
*The Maritime Administration's
Sir Ernest Shackleton
Leadership Award*



Organizational Excellence

Department of Transportation and Maritime Administration Objective:

*Organizational Excellence. Advance the President's Management
Agenda*

There are two particularly critical environmental impacts associated with the Marine Transportation System: one is the combination of air emissions and energy consumption, and the other is the introduction of aquatic nuisance species, particularly in ballast water.

Air Emissions and Clean Energy. To address air pollutant emissions from marine vessels, MARAD has continued partnerships with governmental agencies, academia, and industry that have focused on fostering research and applying emission reduction technologies.

In 2003, MARAD initiated two research projects supported through the Department of Transportation's Center for Climate Change and Environmental Forecasting, to develop a current vessel emission inventory and assess large diesel engine retrofit emission reduction technologies. In addition, MARAD procured a Geographic Information System (GIS) that will ultimately provide detailed, applied spatial analyses of emission concerns and scenarios related to short sea shipping and landside congestion.

Aquatic Nuisance Species. Invasive species introductions are increasing both in frequency and in the extent of damage they cause to the Nation's marine transportation system, the human and natural environment, and the nation's economy.

MARAD has addressed this complex issue by developing the Federal Ballast Water Demonstration Project (FedBal), which involves several Federal and private stakeholders that provide a seamless process to test and develop ballast water treatment systems. This three-phased approach is being designed to move technology testing from the lab to stationary ships and ultimately to commercially operating vessels.

In FY 2003 two ballast water treatment technologies were tested aboard MARAD vessels, with both receiving funding from the MARAD, National Oceanic Atmospheric Administration, and the United States Fish and Wildlife Service. The technologies consist of a system that uses a combination of filtration and frequency sonic contact reactor with ozone injection. The test phase was successfully completed in late October and the system is expected to be tested onboard a commercial vessel with the assistance of the Ship Operating Cooperative Program (SOCP) participants.

The second system, which combines filtration, ultraviolet radiation, and biocides completed the second phase of testing onboard a MARAD ship in December. The University of Maryland and its partner Hyde Marine are expected to move to commercial vessel tests with a private company in FY 2004.

Marine Transportation Industry Outreach. MARAD continues to publish its quarterly *Report on Port and Shipping Safety and Environmental Protection* (reports 66-69 during FY 2003). These reports summarize activities at the international and national levels concerning safety and environmental protection matters related to ports and shipping. Of particular importance are the summaries of activities of the IMO. Report copies can be found at the following Internet addresses: <http://www.marad.dot.gov>, <http://www.marad.dot.gov/nmrec>, and <http://www.marad.dot.gov>.

Shipbuilding and the Environment. MARAD assures that its Title XI loan guarantee projects for building ships and improving shipyards are in compliance with applicable environmental requirements. Moreover, MARAD has made significant strides in establishing itself as a leading and coordinating force in research, development and

New Maritime Administration (MARAD) Strategic Plan for 2003 - 2008. In September 2003, MARAD completed development of a new strategic plan covering the years 2003-2008. This strategic plan specifically spells out MARAD's mission, its expected achievements, and the strategies and actions that the agency will pursue in fulfilling our public mandate into people. The new plan is available on line at the MARAD web site <http://www.marad.dot.gov>.

PRESIDENTS' MANAGEMENT AGENDA

Budget and Performance Integration Initiative

MARAD continues to make progress in implementing the President's budget and performance integration initiative. In keeping with direction from the Department of Transportation (DOT) and the Office of Management and Budget, during FY 2003 MARAD produced an integrated performance budget request for FY 2005. FY 2003 also marked the first year that MARAD developed a budget request as a component of DOT's appropriation bill. Although MARAD has been an operating administration of DOT for more than 22 years, MARAD's budget request previously was included in the Commerce, Justice, State and the Judiciary Appropriation Act. With the creation of the Department of Homeland Security in FY 2003, Congress shifted the jurisdiction for MARAD's budget request to the new Transportation, Treasury, and Independent Agencies Subcommittee of the House Appropriations Committee.

MARAD conducted annual and quarterly performance reviews of programs during FY 2003. The focus of the 2003 reviews was the development of 34 potential new performance measures. Use of these new meas-

ures will strengthen MARAD's performance discussions in budget requests and also help to demonstrate the link between MARAD's programs and the achievement of its strategic objectives and outcomes. MARAD also began to explore creation of efficiency measures due to the impending use of the Office of Management and Budget's Program Assessment Rating Tool in the FY 2006 budget process.

MARAD began a managerial cost accounting effort in 2003. This effort is designed to tie our accounting data to our resource requests and performance results. The effort is scheduled for completion by July 2004.

