO practices that negatively impact U.S. shippers or appear to cause market distortion.

Priorities for FY 2026 include, but are not limited to, cases showing:

- A failure by carriers or MTOs to establish, observe, and enforce just and reasonable regulations and practices relating to or connected with receiving, handling, storing, or delivering property;

- Unlawful demurrage and detention practices by carriers or MTOs, and improper use of merchant clauses to impose liability on non-contract parties;
- Unreasonable refusals to deal or negotiate by carriers or MTOs;
- Unreasonable refusals of cargo space accommodations or other unfair or unjust discriminatory conduct by carriers; and
- Unlawful retaliation by carriers or MTOs against shippers, ocean transportation intermediaries (OTIs) or motor carriers.

In FY 2026, the total number of substantive enforcement matters is anticipated to grow. With resulting efficiencies from our new enforcement staffing model coupled with investments in technology, the Commission will be able to prosecute more enforcement matters. The Commission will have a fully operational case management system that will enhance the Bureau of Enforcement, Investigations, and Compliance's (BEIC) ability to track all aspects of an ongoing investigation, proceeding, or compliance review. In FY 2026, the enforcement program will also obtain e-Discovery review software to manage the volume of evidence submitted in litigation that is currently handled manually. This technology will increase efficiency and speed of litigation efforts, bringing the agency into current case management best practices. This will also help to identify larger trends in actions that potentially violate the Shipping Act or in specific cases of noncompliance. To enhance investigative and litigation capabilities, the Commission plans to execute an Interagency Agency Agreement (IAA) with a partner government agency and fully implement e-Discovery tools in FY 2026. The costs of this software will be discussed in the IT section of this budget request.

Charge Complaints

Section 10 of the Ocean Shipping Reform Act 2022 established a new way for shippers to submit complaints to the Commission regarding charges assessed by common carriers and to receive a refund or waiver for non-compliant charges, 46 U.S.C. § 41310. From the start of FY 2025 to date, the FMC received 209 charge complaints. Of those, 118 were appropriate for the charge complaint process and assigned for investigation. The total amount of charge complaints refunded or cancelled during this period has been $2,564,931.36.

While most charge complaints were voluntarily resolved during the investigation phase, the FMC's process also provides for fast resolution of non-compliant charges disputed by the parties through a proceeding before the Commission where the carrier is ordered to demonstrate the lawfulness of a charge. This temporary process has provided practical experience the Commission will include in a rulemaking that it will initiate to establish a permanent procedure for administering Charge Complaints. A rulemaking regarding the Charge Complaint process will begin in FY 2026.

Consumer Assistance

The FMC provides ocean shipping consumer assistance to benefit the public and maritime industry. Several programs directly help U.S. importers and exporters and other parties resolve shipping disputes including informational assistance services, informal dispute resolution, and the adjudication of formal complaints before the Commission. The Commission actively seeks input from the National Shipper Advisory Committee to understand the concerns of our nation's importers and exporters. The Commission will focus on prompt assistance for U.S. importers and exporters, and will assist with emerging obstacles encountered by the shipping public through enhanced data analysis through FMC-wide IT improvements.

Informal Dispute Resolution Assistance: Keeping Cargo Moving

The Office of Consumer Affairs and Dispute Resolution Services (CADRS) has experienced analysts and attorneys on staff who assist the public in finding solutions to their commercial disputes without having to bring formal legal action. When assistance is requested, CADRS staff work with parties to identify solutions to move cargo whenever possible, avoiding further delays and costs. CADRS also offers mediation services provided by trained mediators with industry experience. All CADRS' assistance is provided without charge, and all communications are confidential.

The number of informal disputes increased in FY 2025 and is expected to do the same in FY 2026. As of May 2025, CADRS staff conducted 209 informal disputes, an increase from 180 cases during the same time period in FY 2024. To date in FY 2025, the CADRS team has successfully recovered approximately $1.3 million for cruise passengers, shippers and other supply chain participants through informal dispute assistance. CADRS staff also conducted 23 mediations and preliminary conferences by the end of third quarter in FY 2025. CADRS mediators have successfully guided parties in reaching settlement amounts totaling approximately $11.4 million.

