Federal Maritime Commission
FY 2025 Budget Justification

March 2024

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Introduction

The Federal Maritime Commission (FMC or Commission) is an independent agency with jurisdiction in the United States 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. Facilitating commerce and protecting U.S. shippers remains the essential focus of the FMC.

The Commission requires additional resources to carry out its responsibilities to ensure vigilant industry oversight, enhance enforcement, and improve service to shippers and consumers.

The Fiscal Year 2025 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 strategic plan will be revised in FY 2024 to incorporate operational changes resulting from the Commission's implementation of the Ocean Shipping Reform Act of 2022 (OSRA 2022).

Oversight Transformation

The historically high demand for Commission services continues beyond the COVID-19-related supply chain congestion era. The global maritime cargo delivery system remains highly susceptible to disruptions caused by shocks that can take place anywhere in the world. The FMC has transformed operations accordingly to meet these ongoing increased challenges, and new Congressional directives created by OSRA 2022. The Commission prioritizes assistance to U.S. exporters, enforcement, and consumer assistance to U.S. shippers and cruise passengers through its FMC Audit program, providing enhanced resources for the Office of Consumer Affairs and Dispute Resolution Services (CADRS), and the realignment of enforcement and investigations under the newly created Bureau of Enforcement, Investigations, and Compliance (BEIC). In addition, OSRA 2022 provided the Commission with enhanced regulatory authority and mandated rulemakings, data collections, charge complaints, and the development of enhanced web resources to serve the shipping public. The legislation also tasked the FMC to contract with the National Academies of Sciences to conduct a study examining best practices for chassis pools. OSRA 2022 required the Commission to support the activities of other agencies examining supply chain issues, including multiple studies underway at the U.S. Government Accountability Office. Further, the Commission is actively supporting cross-agency initiatives related to OSRA 2022 and the maritime supply chain.

The Commission has undergone considerable organizational change in a short period of time. With a directed focus, increased funding, and additional regulatory authorities, the Commission is a strengthened organization, better prepared to adapt to changes in the industry and economy to meet its mission. Efforts underway in FY 2024 continuing into FY 2025, including important information technology (IT) investments and plans for modernization, will significantly increase the scope and benefits to the shipping public from the work that the FMC accomplishes with our planned growth in staff to 167 employees.

Mission and Priorities

Ocean Shipping Reform Act of 2022

Implementing OSRA 2022 is a leading priority for the Commission. By FY 2025, the majority of OSRA 2022's enhanced authority and provisions for revised regulations will be implemented and fully integrated in support of our mission. Key work related to rulemakings in FY 2023 included issuing a Notice of Proposed Rulemaking (NPRM) on detention and demurrage invoicing and billing, a Supplemental NPRM proposing a definition for unreasonable refusal to deal or negotiate with respect to vessel space, and a final rule updating Commission regulations providing the Commission the ability to order refunds in addition to or in lieu of civil penalties for violations of the Shipping Act, Commission regulations, or Commission order. Additional rulemakings required under OSRA 2022 will continue in FY 2024.

Importantly, OSRA 2022 required the Commission to develop a process for charge complaint investigation and adjudication. The FMC developed and posted interim guidance to its website in FY 2023 along with an accompanying webinar to help the public understand the process. In less than eighteen months since the enactment of OSRA 2022, more than $2 million in charge complaints have been voluntarily waived or refunded under the new process.

In addition, the Commission has accomplished significant progress in meeting legislative requirements to conduct specific data collections and studies. The requirement to collect and publish information from VOCCs on import tonnage and volumes, as well as empty container metrics, has progressed through the Paperwork Reduction Act process, and it will become an on-going part of the Commission's analytics work from FY 2024 forward.

Increased Investigations and Enforcement

The FMC protects the U.S. public through its investigatory and enforcement programs that identify, deter, and stop unlawful activities of regulated entities – ocean carriers, marine terminal operators, and ocean transportation intermediaries. OSRA 2022 identified additional areas of attention for the Commission enforcement and compliance activities. A reorganization in FY 2023 realigned the investigatory and compliance branches with the attorneys in the enforcement branch who prosecute alleged violations of the law. New enforcement priorities established by the Chairman focus on unlawful practices that negatively impact significant portions of the maritime industry or appear to cause market distortion. As a result of these changes, the enforcement program has been successful in legal actions, collecting $2,896,332 in civil penalties for violations of the law in FY 2023. The Commission will continue to add the resources necessary to support enforcement and compliance activities that create a meaningful deterrent to unlawful behavior. By FY 2025, the enforcement program will have increased staff by 100 percent from levels at the beginning of FY 2023. These additional personnel will directly support audits, investigations, and enforcement proceedings.

Consumer Assistance – Helping Exporters and Importers

The shipping public still faces commercial challenges due to the residual shocks in the supply chain from the COVID-19 pandemic. OSRA 2022 bolstered the ability of the FMC to help consumers respond to these challenges. Several Commission offices work together to handle public inquiries, requests for alternative dispute resolution, or file formal complaints before the Commission. The Commission will focus on outreach and deploying a consumer affairs and dispute resolution case management system that will enable more granular tracking of case characteristics to identify emerging obstacles faced by the shipping public.

Compliance

The Commission's statutory and regulatory authorities are applicable to international waterborne commerce valued at trillions of dollars, as well passenger vessel operations embarking at U.S. ports. Vigilant oversight of industry activity by FMC program offices includes compliance, in addition to investigations and enforcement. By ensuring regulated entities understand their legal requirements, and focusing FMC's compliance resources to address noncompliance in the areas with highest impact, the Commission proactively protects the public from unfair and deceptive practices. In FY 2023 and FY 2024, the Commission added resources to compliance efforts in multiple bureaus and offices. Increased compliance efforts will continue in FY 2025 with outreach to regulated entities, including webinars and other educational materials, and revised IT systems to provide advanced analytical capabilities to drive targeted compliance efforts.

FY 2025 Budget Overview

The FMC's total budget request for FY 2025 is $48,452,000, an increase of $4,732,000 over the projected FY 2024 authorization of $43,720,000.

Of the $48,452,000 requested amount, $35,871,000 is for Salaries and Expenses to support 167 Full-Time Positions (FTP)/153.5 Full Time Equivalents (FTE). The proposed budget provides funding to support the Commission's activities related to the implementation of OSRA 2022, as well as the hiring of additional staff initiated in FYs 2022 through 2024. The budget request also supports additional mission-critical spending requirements. IT application development totals $2,091,000 and is needed to support imperative ongoing upgrades to antiquated systems that will allow the public to better interact with the Commission. In addition, $10,490,000 will be allocated to other operating expenses that include rent, building security, ongoing maintenance of IT applications and services, and other administrative services.

