

Statement of Michael A. Khouri
Nominee for Commissioner, Federal Maritime Commission
U.S. Senate Committee on Commerce, Science, and Transportation
December 15, 2009

Good afternoon Mr. Chairman, Ranking Member Hutchison, and members of the Commerce, Science, and Transportation Committee. I am Michael Khouri and am a nominee for Commissioner at the Federal Maritime Commission.

I sincerely appreciate the opportunity to appear before you today, and especially at this time with so many other important matters that require your attention. I am honored to have been nominated by President Obama to become a member of the Federal Maritime Commission and I thank the President for his confidence and this opportunity to serve. If confirmed by the Senate, I will do my best to serve the public interest and enforce the laws that apply to the maritime entities regulated by the Federal Maritime Commission.

First, I want to introduce my wife Sandy Khouri. We are coming up on our twenty-fifth wedding anniversary this May. When I came home one evening a few months ago and said, "I received an interesting phone call from Washington today...", she listened quietly then replied, "Wherever you want to go, you know I'm there with you." She is, by far, my better half. Our oldest son, Aaron, is a senior marketing and business major at Lynchburg College of Virginia. He is in final exams today. Ben, our younger son, is a freshman at Trinity College in Connecticut and is likewise preparing for year end exams. They are good students, accomplished athletes with both playing varsity lacrosse at top twenty college programs and overall, good young men. Aaron was recently honored by his lacrosse teammates and coaches with election as Senior Captain. Sandy and I are proud of the men our boys have become.

My maritime career began some thirty-eight years ago when I took a summer job on a river tow boat. I became fascinated with the waterways, with ships and the thought of piloting those big vessels. I trained and worked hard, made Pilot at age 23 and stood my first Captain's watch at age 25. But the law was also interesting and called me back to school. Following law school, I joined American Commercial Lines (ACL) as counsel and found that a mix of real world operating experience combined with a technical and legal education was valued by management. My assignments continued to grow in scope and responsibility including chief legal officer and ultimately senior vice president for transportation services-marine operations. Next, I joined MERS Economy Boat as president & chief operating officer where I had general management responsibilities for the company's fuel and vessel supply operations on the Mississippi River and Gulf Coast.

During my maritime industry career, I have had the opportunity to work with the conference freight bureau and all of the related antitrust issues, and most importantly, during the transition period in the inland marine industry as regulated cargos moved first by tariff, then by "independent action" and then under "service contracts". I have experience working with ports and terminals and understand the issues affecting shore side venues where cargos originate or are offloaded. I have also worked on commercial transactions with freight forwarders and ship brokers; now collectively called transportation intermediaries. I believe that these thirty plus years of experience serve as a solid foundation from which I may review and judiciously consider the mission, objectives and matters that come before the Federal Maritime Commission.

As I related in my written material for your staff, I see three areas that are current and longer term challenges for the Federal Maritime Commission:

- Job one is the current global recession and its impact on the consumers, shippers, carriers, ports, ocean transportation intermediaries and all of the many workers and tradesmen who have reduced or lost employment opportunities. The Commission must carefully monitor rate activity and reduce non-value added cost burdens when and where possible. Shippers need lowest cost transportation solutions, ocean transportation intermediaries need regulatory oversight that is as efficient as possible and carriers need some opportunity to earn a minimum return. Last, an efficient and healthy international marine transportation system will offer renewed employment to U.S. workers.
- Some trade lanes have seen increased levels of controlled carrier capacity. The Commission will want to be diligent in monitoring trade, service and rate activity in these trade lanes with a focus on identifying any emerging abusive activity.
- Third, looking to a brighter future, this recession will abate and global growth will return. As trade volumes increase, our ports will see congestion and will strain to efficiently handle the volume. The FMC can begin to model that growth and assist with efficient regulatory processes that can facilitate the seamless movement of container trade through ports - perhaps up the Mississippi River to further inland ports - and provide opportunity for all of the stakeholders in our maritime community.

I close with an acknowledgement and sincere thanks to Chairman Lidinsky for his help with this process as well as Commissioner Dye and her assistance. I am truly grateful to President Obama for this nomination and the opportunity to serve. If confirmed, I look forward to working with my fellow Commissioners as well as working with each of you and your staff.

I thank you for your courtesy and attention and welcome any questions you might have for me.