Integrating Business Strategies and Contracts

During FY 2003, MARAD continued developing business strategies and contracts that support the accomplishment of its missions and the President's Management Agenda. Major accomplishments during the year include the following:

- Provided key contracting support for the activation of 40 surge sealift vessels of the Ready Reserve Force (RRF) in direct support of Operations Enduring Freedom and Iraqi Freedom and the war on terrorism;
- Designed and deployed an upgraded version of the all-electronic, web-based E-grant system that MARAD pioneered in 2002 to facilitate its award of 77 grants totaling \$92 million to secure the Nation's port facilities. The Transportation Security Administration accepted responsibility for the updated system in early 2003, and used it to award 199 additional grants totaling \$170 million in June, 2003;
- Completed a major Office of Management and Budget Circular A-76 cost-

comparison study of approximately 195 full-time positions at the three National Defense Reserve Fleet sites. The study represents the biggest block of commercial-type work in MARAD's job inventory and gives MARAD a "green" status under the President's competitive-sourcing scorecard. The process culminated on September 10, 2003, with the selection of the government's Most Efficient Organization (MEO) offer, which meant those functions would not be outsourced.

- Negotiated and awarded seven contracts to scrap 25 environmentally at-risk vessels. These contracts represent a significant step toward meeting congressional mandates and achieving one of DOT's high priorities – responsible disposal of obsolete vessels;
- Awarded, using electronic commerce methods, over \$419 million through more than 3,200 separate contract actions, in direct support of the President's E-Government initiative;
- Entered into an innovative business partnership with the Port of Anchorage, Alaska, to complete a major renovation of that port over 10 years; and
- Continued the effective, ongoing administration of major contracts, including but not limited to, operation and maintenance of the RRF, logistics support to the RRF, information technology support for the agency, and food service, janitorial service and sewage treatment at the U. S. Merchant Marine Academy.

Human Capital

MARAD's employment totaled 855 at the end of FY 2003. In 2003, MARAD hired a total of 30 employees; 60 percent of the new hires were females and 30 percent were minority employees. There were 27 retirements alone in FY 2003.

During the fiscal year, MARAD developed a number of initiatives which supported the President's Management Agenda's Human Capital Goal. The agency has developed an external recruitment, leadership planning, and succession planning strategy to increase the participation of minorities, women, and persons with disabilities in managerial and executive ranks.

Two Career Opportunities Training Agreement Program (COTA), formerly Upward Mobility, positions were established. No positions were advertised under MARAD's Career Enhancement Program or the Department's Rotational Assignment Program.

Sixty-two applications were approved for tuition assistance through the MARAD Tuition Assistance Program.

MARAD employees received the following awards: three received the Secretary's Silver Medal, one received the Excellence Award, one received the EEO/Affirmative Action Award, and one received the Volunteerism/Community Service Award. In addition, 18 MARAD employees, as a group, received the Secretary's Team Award and 183 MARAD employees received the Partnering for Excellence Award. Fourteen employees received the Maritime Administrator's Bronze Medal Award, and one employee received MARAD's EEO Award in recognition of and appreciation for contributions made toward the furtherance of Equal Employment Opportunity.

MARAD's one-year pilot of its restructured Mentoring Program, Working to Achieve Your Vision of Excellence and Success (WAVES) was a success. Twenty-six students graduated and there is enthusiastic support for this mentoring program. The program is continuing with another class of eight students.

MARAD also developed two internal employee communications tools--the quarterly newsletter *TIDES (Tips and Ideas on Diversity and EEO Strategies)*, the monthly newsletter “*EBBs EEO Bits and Bites*”, and “*It All Begins With You*”, a program that encourages employees to share their ideas and suggestions for improving the organization and encourage cultural changes.

Expanded Electronic Government

This year MARAD's information technology focus has been on information systems security (INFOSEC) and Enterprise Architecture (EA). Several upgrades have been made to the network that afford MARAD greater protection against hackers, viruses, and other security breaches. All MARAD sites have intrusion detection and prevention capabilities, including firewall and spyware protection.

MARAD also performed risk assessments and certification and accreditation work on major systems that will continue into the next year. All MARAD employees have received information systems security training. MARAD has worked closely with the

Office of the Secretary of Transportation (OST) to implement a Continuity of Operations Plan (COOP) for critical information technology functions, including e-mail and Ready Reserve Force (RRF) applications.

An enterprise architecture document was produced that outlines MARAD's current business and technical environments with recommendations for progressing toward a more integrated and productivity enhancing architecture. The integrated architecture will eliminate functionality and data redundancy in information technology systems while increasing user productivity and management access to data for decision making.

MARAD has also upgraded many information technology services, including increased dial-in speed and Internet access, and is working with OST to migrate to their Virtual Private Network (VPN) solution to provide greater access from off-site locations. Additionally, Section 508 of the Americans with Disabilities Act compliance features were implemented on the top twenty web sites.

Ready Reserve Force (RRF) offices also worked toward updating and improving information technology systems that support the RRF program. Plans begun in earlier fiscal years have created an Information Technology Program Management Office, which has developed a detailed plan and initial schedule milestones to see the modernization project through to full operational capability.

Employee Safety

MARAD maintains an active program intended to provide a safe and healthy workplace for all employees; in FY 2003, MARAD continued to update this program. Full-time safety and occupational health specialists are assigned to each National Defense Reserve Fleet site and to the U.S. Merchant Marine Academy.

Monthly occupational safety and health inspections are conducted at each work place and identifiable hazards are promptly remedied. Employees have received updated and upgraded Emergency Medical Technician training and instruction in the safe handling of possible hazards, such as flammable liquids, electrical power, and bloodborne pathogens.