FY 2025 Budget Request Detail

Budget Request Detail
Amounts in ($000)

Budget Object Class (BOC)		FY 2023 Enacted	FY2024 Annualized CR*	FY 2024 Request	FY 2025 Request	FY2024 Request - FY2025 Change	% Change
Full Time Equivalents		**133.0**	**141.0**	**150.9**	**153.6**	**2.8**	**2%**
(11.1) Full-Time Permanent		$18,500	$19,500	$22,230	$25,743	$3,513	16%
(11.5) Other Personnel Compensation		$430	$500	$478	$552	$75	16%
(12.1) Civilian Personnel Benefits		$6,900	$6,000	$8,223	$9,576	$1,353	16%
Sub-Total Personnel Compensation & Benefits		**$25,830**	**$26,000**	**$30,930**	**$35,871**	**$4,941**	16%
(21.0) Travel and Transportation of Persons		$215	$255	$255	$255	$0	0%
(22.0) Transportation of Things		$13	$13	$13	$15	$2	8%
(23.1) Rental Payments to GSA		$331	$1,914	$1,914	$3,215	$1,301	34%
(23.3) Communications, Utilities, and Miscellaneous Charges		$456	$805	$805	$915	$110	7%
(24.0) Printing and Reproduction		$93	$93	$93	$95	$2	1%
(25.1) Advisory and Assistance Services		$2,835	$2,261	$2,729	$2,607	($122)	-2%
(25.2) Other Services from Non-Federal Sources		$2,973	$544	$544	$511	($33)	-3%
(25.3) Other Goods and Services from Federal Sources		$3,211	$2,095	$2,095	$1,746	($348)	-8%
(25.7) Operation and Maintenance of Equipment		$75	$11	$11	$12	$0	1%
(26.0) Supplies and Materials		$80	$100	$100	$100	$0	0%
(31.0) Equipment		$2,148	$1,539	$1,539	$1,019	($520)	-17%
IT App Development			$2,630	$2,630	$2,091	($540)	-10%
Sub-Total Administrative Expenses		**$12,430**	**$12,260**	**$12,727**	**$12,581**	**($146)**	-1%
Total		**$38,260**	**$38,260**	**$43,657**	**$48,452**	**$4,795**	11%
Operations & Administration (O&A) Program ($/FTE)	Amount	$37,738	$37,716	$43,028	$47,690	$4,662	
	FTE	133.0	141.0	150.9	153.6	2.8	
Operations Salary & Benefits (Multi-year)	Amount	$2,000	$2,000	$2,000	$2,000	$0	
	FTE	10.5	9.5	9.5	9.3	0	
Office of Inspector General Program ($/FTE)	Amount	$522	$544	$630	$762	$132	
	FTE	2	3	3	3	0	

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.
* This reflects the annualized amounts provided in the Continuing Appropriations Act, 2024 (Division A of Public Law 118-15, as amended by Division A of Public Law 118-22) (FY 2024 Annualized CR).

Summary of FY 2025 Spending Compared to the FY 2024 President's Budget Request ($43,720,000) By Spending Type	*Proposed FY 2025 Budget $48,452,000*
Employee Salary and Benefits **Request: $35,871,000** Achieving the Commission's mission and OSRA priorities requires additional personnel. The budget request provides for 167 full-time positions in FY 2025. This increase supports a projected pay raise of 2.0 percent.	+$4,941,000
***Rent & Building* Security** **Request: $4,076,000** The total cost for leasing Washington, D.C. headquarters office space in FY 2025 will be $3,215,000. A large part of this increase is an additional $1,323,000 in rent costs after an initial new lease rent abatement. This number is reduced by closing physical field offices and leveraging remote work and ad hoc coworking spaces. The last field office lease will end in FY 2025. Building security is estimated to cost $861,000.	+$1,341,000
Information Technology Modernization **Request: $2,091,000** The Commission's IT Strategic Modernization 3-year plan to modernize and optimize the organization's technology performance and to better support the Commission's stakeholders will continue in FY 2025 with application development.	-$539,000
IT Operations **Request: $3,786,000** 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 are more accessible, and improving the experience for stakeholders.	$-575,000
Travel & Training **Request: $612,000** The Commission relies upon a professional staff with the knowledge, skills, and ability to complete their roles. Job-related training and leadership development programs invest in necessary staff professional and leadership skills growth. Travel to support increased enforcement activities, consumer assistance, and support for U.S. exporters is supported in the FMC's request.	$0
All Other Budget Requirements **Request: $2,016,000** Assistance and Advisory Services, other Services from non-federal sources, and equipment.	$-436,000

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, $48,452,000 of which $2,000,000 shall remain available until September 30, 2026: provided, that not to exceed $3,500 shall be for official reception and representation expenses. (Proposed text derived from: Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2023).

Investigations and Enforcement

The Commission's enforcement program focuses on investigating and prosecuting civil violations of the U.S. shipping laws, as well as Commission regulations. Civil penalties collected for violations of the law are remitted to the U.S. Treasury. The enforcement program identifies and addresses violations of law to stop unlawful practices, protect the public, and serve as a deterrent to other regulated entities that may consider similar unlawful actions within the industry. The Commission's enforcement priorities change based on industry conditions and practices.

Enforcement Priorities

In FY 2023 and FY 2024, the FMC's investigative and enforcement priorities focused on unlawful common carrier practices that negatively impacted significant portions of the maritime industry or appeared to cause market distortion. The Commission will continue to focus on cases against potentially unlawful common carrier practices, along with complex cases involving other companies that are potentially violating U.S. shipping laws.

Priorities for FY 2025 include, but are not limited to, cases showing:

- a failure to establish, observe, and enforce just and reasonable regulations and practices relating to or connected with receiving, handling, storing, or delivering property that potentially violate 46 U.S.C. § 41102(c);
- unlawful demurrage and detention practices and improper use of merchant clauses to impose liability on non-contract parties;
- unreasonable refusals to deal or negotiate that potentially violate 46 U.S.C. § 41104(a)(10);
- unreasonable refusals of cargo space accommodations or other unfair or unjustly discriminatory conduct that potentially violates 46 U.S.C. § 41104(a)(3);
- retaliation that potentially violates 46 U.S.C. § 41102(d); and
- tariff and service contract activities that potentially violate 46 U.S.C. § 41104.

FY 2023 Civil Penalties Cases:

* $131,332
* $950,000
* $1,700,000
* $115,000

Total collected: $2,896,332

In FY 2023, the enforcement program collected a combined total of $2.65 million in civil penalties to resolve allegations of misconduct by two large ocean common carriers, and an additional $246,332 in other civil penalties. In addition to paying civil penalties in the two large common carrier cases, those carriers agreed to furnish restitution to impacted shippers in the form of refunds and waivers, and to implement corrective actions to prevent future violations and ensure compliance with the Commission's Interpretive Rule on Detention and Demurrage.

