



October 4, 2007

Mariner Licensing and Documentation Performance Report

As the National Maritime Center (NMC) proceeds with the restructuring and centralization effort, an emphasis has been placed on the transition of the 17 Regional Examination Centers (RECs). With our commitment to drastically improving customer service, reducing application process time, and ensuring quality products and services, it is imperative that the transition of REC processes and procedures be executed so as not to disrupt the services we provide to the individual mariners and the maritime industry.

To date four RECs have transitioned their application processing to the NMC in West Virginia. The centers in New Orleans, LA, Anchorage, AK, Juneau, AK, and Baltimore, MD all forward application to NMC where they are evaluated and where credentials are produced and issued.

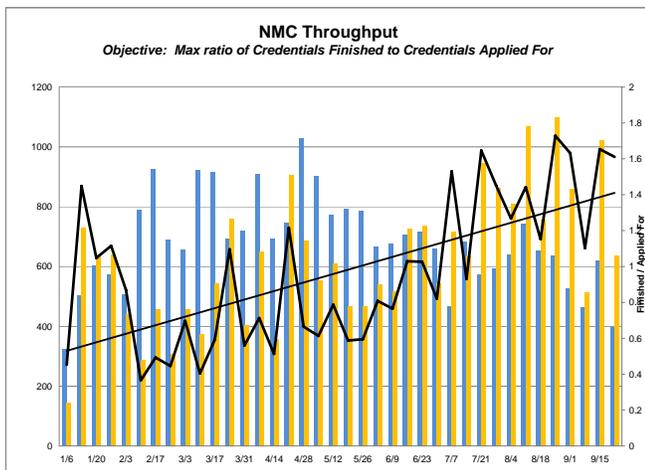


Figure 1: Credentials Applied For (Blue) vs. Credentials Finished (Gold)

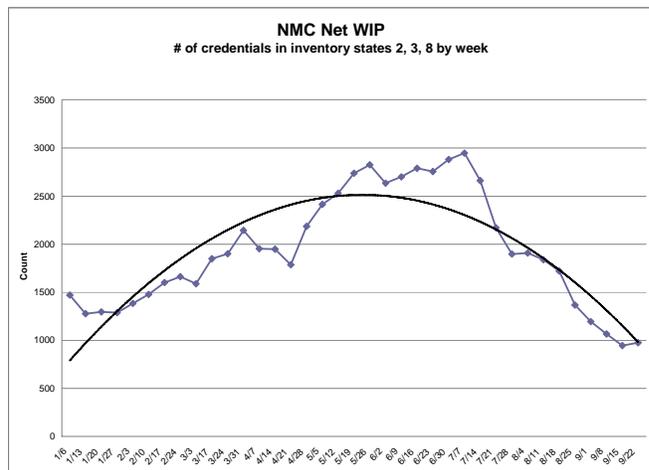


Figure 2: Inventory: Work-In-Progress (WIP) Credentials

The process improvements implemented at NMC in July 2007 continue to produce positive results. Throughput, as shown in Figure 1, continues to trend positive indicating that our improvements have allowed production of more credentials than the rate of incoming credential applications. Figure 2 details the number of credentials that are “in-process” at the NMC, our inventory. The dramatic reduction in inventory since July is the direct result of process improvements. Further reductions in inventory will translate to even faster processing times. Analysis shows that applications that are complete are being processed faster and credentials are being issued within 10 to 28 days. Although we are aggressively striving to reduce this time further, we are pleased with these initial results.

Our efforts to improve the Mariner Licensing and Documentation program have only just begun. Over the next few months and throughout 2008, we will transition the remaining 13 RECs to centralized operations. At the same time, work will continue on making improvements to our existing paper-based application system, while the design of the future program state and its use of an intelligent electronic web-based credentialing system begin.

We look forward to working with you, our customer, to improve the Mariner Licensing and Documentation program. Thank you for challenging us to improve as we ask for your help and patience as we do so.

Sincerely,
David C. Stalfort
Captain, U. S. Coast Guard