FY 2026 improvements to CADRS operations will benefit the public. A new modernized case tracking and reporting system is scheduled to be acquired by FY 2026 to help improve internal workflows and case management. The IT section will discuss this further. In FY 2026, CADRS will complement its dispute resolution work by increasing its outreach to industry, particularly in support of exporters.

Ensuring Industry Compliance

The Commission's statutory and regulatory authorities apply to international waterborne commerce as well as passenger vessel operations calling at U.S. ports. Strong oversight of industry activity ensures compliance with U.S. shipping laws.

Licensing and Financial Responsibility for Ocean Transportation Intermediaries and Passenger Vessel Operators

The Commission administers 46 C.F.R. Parts 515 (Licensing, Registration, Financial Responsibility Requirements, and General Duties for Ocean Transportation Intermediaries) and 540 (Passenger Vessel Responsibility). There are over 9,200 ocean transportation intermediaries (OTIs) regulated by the Commission, and the Commission is responsible for ensuring that applicants for OTI licenses employ a Qualifying Individual with the necessary character and a minimum of three years of shipping experience in the U.S. Additionally, OTI applicants must demonstrate financial responsibility by means of a bond, insurance, or other Commission-approved financial instrument. The Commission maintains a triennial renewal program to ensure that OTIs are regularly required to review and update their information on file with the Commission.

The Commission also oversees a program to ensure financial responsibility for passenger vessel operators (PVOs), commonly referred to as cruise lines, that have berth or stateroom accommodations for 50 or more passengers and embark passengers at U.S. ports and territories. The FMC ensures PVOs demonstrate adequate financial responsibility in case of nonperformance of voyages or death or injury occurring to passengers, and prevents unscrupulous or financially unstable operators from serving U.S. ports. There are 48 PVOs and 303 cruise vessels currently enrolled in the program.

Current rules and regulations of the PVO program mandate that passengers be compensated for damages, within 180 days, of all fees, including ancillary fees, paid to the PVO. The rules and regulations have increased the scope and complexity of cases involving PVO non-performance. The Commission has expanded resources for this program to support technology systems development, to conduct ongoing monitoring and compliance work, and to perform outreach. Additionally, the Commission has dedicated resources to facilitate communication between bankrupt PVOs, their financial providers, and passengers to ensure that adequate refund processes are established for timely distribution to passengers. The Commission continues to strengthen processes for monitoring and maintaining compliance to ensure cruise passengers are protected from non-performance of cruise lines.

In FY 2026, the Commission will develop coordinated processes for escalating and resolving compliance issues collaboratively using available data to target areas for impact. Commission-wide IT modernization efforts in FY 2025 will support these FY 2026 efforts.

Tariffs and Service Contracts

The Commission oversees compliance through its regulations at 46 C.F.R. Parts 520 (Carrier Automated Tariffs), 525 (Marine Terminal Operator Schedules), 530 (Service Contracts), 531 (Non-Vessel-Operating Common Carrier (NVOCC) Service Arrangements), and 532 (NVOCC

Negotiated Rate Arrangements). Changes to the industry over time have resulted in gaps in compliance, including an increase in both the entry of new NVOCCs, as well as the entry and exit of smaller ocean common carriers.

In FY 2026, the Commission will focus on compliance activities in these areas on what will lead to the greatest impact. This includes increased outreach to the industry through industry alerts and communication with designated compliance officers to ensure that service contracts are timely filed, that ocean common carriers vet NVOCCs for compliance with FMC regulations when entering into service contracts, and that all common carriers maintain tariffs.

The number of NVOCCs offering service in the United States has increased substantially since 2020. As of May 2025, there are approximately 8,900 NVOCCs with tariff locations published on the FMC website. For entities that fall out of compliance with either tariff postings or financial requirements, the Commission will promptly revoke licenses, work with tariff publishers to cancel tariffs, and remove non-compliant entities from the FMC website.

In FY 2026, the Commission will begin to work from its newly modernized integrated IT system to reduce manual processes in assessing NVOCC compliance and enhance analytics for NVOCC compliance activities.

FMC Audit Program

The FMC audit program is a forum for focused conversations between senior Commission staff and representatives from ocean common carriers, port authorities, and marine terminals concerning the global supply chain, latest industry trends, and compliance with shipping laws and regulations.