Projected Growth and Activities

The total number of substantive enforcement matters is anticipated to grow in the next several years. The FMC is adding resources to its enforcement program in FY 2024, including investigators, attorneys, analysts, and a paralegal. Also in FY 2025, the Commission will increase its enforcement efforts through new uses of public sources and statistical information to target potential violators. Additional investigations and proceedings will require an increase in travel to execute these matters.

In FY 2023, the Commission delegated authority to BEIC to issue Notice(s) of Violations (NOV) and to compromise civil penalty claims subject to approval by the Commission. Delegation of authority to BEIC, coupled with Commission review of compromise agreements, is providing needed efficiency and flexibility in the enforcement process while maintaining Commission oversight. This change became effective on May 17, 2023. Streamlined enforcement actions will be crucial to managing an increased caseload in FY 2025.

Charge Complaints

Section 10 of OSRA 2022 (46 U.S.C. § 41310) provides shippers an entirely new way to submit complaints to the FMC regarding carrier charges and to receive a refund or waiver for non-compliant charges. Upon the promulgation of OSRA 22, the FMC quickly developed a process for complaint intake, processing, assessing, investigating, and prosecution. The first Charge Complaint was received on July 14, 2022.

During FY 2023, the FMC investigated 119 complaints. Approximately 100 cases were quickly resolved through refunds and waivers issued voluntarily by carriers, totaling approximately $1,700,000. 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. This process involves BEIC attorneys recommending that the Commission issue an Order to Show Cause, initiating a proceeding before the Commission to determine the lawfulness of a charge.

The Commission will review the interim procedure and draft a new rulemaking in FY 2024. The new Charge Complaints procedure will require additional resources. Two FTEs are projected to be hired in FY 2024 and FY 2025 to process and investigate these complaints. In FY 2025, the final procedure will be established and fully operational.

BEIC Reorganization

In FY 2023, the Commission completed a reorganization of its Bureau of Enforcement, Investigations, and Compliance. This reorganization emphasizes the importance of the Commission's enforcement work. Under the new structure, BEIC is led by a senior executive fostering coordination and cooperation between BEIC's offices, leading to a more effective and productive enforcement program.

An initial reduction in the number of cases might occur in FY 2024 as BEIC staffs to a full level and transitions its efforts to the pursuit of complex investigations and enforcement actions. Focusing on substantive cases will have a larger and more meaningful impact on dissuading improper conduct by companies providing ocean transportation and related services. Additional training to improve investigative capabilities will be pursued. Hiring will be completed in FY 2024 and BEIC will operate with a full cadre of trained investigators, attorneys and analysts by the beginning of FY 2025.

BEIC Case Management

In FY 2024, BEIC will procure a new case management system to replace the existing rudimentary in-house tracking database. A more capable system will facilitate better tracking of investigations and prosecutions and will improve productivity by allowing for easier evaluation of ongoing matters and outcomes. This new system will be online in FY 2025 with an estimated cost of $75,000 for FY 2025 operation and maintenance.

Ocean Shipping Reform Act of 2022

OSRA 2022 tasked the Commission to complete multiple actions on a short timeline. All statutorily mandated efforts are well underway and projected to be completed before FY 2025. In FY 2022 and FY 2023, the Commission drafted and released for public comment two of the rulemakings mandated by the legislation.

The FMC issued an NPRM titled *Definition of Unreasonable Refusal to Deal or Negotiate with Respect to Vessel Space Accommodations Provided by an Ocean Common Carrier* on September 21, 2022 (87 Fed. Reg. 57674). On June 14, 2023, the FMC issued a Supplemental NPRM (88 Fed. Reg. 38789) that revised certain aspects of the original proposed rule and proposed a revised standard for unreasonable conduct by ocean common carriers.

The FMC published an NPRM for *Demurrage and Detention Billing Requirements* on October 14, 2022 (87 Fed. Reg. 62341). The NPRM proposed requirements on specific minimum information that must be included on demurrage and detention invoices and outlined certain billing practices on appropriate timeframes for issuing invoices, disputing charges with the billing party, and resolving such disputes. The Commission anticipates finalizing these proposed rules before the end of FY 2024.

OSRA 2022 also mandated rulemaking for *Unfair or Unjustly Discriminatory Methods Related to Cargo Space Accommodations* and *Shipping Exchange Registries*. The Commission anticipates reviewing the use of shipping exchange registries in FY 2024.

Section 9 of OSRA 2022 mandated a new data collection by the FMC to address concerns about lack of timely and accurate data regarding laden and empty containers carried in U.S. international oceanborne trade. The Commission has completed the required public notices for this data collection and submitted supporting materials to the Office of Management and Budget. Also, the FMC updated an existing IT system to allow carriers to submit required data and enable efficient processing and publication of the required quarterly reports on import and export tonnage and the number of laden and empty containers operated by ocean common carriers. The Commission anticipates OMB approval in the first quarter of FY 2024 and data collection to begin thereafter.

Other requirements of OSRA 2022 included adding resources to CADRS and other program areas, including enforcement, contracting with the National Academies of Sciences to study best practices for chassis pools, and making it easier for the public to use the Commission's website to submit concerns, complaints, comments, and make certain other requests. The staffing effort is complete and the other activities are expected to be completed before the end of FY 2024.

Vigorous Oversight Ensuring Compliance to Protect the Public

Commission regulations address the conduct and practices of ocean common carriers, ocean transportation intermediaries, marine terminal operators, and passenger vessel operators. The Commission is small compared to the industry it regulates. Achieving the voluntary compliance of regulated entities with Commission statutes and regulations is far more effective than relying solely on enforcement activities to protect the integrity of the market.

FMC Audit Program

The need for clear communications between the Commission and carriers is the underpinning of the Vessel-Operating Common Carrier (VOCC) Audit program initiated by Chairman Maffei in July 2021. In FY 2023, the FMC expanded this program to include marine terminal operators and ports. The FMC Audit Program provides a forum for senior FMC staff to communicate directly with representatives from the largest carriers, as well as port authorities, and marine terminal operators (MTOs). The agendas for these regular meetings are topical to issues in the supply chain. Past issues have included congestion and movement of empty containers, fees and billing practices, export strategies, and challenges faced by the industry. 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.

Fact Finding 29 (FF 29), *International Ocean Transportation Supply Chain Engagement*, led by Commissioner Rebecca F. Dye, included a recommendation that all carriers and MTOs identify FMC Compliance Officers. Staff used the FMC Audit Program to confirm all major carriers and terminal operators identified compliance officers. Having these points of contact has enhanced communication between the FMC and carriers/terminal operators and helped ensure that carriers and MTOs are aware of and are adhering to Commission policies.

Tariffs and Service Contracts

All relevant Commission program offices have expanded their compliance efforts. The Bureau of Trade Analysis (BTA) oversees compliance with 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) of the Commission's regulations. Changes to the industry over time, including an increase in entry of new NVOCCs in the early 2020s, entry and exit of smaller ocean common carriers due to market changes related to the COVID-19 pandemic, and volatility of rates during the pandemic, have resulted in gaps in compliance.