MARAD continues its Action Plan for the prevention of asbestos exposures, and continues its safety and health incentives program to lower the injury/illness lost-time

accident rates at the fleet sites. James River Reserve Fleet was the most recent winner of MARAD's Safety Trophy.

Monitoring of Graduate Service Obligations

Graduates of the United States Merchant Marine Academy and Student Incentive Payment recipients graduating from the State Maritime Schools are required to serve in the maritime industry or in the armed services. MARAD has the responsibility for monitoring graduate service obligations. In the past, the compliance reports were manually generated .

In FY 2003, MARAD designed, tested, and implemented use of the Maritime Service Compliance System (MSCS). The new system provides an effective and efficient paperless, web-based system with a user-friendly interface that allows graduates convenience in submitting these annual reports or update personal information on-line. The MSCS also provides a greatly improved tool for monitoring of graduate obligation compliance and supports achievement of the e-government initiative in the President's Management Agenda.

Research, Technology, Demonstration, and Deployment (RTDD) Initiative

MARAD, recognizing the need for more attention to maritime research and innovation, announced a new research focus, unveiling the RTDD web site (<http://www.marad.dot.gov/Research>) on March 4, 2003. Aimed at encouraging and coordinating research and innovation in the U.S. maritime industry the new effort is based on the recent 2002 report to Congress entitled *Maritime Research and Technology Development* (<http://www.marad.dot.gov/publications>). That study found that the investment in

maritime industry research by the various U.S. Government agencies and industry entities is very low when compared with investments in the other modes of transportation.

An internal coordinating committee was created to support the RTDD effort. Early focus was placed on bringing all components of the industry, academia, and other transportation partners together to share ideas, developments, and assessments of research needs and priorities. The website is a starting point for facilitating collaborative interaction and it is believed that synergistic partnerships can energize the industry. MARAD began to reach out to industry and other government organizations to identify research needs and opportunities and work out common interests and priorities. Initial discussions have taken place through MARAD's several active research Cooperatives and with research working groups of the National Academies' Transportation Research Board (TRB), the Marine Board, some individual organizations, and the Society of Naval Architects and Marine Engineers. An intranet site is under development to assist with better sharing of information and coordination of MARAD research activities.

Customer Satisfaction

All major MARAD programs are evaluated on a three-year cycle, using three forms developed by the MARAD Customer Satisfaction Committee:

- The Customer Service Questionnaire, a mechanism to evaluate perceptions of how MARAD conducts business, which is mailed out periodically.
- The Program Performance Survey, which identifies areas for improvement in program service or product delivery and to monitor the overall level of customer satisfaction. This survey is sent to

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- customers of major MARAD programs.
 - The Conference/Exhibit Survey form, which is used to evaluate MARAD's performance at MARAD-sponsored and co-sponsored conferences and exhibits in which MARAD participates. It is distributed at such conferences.

Information using these three surveys has been analyzed and included in The *Maritime Administration Customer Satisfaction Report - August 2003* report, which has been prepared for publication and is currently available on MARAD's web site (<http://www.marad.dot.gov>) under the customer service link.

Fifty-two percent of the respondents rated MARAD above average or excellent in meeting their needs. Forty-six percent interact with MARAD two times or less a month. Thirty-one percent have been customers of MARAD 10 years or less, while 12 percent have interacted with us more than 30 years. Thirty-seven percent cited MARAD as their primary supplier for maritime information and support.

On specific comparison factors to other entities with which they interact, 41 percent rated MARAD better, while only 7 percent rated the agency worse. They responded positively about friendliness (52 percent), professionalism (50 percent), and willingness to work with them (48 percent).

Four areas needing improvement were responsiveness (12 percent), timeliness (8 percent) completeness (8 percent), and willingness to work with customers (8 percent). However, 87 percent stated they would recommend MARAD, and all that responded indicated they would use MARAD services again.

Legal Services and Agency Decisions

Freedom of Information Act (FOIA). MARAD began the fiscal year with 88 carryover Freedom of Information Act ("FOIA") requests for access to records, and received 183 new requests. One hundred eighty-nine FOIA requests were processed during the fiscal year. Eighty-two requests were pending at year's end. There were no FOIA appeals from initial decisions.

Environmental Issues. The most significant set of environmental issues arose from the scrapping of obsolete vessels. Congress provided MARAD with funding for dismantling and recycling of vessels and also created a pilot program allowing MARAD to export some of these vessels for dismantling and recycling. Pursuant to this authority, MARAD entered into a contract for the dismantling and recycling of some of these vessels by an environmentally responsible contractor in the United Kingdom.

Litigation ensued in both the United States and the United Kingdom. Four of the NDRF vessels were allowed to proceed to the United Kingdom. Further hearings were set for the spring of 2004 on the remaining vessels governed by the U.K. contract.