The agendas for regular meetings are driven by industry issues. Past issues have included congestion and movement of empty containers, fees and billing practices, export strategies, and challenges faced by the industry such as the Francis Scott Key Bridge (Key Bridge) collapse in the Port of Baltimore, Panama Canal drought disruptions, and the Red Sea crisis. Under this program, the Commission has tracked trends, policies, and procedures related to detention and demurrage billing and identified best practices for carriers related to communicating their practices to the shipping public. This program strengthens the work of the Commission and its ability to monitor maritime conditions and issues, and will continue in FY 2026. More information can be found at https://www.fmc.gov/detention-and-demurrage/vessel-operating-common-carrier-vocc-audit-program/.

Ocean Shipping Reform Act of 2022

By the end of FY 2025, the majority of Ocean Shipping Reform Act of 2022's (OSRA 2022) enhanced authority and provisions for revised regulations will be implemented and fully integrated in support of our mission. Key rulemakings completed in FYs 2023 and 2024 included: (1) the Final Rule on Demurrage and Detention Billing Requirements; (2) the Final Rule on the Definition of Unreasonable Refusal To Deal or Negotiate With Respect to Vessel Space Accommodations Provided by an Ocean Common Carrier; and (3) the Final Rule on Civil Penalty Amendments to Rules of Practice and Procedure. Work to complete additional rulemakings required under OSRA 2022 will continue in FY 2025 and FY 2026.

OSRA 2022 required the Commission to develop a process for charge complaint investigation and adjudication. The FMC quickly developed an interim procedure and posted guidance to its website. In the three years since the enactment of OSRA 2022, more than $5.8 million in fees have been voluntarily waived or refunded under the new charge complaint process.

The Commission has also made significant progress in meeting legislative requirements to conduct specific data collections and studies. The requirement to collect and publish information from vessel-owning common carriers (VOCCs) on import tonnage and volumes, as well as empty container metrics is ongoing, with collection beginning in the third quarter of FY 2024. The data, which can be found on the Commission's website, is meant to provide valuable insights into shipping trends, support policy decisions, and enhance transparency in the industry. By carefully reviewing and refining collection and reporting processes, the Commission aims to deliver comprehensive and trustworthy information to stakeholders. This initiative underscores our commitment to fulfilling legislative mandates while contributing to a more informed and efficient maritime industry.

Administrative Adjudications Before the Commission

The FMC provides a venue for adjudicatory proceedings for violations of the statutes it administers. Once a complaint is received, the Office of the Administrative Law Judges (OALJ) adjudicates the claim lawfully and timely. The goal of this program is to issue Final Decisions in formal proceedings within 24 months of filing. Due process may require additional time to issue decisions, particularly in complex cases.

Sufficient staffing is essential to meeting the above adjudicatory case processing goals. For FY 2025 and FY 2026, the Office of the Administrative Law Judges (OALJ) established a memorandum of understanding (MOU) with the Department of Health and Human Services (HHS)/Office of Medicare Hearings and Appeals (OMHA) to have two reimbursable, detailed ALJs. That HHS/OMHA MOU agreement will continue into FY 2026.

Adjudicatory proceedings at the FMC have increased dramatically in recent years, and this increased pace is expected to continue in upcoming years. FY 2024 was the OALJ's busiest year on record with the highest caseload in decades. In FY 2024, OALJ both received and resolved more cases than in prior years. We anticipate finishing FY 2025 with a significant number of new cases.

Further, cases are more complex and involve a larger number of filings than cases in prior years. In FY 2024, OALJ issued over 263 orders, a 56% increase in the number of orders issued in the previous record-setting year. In addition to increased enforcement actions by BEIC, more private parties are seeking binding decisions before the Commission. The case surge that started in 2022 has not slowed.

Information Technology

For FY 2026, the Commission has allocated $6 million to strengthening digital capabilities, fostering innovation, and modernizing systems that support mission-critical operations. This total includes $4.4 million for core IT operations and $1.6 million for application modernization in alignment with strategic technology priorities. These targeted investments, described below, underscore the Commission's commitment to deliver cost-effective, enterprise-level solutions that enhance service delivery, improve performance and advance the Commission's long-term mission and strategic goals.