FMC Oversight by the Numbers

OTIs:	8,470
PVOs:	50
NVOCCs:	8,448
VOCCs:	139
MTOs:	210
Agreements on file:	343
Original service contracts:	346,660
Amendments:	886,272

(As of 9/30/2023)

BTA increased staffing in FY 2023 and focused compliance activities on what would lead to the greatest impact. This included 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.

Increased rates on the major east-west trade lanes during the COVID-19 pandemic drew a number of smaller carriers to enter the U.S. trades for the first time. As rates fell in 2022 and 2023, several of these same carriers left U.S. service without notifying the Commission or cancelling their tariffs. Commission staff tracked this activity closely and ensured that tariffs were cancelled so the shipping public had an accurate snapshot of carriers who were legally operating in the trades.

The number of NVOCCs offering service in the United States has increased substantially since 2020. At the end of FY 2023, there were approximately 8,500 NVOCCs with tariff locations published on the FMC website. In FY 2023, BTA worked proactively with the Bureau of Certification and Licensing (BCL) to target entities that fell out of compliance with either tariff postings or financial requirements. Commission efforts included revoking licenses, working with tariff publishers to cancel tariffs, and removing non-compliant entities from the FMC website. Work continues to ensure that non-compliant NVOCCs are identified quickly notified of their lack of compliance, and then dealt with efficiently by the FMC if required changes are not made. In FY 2024, the Commission will work on creating an integrated IT system to reduce manual processes in assessing NVOCC compliance and enhance analytics for NVOCC compliance activities.

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

BCL's compliance work includes administering Parts 515 (Licensing, Registration, Financial Responsibility Requirements, and General Duties for Ocean Transportation Intermediaries) and 540 (Passenger Vessel Responsibility). There are over 9,100 Ocean Transportation Intermediaries (OTIs) regulated by the Commission, and BCL 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 financial instrument. BCL maintains a triennial renewal program to ensure that OTIs are regularly required to review and update their information on file with the Commission.

BCL 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 requirement for Certificates of Performance issued by the FMC ensures financial responsibility for the indemnification of passengers for non-performance of transportation and prevents unscrupulous or financially vulnerable operators from serving U.S. ports. The PVO program currently includes 50 operators.

The FMC revised regulations for the PVO program at Part 540 in 2022 in response to the disruptions experienced by the cruise industry during the COVID-19 pandemic. The Commission's new rule mandates that passengers be fully refunded, within 180 days, all fees, including ancillary fees, paid to the PVO. Optionally, in lieu of a refund, passengers may agree to receive future cruise credits.

These new rules and processes have increased the scope and complexity of cases involving PVO non-performance. The Commission has expanded resources for this program to support systems development, conduct on-going monitoring and compliance work, and perform outreach, including webinars. The staff are strengthening processes for monitoring and maintaining compliance to ensure cruise passengers are protected from non-performance of cruise lines.

The Office of Compliance was established in FY 2023 within the Bureau of Enforcement, Investigations, and Compliance. In FY 2023, the Commission appointed a new Director for the Office of Compliance who provides a bridge between the BTA and BCL compliance efforts and enforcement staff. In FY 2024 and FY 2025, the newly formed office will work with BCL and BTA to develop processes for escalating and resolving compliance issues identified by the program offices and work collaboratively to develop data-driven compliance efforts.

Across the offices and bureaus, compliance efforts at the Commission will be enhanced by major IT systems improvements in FY 2024 and FY 2025, as described later in this document.

Consumer Assistance

The FMC prioritizes assistance to benefit the shipping public and maritime industry. Several programs directly provide shippers and other parties with help in resolving shipping disputes.

Informal Dispute Assistance

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 bringing formal legal actions. When assistance is requested, CADRS staff work with parties to identify solutions that will get cargo moving whenever possible, avoiding further delays and increasing charges. Other services offered by CADRS include mediation and arbitration. All CADRS assistance is provided without charge and all communications are kept confidential.

FY 2023 CADRS Requests Received

Cargo Assistance:	199
Passenger Vessel (Cruise) Assistance:	75
Household Goods:	34

Recent and planned improvements to CADRS operations will benefit the public. CADRS staffing was increased in both FY 2023 and FY 2024. A new case management system that is scheduled to be acquired in FY 2025 will improve internal reporting and tracking. In FY 2024 and FY 2025, CADRS will complement its dispute resolution work by increasing its outreach to industry.

Litigation 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. A goal is to issue Final Decisions in formal proceedings within 24 months of filing. Due process may require additional time to issue Initial Decisions, particularly in complex cases.

In FY 2022, small claims case filings doubled from historical averages. In FY 2023, more small claims cases were filed than in any previous year, exceeding FY 2022's record number.

Sufficient staffing is essential to meeting the above adjudicatory goals, and the FMC hired a third Administrative Law Judge (ALJ) in FY 2023. In FY 2025, we anticipate the Office of the Administrative Law Judge being staffed by three ALJs and 1 Small Claims Officer. If small case filings continue to increase at the pace they have been, an additional small claims officer might be needed.

Adjudicatory proceedings at the FMC have increased dramatically in recent years, and this increased pace is expected to continue in upcoming years. Further, cases are more complex and involve a larger number of filings than cases in prior years. In addition to increased enforcement actions by BEIC, more private parties are seeking binding decisions before the Commission. In FY 2022, the volume of filings increased almost 250 percent over FY 2021 and 275 percent over FY 2019. Further, the number of filings has continued to increase. In FY 2023, the Office of the Secretary processed 927 filings, a 129 percent increase over FY 2022's record number of filings.

Adjudicatory Filings before the FMC:

The volume of filings in FY 2022 increased almost 250% over FY 2021, and 275% over FY 2019.

Further, the number of filings continues to increase. In the first half of FY 2023, the FMC processed more than the total of FY 2022's record number of filings.

Recent key Commission decisions

FMC Docket No. 1966(I), *TCW, Inc. v. Evergreen Shipping Agency (AM.) Corp, & Evergreen Line Joint Service Agreement, Order Affirming the Initial Decision* (December 29, 2022): The Commission upheld the Small Claims Officer's decision that the charging of per diem when a port was closed for a weekend and equipment could not be returned was unjust and unreasonable in the absence of extenuating circumstances. This case is now before the U.S. Court of Appeals for the District of Columbia Circuit. This case could significantly impact how the industry deals with charges related to weekends, holidays, and other times when containers or chassis cannot be returned. Some companies are waiving demurrage and detention charges in light of the Commission's decision.