AUDITS

In FY 2003 the Department of Transportation's (DOT's) Office of Inspector General (OIG) and the General Accounting Office (GAO) started audit work or submitted principal final reports on MARAD activities as follows:

OIG

“Financial Statements FY 2003 – DOT” (Work Underway – Project No. 03F3016F000, Notification Letter Dated: November 13, 2002) File 10-311

“Use of Contract Audit Services – DOT” (Work Underway – Project No. 03F3009F000, Notification Letter Dated: February 4, 2003) File 10-312

“Rulemaking Tracking System – DOT” (Work Underway – Project No. 03F3013F000, Notification Letter Dated: March 3, 2003) File 10-313

“Inactive Obligations in DOT” (Work Underway – Project No. 03F3021F000, Notification Letter Dated: April 10, 2003) File 10-314

“Policy and Procedures for Locating Federal Facilities in Rural Areas” (Final OIG Audit Report #SC-2003-088, Dated: September 26, 2003) File 10-316

“Computer Security of Delphi Financial Management System” (Final OIG Audit Report #FI-2003-094, Dated: September 30, 2003) File 10-317

“Information Security Program – DOT” (Final OIG Audit Report #FI-2003-086, Dated: September 25, 2003) File 10-318

GAO

“CIVIL PENALTIES: Agencies Unable to Fully Adjust Penalties for Inflation Under Current Law” (Final GAO Report #GAO-03-409, Dated: March 14, 2003) File 11-392

“ELECTRONIC GOVERNMENT: Progress in Promoting Adoption of Smart Card Tech-

nology” (Final GAO Report #GAO-03-144, Dated: January 3, 2003) File 11-395

“MARITIME ADMINISTRATION: Weaknesses Identified in Management of the Title XI Loan Guarantee Program” (Final GAO Report #GAO-03-657, Dated: June 30, 2003) File 11-396

“PERFORMANCE AND ACCOUNTABILITY: Reported Agency Actions and Plans to Address 2001 Management Challenges and Program Risk”(Final GAO Report #GAO-03-225, Dated: October 31, 2002) File 11-397

“BUILDING SECURITY: Security Responsibilities for Federally Owned and Leased Facilities”(Final GAO Report #GAO-03-8, Dated: October 31, 2002) File 11-402

“Options for Enhancing Freight Transportation” (Work Underway – Job Code 544058 - Notification Letter Dated: October 18, 2002) File 11-403

“Enterprise Architecture Maturity” (Work Underway – Job Code 310248 - Notification Letter Dated: October 31, 2002) File 11-404

“FREEDOM OF INFORMATION ACT: Agency Views on Changes Resulting from New Administration Policy” (Final GAO Report #GAO-03-981, Dated: September 3, 2003) File 11-405

“Alaska Native Village Flooding”(Work Underway – Job Code 360300 - Notification Letter Dated: January 14, 2003) File 11-406

“Innovative Financing and Private Investment in Surface Transportation Projects” (Work Underway – Job Code 544063 - Notification Letter Dated: January 17, 2003) File 11-407

“Major Management Challenges and Program Risk” (Final GAO Report #GAO-03-108, Dated: January 30, 2003) File 11-408

“TRANSPORTATION SECURITY: Federal Action Needed to Help Address Security Challenges” (Final GAO Report #GAO-03-843, Dated: June 30, 2003) File 11-409

“10 Year GPRA Retrospective” (Work Underway – Job Code 450181 - Notification Letter Dated: March 21, 2003) File 11-410

“Purchase Card Management” (Work Underway – Job Code 120232 - Notification Letter Dated: January 8, 2003) File 11-411

“Selected E-Government Collaboration Efforts” (Work Underway – Job Code 310359 - Notification Letter Dated: May 7, 2003) File 11-413

“Information Technology (IT) Training Practices of Federal Agencies” (Work Underway – Job Code 310446 - Notification Letter Dated: May 15, 2003) File 11-414

“Propane Price Volatility” (Work Underway – Job Code 360217 - Notification Letter Dated: June 12, 2003) File 11-415

“Federal Data Mining” (Work Underway – Job Code 310366 - Notification Letter Dated: May 23, 2003) File 11-416

“Issues in Intermodal Transportation System Development” (Engagement Code CA001 - Notification Letter Dated: June 20, 2003) File 11-418

“Implementation of the Maritime Transportation Security Act of 2002” (Work Underway – Job Code 440226 - Notification Letter Dated: July 26, 2003) File 11-419

“Department of Energy’s Laboratory-Directed R&D Program” (Work Underway – Job Code 360368 - Notification Letter Dated: August 4, 2003) File 11-420

“The Passenger Vessel Services Act” (Work Underway – Job Code 544080 - Notification Letter Dated: August 4, 2003) File 11-421
Letter Dated: September 9, 2003) File 11-422

“Transportation Security R&D Questionnaire” (Work Underway – Job Code 540068 - Notification Fication Letter Dated: September 9, 2003) File 11-422.

Report to Congress

The Department of Defense Authorization Act for 2001, Public Law 106-398, contains the following section on a report to be submitted to the Congress.

SEC. 3506.

REPORTING OF ADMINISTERED AND OVERSIGHT FUNDS.

The Maritime Administration, in its annual report to the Congress under section 208 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1118), and in its annual budget estimate submitted to the Congress, shall state separately the amount, source, intended use, and nature of any funds (other than funds appropriated to the Administration or to the Secretary of Transportation for use by the Administration) administered, or subject to oversight, by the Administration.