Modernizing Legacy Systems

In FY 2026, the Commission will continue modernizing its legacy systems by transitioning to commercial off-the-shelf solutions tailored to meet the operational needs of the agency. This initiative is vital to improving data collection, enhancing cybersecurity, and increasing the efficiency of the Commission's interactions with the ocean shipping industry. The effort builds on the requirements-gathering phase completed in FY 2024 and Agile-based design and development work initiated in FY 2025. To support continued implementation, $1.6 million is required in FY 2026. The IT Modernization Project is following a 36-month implementation timeline, continuing through FY 2027.

The modernization will replace outdated systems used by regulated entities and the public, while integrating platforms to automate compliance checks for NVOCCs. New systems will provide enhanced analytics, streamline reporting, and support more data-driven oversight and enforcement.

In parallel, the Commission is also improving the user experience for external stakeholders. In FY 2025, development began on the FMC Assistance Center—a centralized, web-based portal for submitting complaints, reporting violations, requesting investigations, and accessing dispute resolution services. The Center will assist in delivering faster, more efficient service. Submissions will be automatically routed to the appropriate office for timely review and resolution, further reinforcing the Commission's commitment to transparency, accountability, and public service.

Optimizing FMC Investigative Processes with Advanced E-Discovery Tools

The Commission has budgeted $175,000 in FY 2026 to procure e-Discovery software in support of BEIC and plans to execute an Interagency Agreement (IAA) with a partner federal agency for this purpose. This initiative will enhance the Commission's investigative capabilities by streamlining the identification, collection, preservation, review, and production of electronically stored information for legal proceedings. By efficiently managing large volumes of digital evidence, the system will reduce costs, expedite case resolution, and mitigate legal and operational risks.

Transforming E-Filing/Court Management through Innovative Technology

The Commission's current manual case filing system is outdated and unable to meet growing demands for efficiency and recordkeeping. To modernize this process, the Commission has budgeted $1.7 million in FY 2026 to implement a secure, cloud-based electronic filing (e-filing) court management system.

This customizable solution will replace manual workflows, streamline case intake, and significantly improve tracking, processing, and public access. It will feature a user-friendly portal for submitting documents and fees, and a robust backend for staff to manage dockets, automate tasks, and enhance compliance and reporting. Full deployment is expected by the end of FY 2027, with future costs focused on hosting and technical support.

Hosting of Modernized External Facing Website

In FY 2026, the Commission requests approximately $100,000 to support the continued hosting and maintenance of its public website, FMC.gov. This funding will ensure the website remains functional, secure, and accessible to the public.

The Commission completed its website modernization in FY 2024 through a partnership with the U.S. General Services Administration's Center of Excellence under an interagency agreement. The initiative focused on creating a customer-centered digital platform, guided by comprehensive analysis of user needs, business objectives, content structure, and visual design.

The result is a more intuitive and accessible website that improves public awareness of the Commission's resources, regulatory requirements, and available remedies. The redesign also ensures compliance with Section 508 accessibility standards, promoting access for all users. In FY 2025, costs remained constant to cover ongoing hosting, maintenance, and required updates to preserve the website's performance and security.

Advancing Data Management Practices

In alignment with OMB M-25-21, *Accelerating Federal Use of AI through Innovation, Governance, and Public Trust*, the Commission is committed to advancing data governance, enhancing data-driven decision-making, and strengthening workforce data capabilities. To support this mandate, the Commission will leverage an existing contract in FY 2026 to implement data governance tools and advanced analytics capabilities. This investment of $275,000 will support the development of a scalable data infrastructure, enable secure data sharing, and provide staff—including economists, attorneys, analysts, and senior leadership—with the tools and training necessary to extract insights, identify trends, and inform maritime mission-critical decisions.

Upgrading IT Infrastructure to Boost Employee Productivity

As part of our technology modernization strategy, the Commission has allocated $169,000 to address the limitations of our aging on-premises data center infrastructure. Many of the systems currently in use are running on outdated hardware and software that are no longer supported by vendors, posing operational and security risks. To mitigate the immediate risks, the Commission will invest in purchasing minimum infrastructure needed to address these risks. To address long-term challenges, the Commission is prioritizing the migration of critical workloads to cloud-based platforms as part of its IT Modernization project.