FMC Docket No. 20-14, *Intermodal Motor Carriers Conference, American Trucking Associations, Inc. v. Ocean Carrier Equipment Management Association, Inc. et al. Initial Decision Partially Granting Summary Decision* (February 6, 2023): Complainant IMCC, a conference of ATA – American Trucking Associations alleges that OCEMA and CCM (VOCC-backed equipment management groups which have FMC-filed agreements) have engaged in unreasonable practices related to chassis (chassis choice and gray pools) in nearly every port in the U.S. As a result, IMCC maintains, motor carriers, shippers, and the downstream public have paid higher chassis prices and suffered inefficiencies, and thus OCEMA/CCM actions violate 46 U.S.C. § 41102(c) of the Shipping Act. IMCC requests cease and desist relief from these practices. This factually and legally complex case is now pending with the Commission on review of respondents' Exceptions to the Initial Decision.

FMC Docket No. 21-11, *OJ Commerce, LLC v. Hamburg Sudamerikanische Dampfschifffahrts-Gesellschaft A/S and Co KG and Hamburg Sud North America, Inc., Initial Decision* (June 7, 2023): Complainant OJ Commerce ("OJC"), a shipper, alleges that Respondents Hamburg Sudamerikanische Dampfschifffahrts-Gesellschaft and Hamburg Sud North America (collectively "HSDG"), a carrier, failed to provide cargo space pursuant to a service contract. OJC alleges when it complained and threated action before the Commission, HSDG cut off all negotiations towards future service contracts and refused to provide further space under the existing service contract.

The ALJ found that the HSDG violated 46 U.S.C. § 41104(a)(3) by refusing to deal with OJC and § 41104(a)(10) by retaliating against OJC. The ALJ ordered HSDG to pay OJC $9,843,766.40 in reparations with interest. This case is now pending with the Commission on review of both the respondents' and complainants' Exceptions to the Initial Decision.

Litigation Court Management System

The FMC's current court management system is manual, outdated and needs to be replaced to handle increased filings and recordkeeping. A new e-filing court management system contract is anticipated to be awarded in FY 2024, and the migration will be implemented in FY 2024 and FY 2025, with ongoing licensing, support, hosting, and additional data migration costs needed in FY 2025. Among other benefits, an improved e-filing management system will allow staff to monitor timelines and provide better reporting.

In FY 2025, the FMC's e-filing court management system will be hosted in a FedRAMP-certified cloud infrastructure environment and will provide a web-based portal/interface which will allow a filer/party to securely submit and authenticate their identity, contact information, and pay filing fees directly. The new e-filing court management system will replace the FMC's current electronic reading room, allowing the public to view, search, print or download non-confidential documents. Other improvements will include processing automation enhancements and a back-office interface which will support all FMC staff responsibilities including processing, managing, and serving all docket/case documents.

Ensuring Fair Competition Through Rigorous Review and Extensive Monitoring of Shipping Act Agreements

The FMC protects competition in the marketplace for ocean transportation services in the United States with the goal of ensuring efficiency and reliability in the supply chain for American exporters and importers. The FMC's competition program consists of careful analysis of agreements when they are filed and ongoing review of actions that are taken under these agreements.

The FMC's statutory authority and regulations require that agreements which allow collaboration among ocean common carriers or MTOs must be filed with the Commission. Commission staff analyze these agreements for potential anticompetitive effects upon filing and then monitor activity under these agreements on an ongoing basis for those agreements that are competitively concerning. The limited antitrust immunity granted under an agreement filed with the Commission extends only to activities among agreement parties within the scope of the filed agreement. Conduct inconsistent with the terms of an agreement is illegal and exposes parties to criminal and civil prosecution under existing statutes.

At the end of FY 2023, there were 343 agreements on file with the Commission, comprised of VOCC agreements, MTO agreements, and assessment agreements. There are approximately 50 agreements on file which staff monitor regularly due to competitive concerns. The vast majority of agreements on file with the Commission are VOCC agreements which allow straightforward space sharing.

The largest ocean common carriers collaborate in "alliances" or global vessel sharing arrangements. Alliance agreements allow coordination of capacity, but discussion or coordination on rates is categorically prohibited. There are three alliances with agreements on file at the Commission, and these are the most closely scrutinized by the Commission. The largest alliance, measured by market share in the major east-west trades, is the 2M alliance, which is slated to be dissolved in 2025; however, the member carriers took actions throughout 2023 to move towards increasingly independent services. The FMC has been carefully tracking the actions of the major carriers.

The FMC's monitoring program is unlike any other in the world. Competition authorities in the European Union (E.U.), and nations such as the United Kingdom (U.K.) and South Korea do not have access to the same detailed information that the FMC collects from alliance carriers. The Commission regularly evaluates the information required to properly monitor activities under agreements and adjusts monitoring requirements as needed. Monitoring requirements for alliance carriers were most recently revised in Spring 2022. As the market shifts from scarcity to excess supply of carrier capacity, the FMC's focus will be on ensuring that alliance carriers do not restrict capacity to artificially increase rates. The monitoring requirements updated in 2022 permit the Commission to rapidly track and anticipate changes in capacity.

International Collaboration

The Commission regulates U.S. oceanborne commerce in international trade and a robust program of international engagement and collaboration is essential.

In FY 2023, the Commission continued its engagement with competition authorities in the U.K. and the E.U. through Commission visits and staff-level discussions of the state of the industry and potential changes due to macroeconomic shifts. Due to the U.K.'s exit from the E.U., the Commission now engages separately with the U.K. Competition Authority in an as-needed basis to ensure a solid understanding of the dynamics affecting the U.S. and Europe trade lanes.

With the E.U.'s Consortium Block Exemption, which allows liner shipping operators to cooperate for the provision of joint services under certain conditions, set to expire in FY 2024, the Commission will continue to engage to ensure that the U.S. is well-positioned to communicate any potential changes to the U.S. shipping public.

Evidence Building

The Commission will continue to build and strengthen evidence and evaluation in our programs. Leveraging existing data collected by the agency and supplementing with data from other government agencies, such as the U.S. Department of Homeland Security, Customs and Border Protection (CBP), the FMC has enhanced its maritime tracking capabilities. In FY 2023, the FMC updated existing agreements with the Census Bureau and CBP to expand access to data for maritime analytics for commerce moving by ship in the U.S.-foreign trades. This work to expand data access and enhancing maritime analytics will continue with the staff creating internal dashboards to expand access to key metrics within the Commission.

The FMC is working with statistical agencies to share data, as appropriate, to enhance the quality of statistical measures of the ocean transportation industry.

Finally, in FY 2023, the FMC created publication and disclosure avoidance criteria to allow us to share increasing amounts of aggregated industry data with the shipping public and will create an on-going data publication schedule in FY 2024. These projects will be included in the revision to the FMC Strategic Plan.

Information Technology

The Commission continues to invest in IT to ensure that agency mission and strategic priorities are met.

