

**Statement of Richard A. Lidinsky, Jr.
Chairman, Federal Maritime Commission**

**Before the Committee on Commerce, Science, and Transportation
United States Senate**

May 10, 2012

Mr. Chairman, Ranking Member Hutchison, and members of the Committee, my name is Richard A. Lidinsky, Jr. It is a great honor to appear before you today, and to have been renominated by the President to continue to lead the Federal Maritime Commission. I would like to introduce my wife of 40 years, Mary Duston, and thank her for the partnership and support that allow me to be here today.

My entire legal, public service, and business careers have revolved around the various areas regulated by the FMC. After serving on the staff of the House Merchant Marine and Fisheries Committee, I worked as the FMC's Legislative Counsel during one of the Commission's most active and important regulatory periods. I served next as port counsel and director in my home port of Baltimore, and after a decade I moved to become Vice President of Sea Containers, a global marine equipment manufacturing, leasing, and trading company. During my twenty years in the private sector, I worked closely with the Pentagon to containerize supplies for our troops. I also had the privilege of serving as advisor to our NATO delegation on port and intermodal matters.

When I stood before you for my first confirmation hearing in July 2009, the global maritime industry was still in the depths of its worst year since the age of containerization began. At that time, more than 575 massive containerships, or 12% of the world's capacity, were laid up or at anchor awaiting work. As a result, I told you that my top priority as a nominee for FMC Commissioner was to support economic recovery and jobs for all sectors of maritime commerce through regulatory relief. My additional priorities were monitoring foreign countries and ocean carriers to protect the U.S. businesses and consumers they serve, and assisting ports and carriers with efficiency and sustainability so that concerns over environmental impacts do not constrain growth.

After Senate confirmation, I joined the Commission in August 2009, and five weeks later the President designated me as Chairman. In the two and a half years since I became Chairman of the Commission, I am pleased to report that we have worked in a bipartisan manner to make progress on each of these priorities.

First, we have given regulatory relief to support the economic recovery. In April 2011, a majority of the Commission broke a twenty-year deadlock and issued a final rule granting an exemption to relieve 3,500 logistics businesses from the costs and burdens of publishing their rates in antiquated tariffs. Now, with a year of experience, we are looking at ways to improve the exemption and provide additional regulatory relief. Going forward, the Commission has announced plans to systematically review all areas of its rules and procedures to streamline, modernize, and continue to reduce regulatory burdens.

Second, we have been vigilant in supporting American businesses and consumers that rely on the international maritime industry. Back in mid-2009, I could not have predicted that by the Spring of 2010, I would be reporting to Congress that demand for liner shipping had recovered so quickly that U.S. exporters were facing serious shortages in vessel capacity and intermodal containers. The Commission responded by launching and quickly completing an investigation, led by my colleague, Commissioner Rebecca Dye. We implemented her team's recommendations to more closely monitor carrier rate discussion agreements and receive advanced notice of ocean carrier alliances' capacity decisions. We also formed Rapid Response Teams to cut through red tape and provide prompt solutions to disputes between shipping lines and customers so that we can keep cargo moving. In addition, we have taken several initiatives, led by my colleague, Commissioner Michael Khouri, to deter unlicensed, fly-by-night household goods movers from defrauding consumers when they try to ship their life's possessions overseas. And we established a direct dialogue with our counterparts in China to raise concerns of U.S. shippers and logistics companies.

Third, the Commission has served as a helpful partner to ocean carriers and ports working to grow in a sustainable manner. The Commission has given expedited review and allowed ports and terminals to proceed with agreements to cooperate on efficiency and environmental issues, the most recent example being the Port of New York and New Jersey Sustainable Services Agreement. We have also allowed the major ocean carrier agreement in the Transpacific to discuss "slow steaming" and other ways to save fuel and reduce pollution. Last month, at the suggestion of Commissioner Mario Cordero, we hosted a forum for ports to highlight and discuss their environmental initiatives, and received presentations from the ports of Houston, Long Beach, Los Angeles, New York/New Jersey, Oakland, and Virginia.

If confirmed for another term at the Commission, my top priority will continue to be assisting our economic recovery for job growth, both within our ocean transportation industry and among the exporting and importing businesses they serve. I believe that the two most important ways we can aid the economic recovery are: (1) working to ensure our maritime transportation system efficiently supports export growth; and (2) continuing to provide regulatory relief so that companies can hire American workers.

If confirmed, I look forward to working with Commission nominee Bill Doyle and each of my colleagues on these priorities, which are not just my own: Congress and the President have also endorsed them. Congress said that a key purpose of the Shipping Act is to "promote the growth and development of United States exports through competitive and efficient ocean transportation and by placing a greater reliance on the marketplace." President Obama has also issued Executive Orders urging agencies to use "every effort" to double exports and to review regulations to provide relief and flexibility. If confirmed, I will work hard to translate this guidance into action. I am proud of the progress the Commission has made on these fronts during the past two and half years, but I'm eager to do more to help U.S. exporters and the maritime industry continue to grow and create American jobs.