Strengthening the Commission's Cybersecurity Posture

The Commission is actively enhancing its cybersecurity framework through targeted infrastructure improvements and the continued development of its cybersecurity and privacy programs. These initiatives facilitate the deployment of advanced technologies and proactive risk mitigation strategies to address system vulnerabilities, protect sensitive data, and uphold the confidentiality, integrity, and availability of the agency's information systems. The FY 2026 budget request includes funding to support enterprise-wide cybersecurity services aimed at improving technical capabilities, operational efficiency, and governance. In response to evolving federal cybersecurity requirements and compliance deadlines, the Commission is centralizing cybersecurity tools and services under a single vendor. This strategic consolidation is intended to streamline operations, strengthen agency-wide security posture, and enable more efficient and transparent management of cybersecurity resources across all organizational units.

Additionally, the FY 2026 budget request affirms the Commission's commitment to fulfilling federal cybersecurity priorities outlined in OMB Memorandum M-24-14, Executive Order 14028 (Improving the Nation's Cybersecurity), and related guidance, including OMB M-21-31 and M-22-09. This request also supports compliance with evolving standards issued by the Cybersecurity and Infrastructure Security Agency (CISA), emphasizing cloud-based security, security operations center (SOC) enhancements, universal encryption, and multifactor authentication.

IT Operations

The Commission requests approximately $2.4 million in FY 2026 to support the continued daily operation of its core IT services, which are essential to maintaining daily functions across all bureaus and offices. This funding ensures the reliability, security, and performance of the Commission's IT infrastructure and supports mission-critical activities without disruption. The request includes costs associated with maintaining network infrastructure, data center operations, and help desk services that provide responsive technical support to end users. It also covers cybersecurity and privacy protections to existing systems/applications, including compliance with federal mandates related to threat detection, vulnerability management, and data protection.

IT Modernization Plan

Planned Systems Development (FY 2025 – FY 2027)		
Application Name/FMC Form	**Regulatory Scope**	**Function**
RPI	Part 515	The Regulated Person's Index (RPI) is a database containing the names, addresses, phone/fax numbers, and bonding information, where applicable, of all the Commission's regulated entities (as well as Tariff Publishers, Bond Companies, Attorneys, U.S. Legal Agents for Service of Process).
FMC-18 (Form 18)	Part 515	An online portal used to apply for an OTI license. The system also allows users to access historical data and track the progress of applications.
FMC-1 (Form 1)	Parts 520, 525	Registration for VOCCs and MTOs. Locations for all VOCC and NVOCC tariffs and MTO schedules. Used to ensure compliance with regulations concerning all requirements for tariff provisions as well as whether entities continue to meet the criteria necessary to be registered with the FMC.
OTI Renewal System	Part 515	Portal used for submitting three-year license renewal to keep track of entities' status related to business operations and contact information.
Electronic Bond Filing System (e-Bonds)	Part 515	System used to facilitate the submission and management of bonds required for OTIs to obtain a license or registration from the Commission. OTIs are required to post a bond or other form of financial responsibility with the FMC in compliance with the Commission's regulations.
PVO	Part 540	The Passenger Vessel Operator (PVO) system will be an online platform that will allow PVOs/Cruise lines to submit their applications for issuance of Performance and/or Casualty Certificate(s).
eAgreements	Part 535	System for external parties to file their agreements. Internal repository for agreement evaluations, Commission recommendations, and external communications. System also generates the public-facing agreements library.
FMC-65 (Form 65)	Part 515	An online portal that allows foreign-based unlicensed NVOCCs that wish to provide NVOCC services in the U.S. foreign trade to register.
FMC-65 Renewal (Form 65 Renewal)	Part 515	Portal used for submitting three-year registration renewals for foreign-based unlicensed non-vessel-operating common carriers that provide NVOCC services in the U.S. foreign trade with a valid registration and an effective tariff.

Planned Systems Development (FY 2025 – FY 2027)		
Application Name/FMC Form	**Regulatory Scope**	**Function**
eMonitoring	Part 535	System used by both internal staff and external filers to track and file periodic reports for agreements, revenue and capacity reports, voluntary service guidelines, minutes of meetings, and advance notices.
SERVCON	46 CFR Part 530,	System that serves as a regulated repository for service contracts entered into between vessel operators and shippers.

Administrative Support

Achieving the Commission's mission requires appropriate alignment and support from FMC support staff for budgeting, contracting, human resources, and IT management. The FMC leverages interagency administrative support to the maximum extent possible. The U.S. Department of the Treasury's Bureau of the Fiscal Service provides financial accounting support to the Commission's Office of Budget and Finance, adding an additional financial review and balance against errors or potential fraud.