The Commission began revising its IT governance policies in FY 2023 as part of a longer-term initiative to update its IT investment management framework, enhance IT spending transparency, gain visibility into the demand from customers and the cost to serve them, and ultimately optimize the level of enterprise IT spending to support key mission goals and objectives.

The Commission uses multiple legacy systems to collect information from the public and regulated entities. The modernization of these systems is imperative to improve efficiency in the way the Commission interacts with the ocean shipping industry to collect required information, the management and use of the data collected, and mitigate cybersecurity risks. In FY 2023, the Commission completed an initial evaluation of its IT infrastructure, with a focus on cybersecurity risk mitigation and system integration. This evaluation included a roadmap and initial budget estimate. The draft plan, completed in FY 2023, includes an assessment of existing systems, identification of areas for improvement, and a set of goals, objectives, and project milestones. The IT modernization project plan will be finalized in the second quarter of FY 2024.

The Commission expects systems modernization and deployment activities to begin in the third quarter of FY 2024 and last for 36 months. This will include the replacement of several independent systems and fillable forms submitted by regulated entities and the shipping public and will feature the integration of systems in BTA and BCL that will automate compliance checks for NVOCCs. The modernized systems will have enhanced analytic capabilities, including dashboards, to support data-driven compliance and enforcement actions and enhance reporting capabilities.

Through its evaluation of the current systems modernization needs, the Commission has identified legacy applications that should be replaced by commercial off-the-shelf (COTS) solutions which can be modified by the vendor to meet our needs. This includes the case management system for BEIC in FY 2024, as well as a new case management system for CADRS. This will allow the agency to acquire and implement these solutions earlier than would be possible under a custom development process and potentially at lower cost.

In addition to replacing legacy applications, the agency has identified multiple functions handled through manual or ad hoc processes that reduce staff effectiveness. In FY 2024 through FY 2026, these areas will be modernized through procurement and customization of COTS solutions. This will include e-signature workflow management and e-filing case management systems, as increased filings since FY 2020 have made the replacement of ad hoc processes an agency priority.

In FY 2024, the Commission will replace the current FOIA and Privacy Act processing functions that are handled via email and an Excel-based tracking system with off-the-shelf FOIA software. By FY 2025, the cost of this system will be based only on maintenance and periodic updates.

Also, in FY 2024, the Commission will procure an e-filing court management system to support the work of the Administrative Law Judges and the Office of the Secretary. Leveraging a customizable off-the-shelf solution will achieve improved processing times and accuracy in both areas, as both offices currently use manual processes to track and process cases. Implementation of this new software will include migration of existing files, a user-friendly interface and portal, and will ensure security through hosting in a FedRAMP-certified infrastructure. By mid FY 2025, this system will have been implemented, and annual costs shifted to hosting and technical support for internal and external system users.

In FY 2025, the Commission will have finalized work to modernize its website and shift this expense to hosting costs, annual maintenance, and required updates. The Commission is contracting with the GSA Center of Excellence through an Interagency Agreement to develop and deploy a website from a customer-centered viewpoint, including an extensive analysis and planning effort incorporating user needs, business goals, organization of content, and visual design. The resulting website will serve the shipping public by enhancing awareness of agency resources, remedies, and regulatory requirements and by making the FMC's web content more easily searched and accessible. The agency also will ensure that its materials are compliant with Section 508 best practices. This project is composed of two phases: (1) planning and design; and (2) implementation and launch, slated to be complete in FY 2024.

The Commission continues to prioritize its cybersecurity framework through infrastructure enhancements and maturation of its cybersecurity and privacy programs. Improvements include an integrated cybersecurity incident and privacy breach response plan, enhanced cybersecurity monitoring and response, and an improved ability to continue business/mission operations in the event of a cyberattack. The agency continues to identify opportunities to address gaps in its cybersecurity to enable better decision-making and improve leadership visibility and oversight.

The FY 2025 Budget request will help to support enterprise-wide cyber services and to further enhance cyber capabilities, providing a platform to enhance efficiency, communication, transparency, and accountability around the Commission's mission. The request elevates the importance of such initiatives and provides the Commission's leadership, OMB, and Congress with a more holistic vantage point of cybersecurity activities across the agency. With the increase in cyber requirements and cascading deadlines, the Commission is centralizing cybersecurity initiative leadership and oversight to gain operational efficiencies, ensure transparency, and achieve enterprise-wide compliance for IT infrastructure. The enterprise-wide investment approach benefits the Commission's bureaus/offices in their cybersecurity goals to create a unified approach to cyber spending and stronger protections across the agency.

Additionally, the FY 2025 Budget request provides critical cybersecurity resources to support the Commission's efforts to comply with Executive Order 14028 (EO), *Improving the Nation's Cybersecurity*, as well as OMB Memorandums, specifically M-21-31, *Improving the Federal Government's Investigative and Remediation Capabilities Related to Cybersecurity Incident* (security logging), and M-22-09, *Moving the U.S. Government Toward Zero Trust Cybersecurity Principles*. The funding request also supports compliance efforts associated with the U.S. Department of Homeland Security, Cybersecurity and Infrastructure Security Agency (CISA), guidance that sets new cybersecurity standards and objectives. These new directives also prioritize cloud-based security, security operations center (SOC) enhancements, universal encryption, and multifactor authentication.

IT Modernization Plan

Planned Systems Development			
Fiscal Year	**Application Name/FMC Form**	**Regulatory Scope**	**Function**
2024	FMC-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	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.
	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.
	OTI Renewal	Part 515	Portal used for submitting three-year license renewal to keep track of entities status related to business operations and contact information.
2025	FMC-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	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			
Fiscal Year	**Application Name/FMC Form**	**Regulatory Scope**	**Function**
	RPI	Part 515	The Regulated Persons Index (RPI) is a database containing the names, addresses, phone/fax numbers, and bonding information, where applicable, of all the Commission's regulated entities.
	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.

Administrative Support

Focusing efforts on enforcement, compliance, and OSRA 2022 implementation requires appropriate alignment and support from the Commission's administrative units. Sufficient support staff to provide budgeting, contracting, human resources, and IT management is critical to mission success. The FMC leverages interagency administrative support when feasible. The Bureau of Fiscal Services 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.

Hiring/Human Resources

The Commission has rapidly increased the pace of hiring to support its new priorities. The FMC recognizes that its employees are critical to achieving its mission and continues to make investments in its workforce a top priority. A highly skilled, agile, and committed workforce is needed for the Commission to execute program goals and to respond effectively and quickly to changing priorities. Hiring a diverse workforce ensures that the FMC retains talent and that its employees reflect the diversity of the U.S. population.

The FMC's Office of Human Resources leverages new job series for technical experts and utilizes USA Hire to improve candidate assessment and Direct Hire authorities to quickly onboard staff in key positions. The Commission will continue to promote various hiring authorities and flexibilities, including Direct Hire and Schedule A authorities, and expand the use of the Pathways Program (e.g., interns and Presidential Management Fellows) to attract new and diverse talent.