The Maritime Administration (MARAD) receives funding from other Federal agencies primarily through reimbursable agreements. Funding from outside MARAD is placed in four accounts.

The largest reimbursement to MARAD is transferred by the Department of the Navy for MARAD's operation, maintenance and management of the National Defense Reserve Fleet (NDRF) Ready Reserve Force (RRF). Most of this funding is placed in the Vessel Operations Revolving Fund (VORF) account. This account covers all non-salary costs associated with maintaining the RRF/NDRF. In 2003, the Department of the Navy transferred \$20 million for disposal of obsolete vessels in VORF. Funds in the amount of \$225 million for the deployment and operation of Operation Iraqi Freedom were also transferred to VORF.

The funds transferred into the Operations and Training account come from approximately 40 reimbursable agreements from other Federal agencies for a variety of purposes. The largest ongoing reimbursable transaction into this account comes from the Navy and provides funding for the salary and administrative support costs for the RRF and the NDRF maintenance personnel.

The funds deposited into the Special Studies Account originate from the sale of customized data products to the public. These customized data products are generated from the MARAD/U.S. Army Corps of Engineers U.S. Foreign Waterborne Transportation Statistics. The specialized data products consist of U.S. trade, vessel, cargo and related data and include economic analyses and in-depth market assessments of the major marine industry segments. MARAD charges customers a fee to recover the cost of producing these special reports and studies.

The funds deposited into the Gifts and Bequests account are provided by the U.S. Merchant Marine Academy Alumni Association. The Association provides donated funds to assist the Academy, the regiment of Midshipmen and faculty in meeting the mission of the Academy. The funds support the music, arts, morale, athletics, and chapel programs.

The report that begins on the following page includes actual reimbursement authority for FY 2003, and reimbursement authority through the first quarter of FY 2004.

Report to Congress
Funds Administered by the Maritime Administration
Not Appropriated to the Maritime Administration
Fiscal Year 2003

Funds are Credited in Vessel Operating Revolving Fund (VORF)

<u>Fund Source</u>	<u>Intended Use</u>	<u>Amount</u>
U.S. Department of the Navy (Anacostia Annex)	CHESAPEAKE Operation, quarterly funding, war bonus/overhaul.	\$8,622,850
U.S. Department of the Navy (Anacostia Annex)	GOPHER STATE, Iraqi Freedom Operation	\$8,704,750
U.S. Department of the Navy (Anacostia Annex)	PETERSBURG operation hire/misc./security	\$10,480,620
U.S. Department of the Navy (Anacostia Annex)	CAPE JACOB, fourth quarter funding, security	\$13,396,598
U.S. Department of the Navy (Anacostia Annex)	CAPE HENRY, emergency sustainment	\$2,005,000
U.S. Department of the Navy (Anacostia Annex)	Continuation of no notice activation-TURBO 02-04	\$428,000
U.S. Department of the Navy (Anacostia Annex)	CAPE GIBSON or CAPE GIRARDEAU - Cart rig team training	\$2,500
U.S. Department of the Navy (Anacostia Annex)	National Defense Sealift Fund for activation/deactivation of CAPE JOHNSON AND CAPE JOHN	\$700,000
U.S. Department of the Navy (Anacostia Annex)	National Defense Sealift Fund for operation of CAPE JOHN and CAPE JOHNSON	\$4,460,000
U.S. Department of the Navy (Anacostia Annex)	CAPE GIBSON, Operation Iraqi Freedom	\$878,735
U.S. Department of the Navy (Anacostia Annex)	CAPE JACOBS dry docking	\$300,000
U.S. Department of the Navy (Anacostia Annex)	Equipment installations and upgrades for TAVB	\$170,000
U.S. Department of the Navy (Anacostia Annex)	Support of travel costs incurred by MARAD personnel for semi-annual condition inspection	\$4,100
U.S. Department of the Navy (Anacostia Annex)	GOPHER STATE, deactivation/drydock	\$4,000,000
U.S. Department of the Navy (Anacostia Annex)	USS GEM STATE for training	\$6,000
U.S. Department of the Navy (Anacostia Annex)	RRF/NDRF operating and maintenance costs	\$198,269,186
U.S. Department of the Navy (Anacostia Annex)	CAPE JOHNSON (cleaning of holds)	\$5,140
U.S. Department of the Navy (Anacostia Annex)	CAPE WRIGHT (fireside & waterside)	\$10,500
U.S. Department of the Navy (Anacostia Annex)	CAPE GIRARDEAU (fuel/normal wear and tear/clean-up)	\$2,500
U.S. Department of the Navy	CAPE TRINITY, activation/deactivation	\$300,000

Report to Congress
Funds Administered by the Maritime Administration
Not Appropriated to the Maritime Administration
Fiscal Year 2003