Human Resources

The Commission recognizes that a skilled, agile and accountable workforce is essential to fulfilling the Commission's mission. The Office of Human Resources (OHR) implements strategic initiatives to attract, develop, and retain top talent while aligning with federal priorities for efficiency and accountability. The FMC is in full compliance with all executive orders concerning human resources.

In support of Executive Order 14158, *Establishing and Implementing the President's "Department of Government Efficiency,"* the FMC exercises the Deferred Resignation Program (DRP) to manage workforce reshaping through voluntary attrition. Succession planning remains a key focus, with leadership development, mentoring, and rotational assignments promoting internal advancement and continuity. This also ensure that gaps in knowledge, skills, and abilities are remediated and addressed.

Consistent with Executive Order 13839, *Promoting Accountability and Streamlining Removal Procedures Consistent with Merit System Principles*, and directives on strengthening probationary periods and SES performance management, OHR has enhanced supervisor training and performance management policies. In FY 2026, targeted training will address performance improvement, employee conduct, and labor relations to ensure fair, timely, and merit-based personnel actions.

In FY 2026, OHR will also implement the InSight platform to improve HR reporting and partner with the Office of Information Technology to develop a case-tracking system for

Reasonable Accommodation requests. These initiatives reflect FMC's continued commitment to building a high-performing workforce and maintaining compliance with executive mandates.

Lease and Office Space Improvements

The Commission leases commercial office space through the U.S. General Services Administration (GSA) and will consolidate all staff at its Washington, D.C., headquarters beginning July 2025. In alignment with Executive Order 14171, *Restoring Accountability to Policy-Influencing Positions Within the Federal Workforce*, and the April 15, 2025, Executive Order, *Restoring Common Sense to Federal Office Space Management*, the Commission is committed to enhancing operational efficiency through strategic space utilization and a full return to in-person work. These directives require the termination of remote work arrangements and promote cost-effective use of federally-leased facilities.

Consistent with these orders, the consolidation of all Commission staff at headquarters supports collaboration, accountability, and the optimal use of federal space. The estimated FY 2026 rental cost is $3,245,440.83, including real estate taxes but excluding building security costs, which are estimated at $994,928.71. Real estate taxes are based on assessed property values and may vary, as outlined in the GSA occupancy agreement.

The Commission remains committed to reducing underutilized space, fostering an in-person work environment, and aligning with federal space planning and workforce management priorities.

Continuity of Operations/Mission Resilience

The FMC practices Federal Mission Resilience (FMR). The FMC's established continuity of operations program (COOP) follows the Commission COOP Plan, which is revised and tested annually. Quarterly notification tests ensure that communications can be maintained in an emergency. No additional investments to this system are planned in FY 2026. As noted earlier, IT investments will further the FMC's ability to continue to provide its mission-critical services to the public, including in a COOP situation.

Equal Employment Opportunity at the FMC

The Office of Equal Employment Opportunity (OEEO) ensures that the FMC complies with federal equal employment opportunity laws, executive orders and regulatory requirements. OEEO upholds key statutes, including Title VII of the Civil Rights Act, the Rehabilitation Act, the Age Discrimination in Employment Act, the Equal Pay Act, the Genetic Information Nondiscrimination Act, and the Pregnant Workers Fairness Act.

Core program objectives include timely and effective complaint processing and reporting. OEEO manages all phases of the complaint process—informal counseling, formal investigations, and final agency decisions—with support from contract investigators and alternative dispute resolution (ADR) services. The office ensures compliance with settlement agreements and proactively identifies systemic issues through trend analysis.

In accordance with EEOC Management Directives 110 and 715, and the No FEAR Act, OEEO provides mandatory training for employees, supervisors, and EEO counselors. Training content is aligned with executive mandates.

The Office of the Inspector General

FEDERAL MARITIME COMMISSION
Washington, DC 20573

May 27, 2025

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 2026:

- the aggregate budget request for the operations of the OIG is $711,043,
- the portion of this amount needed for OIG training is $5,000, and
- the portion of this amount needed to support the CIGIE is $2,833.