To allow for succession planning, with appropriate funding, the FMC maintains multiple leadership programs to better prepare internal candidates for the leadership roles that are required under our new regulatory environment and organizational structure. The Commission has offered three leadership development programs for different grade levels under the Commission's Leadership Development Program, as well as a Senior Executive Service Development Program.

The FMC will continue to identify and address skills gaps, act on outcomes of root-cause analyses, and participate in government-wide strategic initiatives. It will continue succession planning efforts to ensure that gaps in knowledge, skills, and abilities are addressed through recruitment or workforce development, and that resources are properly allocated throughout the organization. These efforts include assessment of staffing needs with hiring managers, remediation of identified skills and knowledge gaps, creation of career path resources for mission critical occupations, evaluation of leadership development programs, performance management training, supervisory training, leadership journeys, and career and leadership development job rotational opportunities. The Commission will continue to promote its mentoring/coaching program to develop future leaders and take steps to implement phased retirement.

Lease and Office Space Improvements

The Commission leases commercial office space through the U.S. General Services Administration (GSA). Almost all the Commission's staff works out of the FMC's Washington, D.C., headquarters. A small number of investigators are located near major port and transportation hubs nationwide. In FY 2023, the Commission designated all investigators as remote employees and is in the process of reducing its field office space footprint. Through GSA, the Commission will be able to flexibly rent office space in these locations on a short-term basis when needed. After a small space in Tacoma, Washington, is surrendered in November 2024, the FMC will lease only its Washington, D.C., headquarters.

The FY 2025 estimated cost for rental space is $3,214,937, which includes real estate taxes, but not building security costs. FY2025 building security costs are estimated at $861,000. Real estate taxes are subject to change based on assessed value and are provided as an estimate in the occupancy agreement.

Continuity of Operations/Mission Resilience

The FMC practices Federal Mission Resilience (FMR). The FMC's established continuity of operations (COOP) program follows the Commission COOP Plan, which is revised and tested annually. Quarterly notification tests to non-FMC employee devices ensure that communications can be maintained in an emergency. No additional investments to this system are planned in FY 2025. 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.

Equity at the FMC

Equity Action Plan

As an independent agency, the Commission has voluntarily complied with Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,* and OMB Memo M-21-17, by conducting equity assessments of programs and services directed at the public. The Commission will further consider Executive Order 14091, *Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, in promoting Commission equity initiatives and leadership.

The Commission is finalizing an update to our Equity Action Plan, first published in January 2022. The update notes continued efforts to ensure plain language and accessibility on our website, as well as a completed review of our contracting policies and procedures. These contracting policies promote equity, and we will continue to identify additional opportunities to improve equity, reassessing our progress in FY 2024.

The Commission follows guidance in OMB M-22-01, *Improving Access to Public Benefit Program Through the Paperwork Reduction Act,* in conducting its equity work. While the FMC does not currently administer public benefits programs, we will consider whether the federal information collection burden for underserved and underprivileged communities can be minimized in future Commission information collections. No FTEs are required to implement this effort; employees already involved in information collections will consider equity in future burden analysis projects.

Diversity, Equity, Inclusion and Accessibility

The FMC voluntarily participates in Executive Order 14035, *Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce*, geared towards cultivating a workforce that draws from our Nation's full diversity and equitable employment opportunities for individuals from underserved communities.

The FMC has identified a set of themes and strategies that support and promote diversity, equity, inclusion, and accessibility (DEIA) for employees and applicants for employment. Its programs focus on ensuring access to equal opportunities, accessing talents of and creative engagement with a diverse workforce, and improving employment outcomes for all employees. The FMC believes that the application of DEIA principles serves to advance the agency's overall mission. The Office of Equal Employment Opportunity and the Office of Human Resources are embedding DEIA practices in routine agency workforce planning and forecasting, employee engagement initiatives, and accessibility measures (e.g., reasonable accommodations).

The FMC's Fiscal Years 2022-2026 Strategic Plan includes an objective to foster a high performing, engaged, and diverse workforce where staff understand how their efforts contribute to the goals of the Commission. The FMC promotes a culture that is open, diverse, inclusive, and engaged.

The FMC trains staff on equal employment opportunity law and process and accessibility requirements in the federal government. In FY 2024 and FY 2025, the Commission will expand use of exit surveys, recruit at a wide assortment of institutions, and expand career development opportunities that connect workers to leadership roles, especially in ways that address barriers identified in workforce analyses and that target our goals to ensure inclusion of individuals with disabilities. The DEIA program will continue to work with EEO on Special Emphasis Month observances. In FY 2024 and FY 2025, the FMC's EEO Office will begin an evaluation of targeted barrier analysis of agency programs and functions and strategic workforce analyses. The barrier analysis will seek to determine if there are barriers to opportunity for groups identified for analysis and, if a barrier is found, develop a plan to address the barrier. The analysis would include review of agency hiring, promotion, and retention data and policies, as well as review of other available data including complaint data, comments on FEVS, anecdotal information, exit interviews, management and employee interviews, and possibly even focus group studies (depending on the policy/practices being analyzed).

The Office of the Inspector General

FEDERAL MARITIME COMMISSION
Washington, DC 20573

January 17, 2024

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 2025:

- the aggregate budget request for the operations of the OIG is $761,885,
- the portion of this amount needed for OIG training is $2,500, and
- the portion of this amount needed to support the CIGIE is $2,500.

I certify as the Inspector General of the FMC that the amount requested satisfies the needs of the OIG for FY 2025, including all FMC OIG training requirements, and resources to support CIGIE.

