

**STATEMENT OF
COMMISSIONER REBECCA F. DYE
FEDERAL MARITIME COMMISSION
BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE
NOVEMBER 30, 2010**

Mr. Chairman, Ranking Member Hutchinson, and members of the Committee, I am honored to appear before you today, renominated by President Obama to be a Commissioner of the Federal Maritime Commission. My daughter, Caroline, who is a senior at the University of North Carolina at Chapel Hill, was unable to be here with me today.

I began my career in Washington as a commissioned officer and attorney in the United States Coast Guard's Office of Chief Counsel. I later served as a law instructor at the Coast Guard Academy in New London, Connecticut. After two years as an attorney at the United States Maritime Administration, I joined the former Committee on Merchant Marine and Fisheries in the House of Representatives as Minority Counsel, and in 1995, I became Counsel for the Coast Guard and Maritime Transportation Subcommittee of the Committee on Transportation and Infrastructure.

I was originally confirmed as a Federal Maritime Commissioner in 2002 and again in 2005. Mr. Chairman, if I am confirmed to another term at the Federal Maritime Commission, I believe that my 30 years of experience in maritime law and policy will allow me to continue to contribute positively to the Commission's vital mission. My experience with the Coast Guard and the Maritime Administration, as well as the Federal Maritime Commission, has allowed me to develop a broad understanding of maritime transportation. I am also very familiar with the needs and general concerns of the various industry stakeholders regulated by the Commission.

Mr. Chairman, the international container shipping industry experienced, from late 2008 through late 2009, an unprecedented drop in international trade volumes. Ocean carriers laid up roughly 575 vessels worldwide, idling approximately 12 percent of the world's container fleet.

By early 2010, increases in export and import volumes collided with previous vessel capacity reductions. The resulting supply and demand mismatch created serious supply chain disruptions for American importers and exporters. The Commission received reports from American shippers and intermediaries that they were experiencing extreme difficulty obtaining vessel space and shipping containers for ocean transportation, particularly in the U.S.-Asia trades.

Due to our concerns about the causes of these and other reported problems, as well as our concern that this situation could hinder our country's economic recovery, the Commission ordered Fact-Finding Investigation No. 26, Vessel Capacity and Equipment Availability in the

United States Export and Import Liner Trades. The Commission designated me the Investigating Officer in this matter.

Following extensive interviews at the Commission and around the country, Mr. Chairman, I am pleased to report that the condition in U.S. ocean shipping has stabilized. Supply and demand in the U. S.-Asia trades are more evenly matched and complaints from American shippers have diminished.

I am also pleased to announce that I have delivered my final, confidential report on my investigation to the Commission today. I developed a number of recommendations to address the problems we discovered during this investigation, in addition to the recommendations the Commission adopted this summer. The Commission will consider the final recommendations at our meeting scheduled for December 8, 2010.

If I am confirmed, I will continue to work with shippers and ocean carriers on contractual service and supply chain reliability issues to improve the long-term effectiveness and reliability of the U.S. ocean transportation system.

Mr. Chairman, during my term at the Commission, I strongly supported providing relief from tariff publication requirements to ocean transportation intermediaries which, according to comments filed with the Commission, could save their business up to \$200,000 per year. This action would relieve unnecessary requirements, put cash back into their businesses, and potentially generate additional American jobs. The Commission will consider a final rule in this matter in the near future.

Mr. Chairman, if confirmed by the Senate, I will be fair-minded and objective in executing the Commission's statutory directives. I will do all I can to guarantee that all entities regulated by the Commission are provided with a fair market environment in which to operate. I will also work to eliminate unfair shipping practices by foreign governments, and protect cruise ship passengers against undue financial risk.

Finally, Mr. Chairman, if I am confirmed, I will do all I can to assist in the effort to ensure economic and homeland security for our country.

Mr. Chairman, thank you very much for holding this hearing today, and I will be delighted to answer any questions you may have.