U.S. Department of the Navy (Anacostia Annex)	CAPE TAYLOR, activation/deactivation	300,000
U.S. Department of the Navy (Anacostia Annex)	CAPE TEXAS, activation/deactivation	300,000
U.S. Department of the Navy (Anacostia Annex)	CAPE KNOX, activation/deactivation	300,000
U.S. Department of the Navy (Anacostia Annex)	CAPE KENNEDY, activation/deactivation	300,000
U.S. Department of the Navy (Anacostia Annex)	CAPE VICTORY, activation/deactivation	300,000
U.S. Department of the Navy (Anacostia Annex)	CAPE VINCENT, activation/deactivation	300,000
U.S. Department of the Navy (Anacostia Annex)	CAPE DOMINGO, activation/deactivation	275,000
U.S. Department of the Navy (Anacostia Annex)	CAPE DOUGLAS, activation/deactivation	275,000
U.S. Department of the Navy (Anacostia Annex)	CAPE DIAMOND, activation/deactivation	275,000
U.S. Department of the Navy (Anacostia Annex)	CAPE DECISION, activation/deactivation	275,000
U.S. Department of the Navy (Anacostia Annex)	CAPE JOHNSON, activation(charter hire)	6,138,000
U.S. Department of the Navy (Anacostia Annex)	CAPE JOHN (charter hire/port charges)	7,474,000
U.S. Department of the Navy (Anacostia Annex)	TAVB reefers, Containers & USMC office and medical equipment	80,000
U.S. Department of the Navy (Anacostia Annex)	CAPE CURTIS, activation	5,229,037.45
U.S. Department of the Navy (Anacostia Annex)	CAPE WRIGHT, activation	6,245,009.7
U.S. Department of the Navy (Anacostia Annex)	CAPE RISE, activation/deactivation	300,000
U.S. Department of the Navy (Anacostia Annex)	CAPE RACE, activation/deactivation	300,000
U.S. Department of the Navy (Anacostia Annex)	CAPE EDMONT, activation	275,000
Naval Sea Systems	Quarterly support for NDRF inactive fleet	50,500

Report to Congress
Funds Administered by the Maritime Administration
Not Appropriated to the Maritime Administration
Fiscal Year 2003

Command (NAVSEA)	maintenance	
NAVSEA	US Navy Sealift R&D Technology Demo test support	\$340,000
NAVSEA	USNS BEAVER STATE engineering review	\$10,000
NAVSEA	Funds earmarked for disposal of obsolete NDRF ships	\$20,000,000
NAVSEA	FLICKERTAIL STATE/CORNHUSKER STATE, R&D Technology demo test	\$400,000
U.S. Navy-COMNAVELSF	Naval Reserve training onboard CAPE GIBSON	\$1,551
COMNAVELSF	Training aboard CAPE GIRARDEAU	\$2,500
COMNAVELSF	To utilize the GEM STATE for training	\$700
COMNAVELSF	Training aboard CAPE GIRARDEAU	\$5,000
COMNAVELSF	Training aboard CAPE GIRARDEAU	\$2,500
COMNAVELSF	Delmar exercises to utilize FLICKERTAIL STATE for cargo handling training	\$11,400
COMNAVELSF	Training aboard CAPE GIRARDEAU	\$2,500
COMNAVELSF	Training aboard CAPE ALEXANDER	\$2,500
U.S. Army	Training aboard RRF vessel	\$1,250
U.S. Army	1176th TB for use of CAPE WASHINGTON for training	\$1,250
U.S. Army, HECSA	Annual custody of Sturgis at the James River Reserve Fleet	\$2,000
Military Sealift Command (MSC)	Chemical, Biological, & Radiological-Defense (CBR-D) Officer Training	\$46,000
MSC	Removal of two steering gear hydraulic pumps from EX-WABASH	\$325
MSC	Maintenance of EX-MOUNT HOOD/ EX-ROANOKE/EX-WABASH	\$700
MSC	Cart Rig Team training aboard SS CAPE GIRARDEAU	\$2,500

**Report to Congress
Funds Administered by the Maritime Administration
Not Appropriated to the Maritime Administration
Fiscal Year 2003**

MSC	Training aboard CAPE GIRARDEAU	3,500
MSC	USNS KILAUEA, to support Berthing and utilities	60,000
MSC	TURBO 03-04 Activation	8,770,503
MSC	Training aboard CAPE GIRARDEAU	2,500
MSC	Training on CAPE GIRARDEAU	2,500
MSC	Removal and crating of items from the EX-USS MOUNT HOOD	173
Navy Engineering Logistics Office (NELO)	Operation & maintenance of a Maritime training vessel	450,475
NELO	Repairs on a Maritime training vessel	1,465,000
Total Vessel Operating Revolving Fund		313,325,353.2

Report to Congress
Funds Administered by the Maritime Administration
Not Appropriated to the Maritime Administration
Fiscal Year 2003