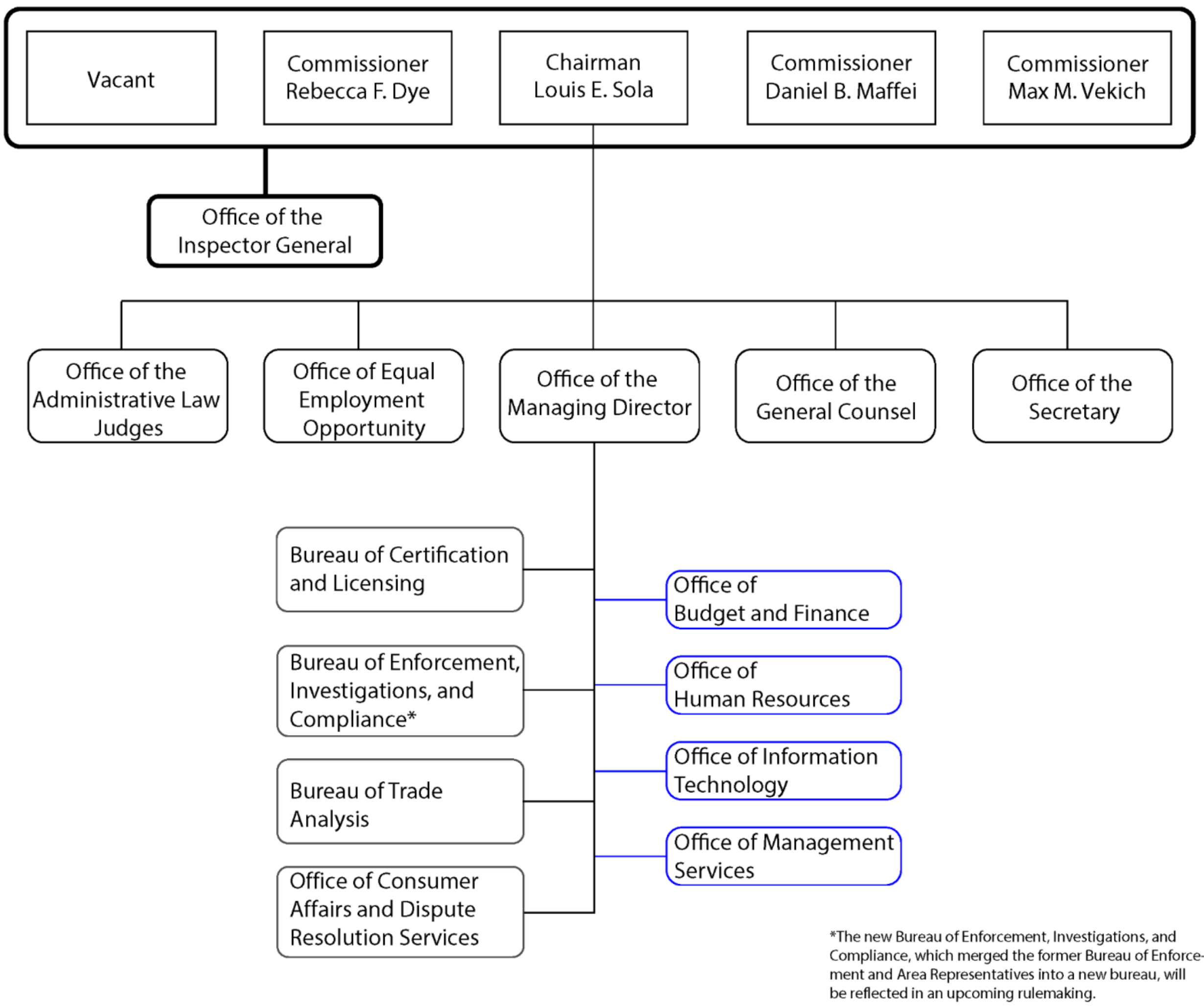
I certify as the Inspector General of the FMC that the amount requested satisfies the needs of the OIG for FY 2026, including all FMC OIG training requirements, and resources to support CIGIE.

Jon Hatfield, Inspector General
Federal Maritime Commission

Organizational Information

Organization Chart

The FMC is comprised 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.