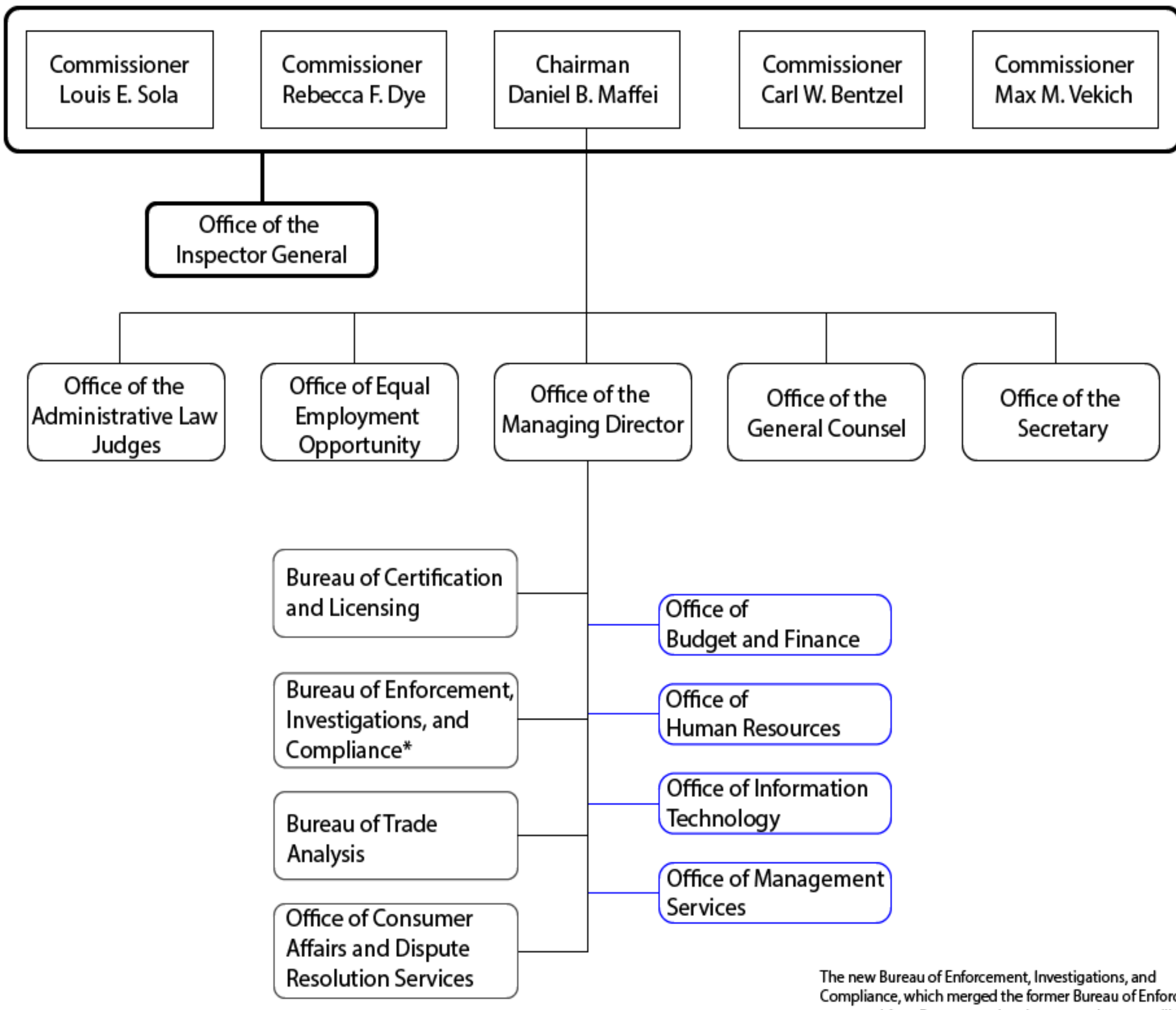
Jon Hatfield

Jon Hatfield, Inspector General
Federal Maritime Commission

Organizational Information

Organization Chart

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.



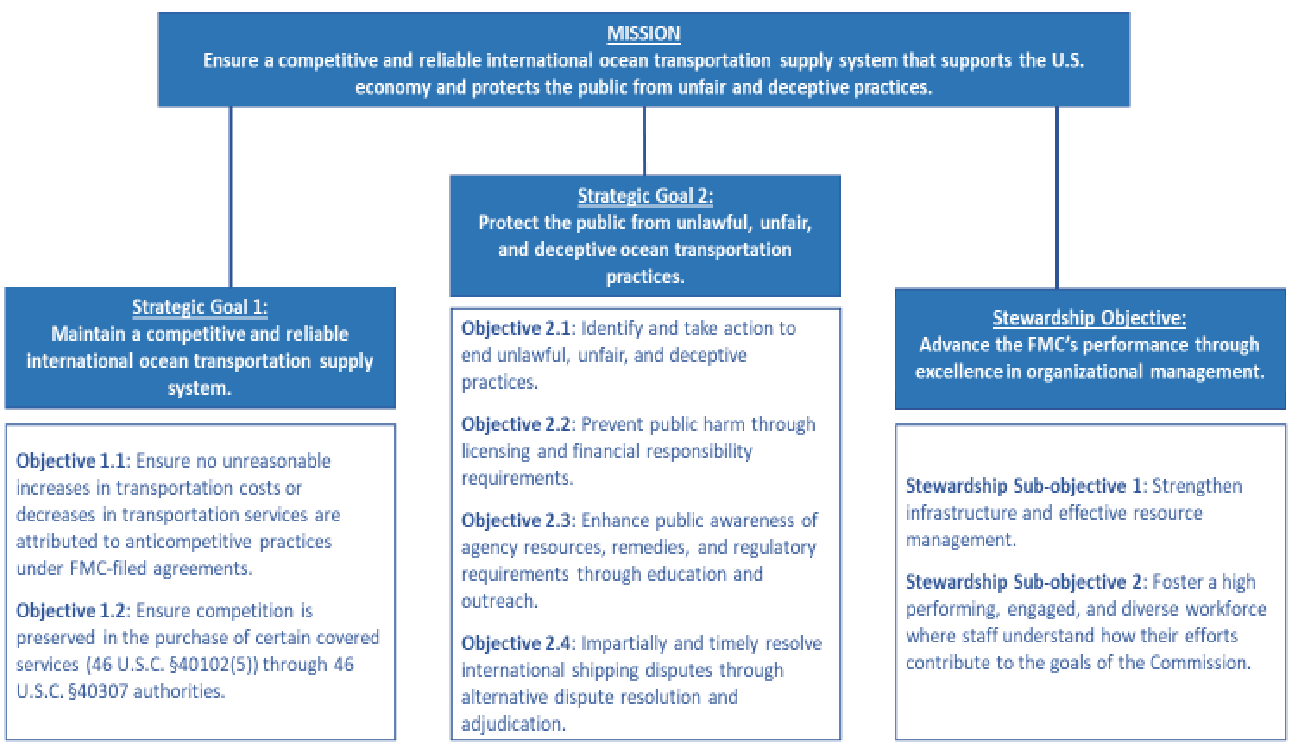
The new Bureau of Enforcement, Investigations, and Compliance, which merged the former Bureau of Enforcement and Area Representatives into a new bureau, will be reflected in an upcoming rulemaking.

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 requirements of the Ocean Shipping Reform Act of 2022 (OSRA 2022) and the Frank LoBiondo Coast Guard Authorization Act of 2018 (LoBiondo Act).

Parts A and B of Subtitle IV deal with the regulation of ocean shipping and were formerly known as the Shipping Act of 1984, as amended (the Shipping Act), the Foreign Shipping Practices Act of 1988 (FSPA) and Section 19 of the Merchant Marine Act, 1920. The Commission also administers and enforces 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 deal with the financial responsibility 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 provisions or amendments that were in the Shipping Act, the FSPA 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 [www.fmc.gov/about-the-fmc/performance-and-accountabilty-reports/.](www.fmc.gov/about-the-fmc/performance-and-accountabilty-reports/)

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