Funds are Credited to Operations and Training (O&T)Office

<u>Fund Source</u>	<u>Intended Use</u>	<u>Amount</u>
Naval Sea Systems Command(NAVSEA)	Salary support costs for the Inactive Fleet	\$799,500
NAVSEA	Maintenance	
	Program Management Support	\$30,000
NAVSEA	Salary support for R&D Technology Demo test	\$10,000
U.S. Marine Corps	Upkeep for training aboard USNS PATRIOT STATE	\$10,100
Bureau of Labor Statistics (BLS)	Monthly import and trade data	\$2,500
Bureau of Economic Analysis (BEA)	Waterborne Import & import statistics in calculating US trade	\$18,000
Department of the Navy	Salary support costs from the National Defense Sealift Fund for operation of CAPE JOHN/JOHNSON	\$100,000
Anacostia Annex	A project to be conducted under auspices of the Center for Climate Change & Environmental Forecasting	\$38,000
DOT/RSPA	Steering gear hydraulic pumps removal from EX-WABASH	\$7,600
Military Sealift Command (MSC)	Contribution to ship structure committee	\$80,000
MSC	Maintenance of EX-Mt HOOD/WABASH/ROANOKE	\$44,300
MSC	Removal and crating of items from the EX-USS MOUNT HOOD	\$10,775
MSC	Removal and crating of items from the EX-USS MOUNT HOOD	\$5,627
Space & Naval Warfare System Command	Ship Tracking and Routing System (STARS)	\$150,000
U.S. Department of Commerce, NOAA	Ship Operations Cooperative Program (SOCP) membership dues	\$5,000
National Oceanic Atmospheric Administration (NOAA)	Joint Ballast Water Project	\$290,000
DOD-U.S. Transportation Command	Support cooperative advanced logistics R&D CCDOTT management	\$100,000
United States Coast Guard (USCG)	Develop and maintain an electronic grants system for the Port Security Program	\$252,000
USCG	Administrative support services for Internat'l standards org. technical advisory group (TAG)	\$60,000
USCG	Mooring and retention of USCG vessels at SBRF	\$11,000

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United State Coast Guard (USCG)	SOCP membership dues	\$5,000
National Science Foundation (NSF)	Tech. support in connection with a new Antarctic Research Vessel/other related services as required	\$174,500
National Data Buoy Center	Buoy Storage	\$2,744
Military Traffic Managemt Command (MTMC)	Support of ICODES Project	\$175,000
MTMC	Regional Agile Port Intermodal Distribution (RAPID) System	\$2,000,000
DoD-Office of Economic Adjustment	Port of Achorage Intermodal Expansion	\$5,000,000
U.S. Corps of Engineering	Meeting of the Interamerican Committee on Ports Organization of American States in Merida, Mexico	\$2,500
U.S. Corps of Engineering	Foreign Waterborne (regular import/export cargo/ vessel movements)	\$368,000
U.S. Army, HECSA	Support of STURGIS at the James River Reserve Fleet	\$23,000
CIA	Provision of services, etc from Lloyds Maritime Intelligence Unit	\$354,617
U.S. Department of the Navy (Anacostia Annex)	Salary support costs for RRF/NDRF	\$37,702,814
MARAD	Title XI operating costs	\$4,099,181
DOT/OST	Information technical support services-OST Civil Rights	\$6,000
Total Operations and Training (O&T)		51,937, 758

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<u>Fund Source</u>	<u>Intended Use</u>	<u>Amount</u>
Gifts and Bequests Trust Fund (GF)		
GF	USMMA	3,339,025
Total Gifts and Bequests Trust Fund (GF)		\$3,339,025
Global Maritime and Transportation		6,093,740
USMMA Global Maritime & Transportation (GMATS) Program (Non-appropriated) from tuition paid by trainees	The mission of the U.S. Merchant Marine Academy is to offer leading-edge education and training to maritime and transportation professionals. The GMATS program is a non-appropriated fund instrumentality" (NAFI) of the U.S. Merchant Marine Academy generating funds through meal and lodging fees	
Total Global Maritime and		\$6,093,740
Special Studies, Services, and Projects Trust Fund (SSSP)		70,604
U.S. Department of the Army Corp of Engineers (USACE)	The other flow of funds into MARAD that does not involve reimbursable agreements comes from the sale of data and data products, primarily from the MARAD/USACE United States Foreign Waterborne Statistics (USFWTS)	
Total Special Studies, Services, and Projects Trust Fund (SSSP)		\$70,604

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Summary 2003

Summary 2003

Total Vessel Operating Revolving Fund	\$313,325,353
Total Operations & Training	\$51,937,758
Total Gifts and Bequests	\$3,339,025
Total GMATS	\$6,093,740
Total Special Studies, Services, and Projects	\$70,604
Total FY 2003 Funding Authority	\$374,695,876

This is the total funding authority received/accepted through fiscal year 2003, and cannot exceed the estimated offsetting collections apportioned by the Office of Management and Budget.