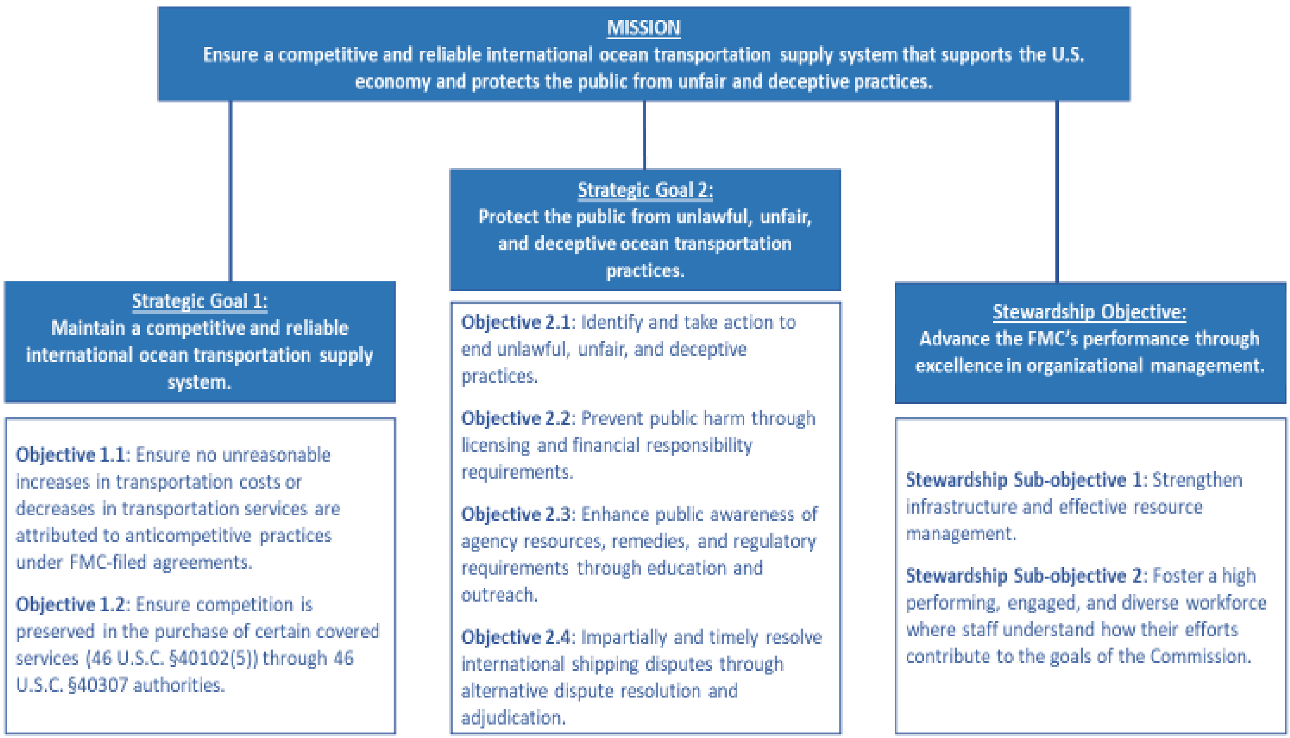


Statutes Administered

The Federal Maritime Commission administers Subtitle IV (Parts A through D) of Title 46, United States Code, including the various amendments to Title 46 implemented by the Ocean Shipping Reform Act of 2022 and section 834 of the Frank LoBiondo Coast Guard Authorization Act of 2018.

Parts A and B of Subtitle IV govern the regulation of ocean shipping and were formerly known as the Shipping Act of 1984, as amended, the Foreign Shipping Practices Act of 1988 and Section 19 of the Merchant Marine Act, 1920. The Commission also administers Part C of Subtitle IV, formerly sections 2 and 3 of P.L. 89-777, and section 3503(b)(1)(C) of Title 46, United States Code. Part C and section 3503 mandate financial responsibility requirements of cruise line operators towards passengers of such vessels. Part D of Subtitle IV addresses the Commission generally, including its organization and authority to prescribe regulations. Part D also contains various provisions or amendments that were in the Shipping Act, the Foreign Shipping Practices Act, and the LoBiondo Act.

Strategic Goals and Stewardship Objective



Detailed performance information can also be found in the FMC's annual Performance and Accountability Reports at https://www.fmc.gov/about/strategies-budgets-and-performance/performance-and-accountability-reports/

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