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Special Studies, Services, and Projects Trust Fund (SSSP)

<u>Account Funds are Credited to</u>	<u>Fund Source</u>	<u>Intended Use</u>	<u>Amount</u>
Gifts and Bequests Trust Fund (GF)			
GF	USMMA (1/4 of 2003 actual)		\$616,563
Total Gifts and Bequests Trust Fund (GF)			\$616,563
Global Maritime and Transportation School (GMATS)			1,729,625
GMATS	USMMA Global Maritime & Transportation (GMATS) Program (Non-appropriated) from tuition paid by trainees	The mission of the U.S. Merchant Marine Academy GMATS is to offer leading-edge education and training maritime and transportation professionals. The GMATS program is a non-appropriated fund instrumentality (NAFI) of the U.S. merchant Marine Academy funds through tuition, meal and lodging fees. (1/4 of 2003 actual)	
Total Global Maritime and Transportation School (GMATS)			\$1,729,625
*This amount was derived from the Income Statements provided by the GMATS program. figures have not been audited by an accounting firm			
Special Studies, Services, and Projects Trust Fund			17,651
SSSP	U.S. Department of the Army Corp of Engineers (USACE)	The other flow of funds into MARAD does not involve reimbursable agreements comes from the sale of data and data products, primarily from the MARAD/USACE produced United States Foreign Waterborne Statistics (USFWTS) program. (1/4 of 2003 actual)	
Total Special Studies, Services, and Projects Trust Fund			\$17,651

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Summary 2004

Total Vessel Operating Revolving Fund	\$204,151,920
Total Operations & Training	\$29,921,232
Total Gifts and Bequests	\$616,563
Total GMATS	\$1,729,625
Total Special Studies, Services, and	<u>\$17,651</u>
Total FY 2004 Funding Authority	<u>\$236,419,340</u>

This is the total funding authority received/accepted through Quarter 1 of fiscal year 2004, and cannot exceed the estimated offsetting collections apportioned by the Office of Management and Budget.

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Funds are Credited to Vessel Operating Revolving Fund (VORF)

<u>Fund Source</u>	<u>Intended Use</u>	<u>Amount</u>
U.S. Department of the Navy (Anacostia Annex)	CAPE GIBSON, additional funding for continued Operation Iraqi Freedom (OIF)	\$1,242,000
U.S. Department of the Navy (Anacostia Annex)	1st qtr. - CHESAPEAKE charter hire/port expense/ misc. expense/security/cochin port	\$2,226,730
U.S. Department of the Navy (Anacostia Annex)	1st qtr. - PETERSBURG charter hire/port expense/ misc. expense/security	\$2,154,630
U.S. Department of the Navy (Anacostia Annex)	1st quarter - CAPE JACOB port expense	\$2,137,710
U.S. Department of the Navy (Anacostia Annex)	RRF/NDRF operating and maintenance costs	\$195,220,000
U.S. Department of the Navy (Anacostia Annex)	CAPE JACOB (IFO 180)	\$286,650
Military Sealift Command (MSC)	CAPE GIRARDEAU Yard and Stay Team Training	\$2,500
MSC	Cart Rig Team training onboard CAPE GIRARDEAU	\$2,500
U.S. Army, HECSA	STURGIS-custody at the James River Reserve Fleet	\$3,500
Naval Personnel Developmt. Command (NPDC)	USS PIGEON overhaul	\$2,300
U. S. Navy COMNAVELSF	Training aboard CAPE GIRARDEAU	\$2,500
U. S. Navy COMNAVELSF NELO	Training on the CAPE GIRARDEAU and GEM STATE, DEL MONTE, Operations & Maintenance of a Maritime training Vessel	\$8,500 \$560,000
Naval Sea System Command (NAVSEA)	CHESAPEAKE-O&M, N funds for OPDS/OUB alternations	\$250,000
NAVSEA	EX-STANDLEY (CG-32) rig for tow	\$49,400
USCG	Semi-Annual inspection/repairs to existing Cathodic Protection System on the STATE OF MAINE	\$2,000
USCG	PLANETREE and IRIS annual custody costs	\$1,000
Total Vessel Operating Revolving Fund (VORF)		\$204,151,920

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Funds are Credited to Operations and Training (O&T)

<u>Fund Source</u>	<u>Intended Use</u>	<u>Amount</u>
Naval Sea Systems Command (NAVSEA) NAVSEA	Support of required shipboard maintenance of INACTIVE vessels in NDRF Provide Program Management support	\$198,750 \$30,000
II Marine Expeditionary Force (MEF) U.S. Department of Commerce, NOAA	To upkeep VBSS ship, USNS PATRIOT STATE for training Transfer funds to SOCP for membership including projects and activities implementation	\$38,100 \$5,000
U.S. Army, HECSA	STURGIS-custody at the James River Reserve Fleet	\$29,060
National Science Foundation	Support in connection with a new Antarctic Research Vessel & other related services as required	\$150,000
Naval Personnel Developmt Command (NPDC)	USS PIGEON overhaul	\$3,675
National Data Buoy Center	Buoy storage at Suisun Bay Reserve Fleet (SBRF)	\$4,873
Military Traffic Managemt. Command (MTMC)	Continue ship characteristics data in support of the Inte- grate Computerized Deployment System (ICODES)	\$300,000
Defense Logistic Agency HQ	Evaluations & assessment of projects that demonstrate military related Agile Port Technologies	\$25,000
U.S. Department of the Navy (Anacostia Annex) USCG	Salary support costs for ships activated during Operation Iraqi Freedom Conducting inspection/repairs to existing Cathodic Protection System on the STATE OF MAINE	\$29,100,000 \$4,150
USCG	Annual custody costs for vessels PLANETREE and IRIS	\$32,624
Total Operations and Training (O&T)		\$29,921,232