

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
*“Nominations of Max Vekich, to be a Commissioner of the Federal Maritime Commission;
Christopher Coes, to be Assistant Secretary for Transportation Policy, DOT; and Laurie E.
Locascio, to be Under Secretary of Commerce for Standards and Technology, DOC”*

253 Russell Senate Office Building

10:00 AM, October 20, 2021

**Questions for the Record from Senator Klobuchar to Mr. Max Vekich, to be a Commissioner
of the Federal Maritime Commission**

Port Infrastructure. The Port of Duluth supports industries from agriculture to manufacturing—it’s the largest and busiest port on the Great Lakes with 900 vessels and an average of 35 million short tons of cargo per year. And in 2017, a new intermodal terminal opened for Canadian National Railway and Duluth Cargo Connect to improve the flow of freight in and out of the Midwest.

Question 1. Can you speak to how investments in multi-modal port infrastructure can help reduce delays and congestion in the shipment of goods?

Answer. **I am grateful for your recognition, and the recognition of all your colleagues of the need for infrastructure investment, especially infrastructure that helps move freight.**

A single container in international transit moves from one mode to another. Simplifying the process for the purposes of an example, getting a container from origin to destination requires trucking, ocean carriage, and trucking or rail again. On its journey, the container will travel on or through highways, local roads, marine terminals, equipment cargo yards, rail lines, rail yards, and even navigable inland waterways.

All these are elements of the ocean-linked freight delivery system and are essential to commerce. Costs of construction and maintenance for these components are expensive. Costs of not having these are devastating. Most of our supply links are down narrow ribbons of road, rail, or water. Keeping them uncongested and fluid is the key to supporting commerce. Staging, stacking, siding, straightening are verbs that keep the ports better at handling cargo. The goal must be to keep cargo moving. To do that, you need the right infrastructure and constant investment in the system across all modes related to goods movement.

Question 2. Can you also speak to the importance of viable ports in supporting rural communities?

Answer. **This question hits home. I am from a small timber town on the Olympic Peninsula. The town’s pulp and paper mills, and sawmills have closed. The local port had been a major exporter of woodproducts. Changes in forestland management, environmental protections, and changing global markets led to economic decline. Community stakeholders recognized the critical need to revitalize the port. Local business and labor leaders worked together to find a new customer for the port. After years of economic distress, cargo from the Midwest was flowing again through the**

Port of Grays Harbor thanks to connecting a soybean cooperative located in the Heartland to our community. This rejuvenated the short line railway, increased the longshore workforce, and led to the construction of grain elevators. Now there is 24-hour shore to ship loading at the Port of Grays Harbor. Since 2003, 23 million tons of Nebraska produced soybean meal has been exported to the Pacific Rim from the Port of Grays Harbor.

In the Pacific Northwest, there are ports supporting rural communities in Bellingham, WA, Kalama, WA, Port Angeles, WA, Astoria, OR, Coos Bay, OR, and Lewiston, ID to name just a few. This region has the most concentration of small rural ports on the West Coast. All these communities have been sustained by their rural ports. Where ports did not remain viable, like Raymond, WA, Port Ludlow, WA, and Rainier, OR, communities ceased to thrive.

As a former State Representative and Chair of the Washington State House Agriculture Committee, I saw how communities suffered when their links to markets were severed during the days of rail abandonment. Many agricultural areas never recovered from losing rail service.

Duluth is a great example of supporting rural communities. The Great Lakes were North America's highways before highways were invented. Despite Duluth being so far inland, it attracts "Lakers" and "Salties". This is because waterborne transportation is always the best way to transport bulk cargoes. There is no question that Duluth's location has brought both jobs and commerce to the Iron Range.

Questions for the Record from Hon. Sinema to Mr. Vekich

Port Congestion. My constituents are experiencing the effects of supply chain difficulties, especially when products are delayed and consumers see increased prices. I am encouraged by reports that the Ports of Los Angeles and Long Beach, California have begun operating continuously to address congestion issues, notably the dozens of ships waiting to dock and off-load their cargo.

Question 1. If confirmed, how will you address port congestion in your role as a Commissioner of the Federal Maritime Commission?

Answer. If confirmed, I would continue the work of the Commission to keep cargo moving by supporting Chairman Maffei's Vessel-Operating Common Carrier Audit Program efforts. Further, I would also explore how I might be able to support Commissioner Dye's Fact Finding 29 efforts to relieve Port Congestion. I will apply my experience in cargo movement to the Commission's efforts and initiatives. I especially want to support efforts to use existing equipment and facilities effectively.

Question 2. How will remedial actions taken at maritime ports help goods flow more quickly over rail and by truck to states such as Arizona that do not have maritime ports of entry?

Answer. Thank you for recognizing the tremendous effort that has gone on in the Ports of Los Angeles and Long Beach.

Arizona benefits from its proximity to those two ports, and though Arizona is landlocked, the Southern California maritime industry sees it as an important portion of their market. The key to serving that market well is keeping the cargo moving. The workforce is willing to work 24/7 and as you note, the two port authorities are inviting round the clock operations. All parties involved in moving ocean cargo should embrace this opportunity to move more cargo over more hours.

Providing financial incentives to truck drivers could make a difference in attracting more people to the profession. We have a shortage of truck drivers and once a container is offloaded, it is more often than not being handed off to a truck. We need enough truck drivers, with reliable access to chassis to be able to realize maximum advantage of extended gate hours.

Question 3. When do you expect Arizonans to start seeing supply chain improvements in terms of lower prices and increased inventories when they purchase everyday goods that have been shipped overseas to the United States?

Answer. Estimates for how long supply chain congestion will last have consistently shifted over the past 18 months. At this moment, the consensus seems to be that it will not be until sometime in 2022 before we see a return to conditions in shipping and goods movement that each of us would consider more normal. None of what we are now experiencing is new to anyone who works at ports or is in the business of moving international ocean freight.

Infrastructure Investment and Jobs Act (IIJA). My bipartisan Infrastructure Investment and Jobs Act invests 16.6 billion dollars over five years in our nation's seaports, coastal infrastructure, and waterways, among other infrastructure priorities.

Question. How will the IIJA's investments revitalize America's port infrastructure? Will the legislation's investments help prevent future port congestion issues by enabling ports to build larger docks and purchase additional equipment to offload containers?

Answer. **I appreciate your determination to improve seaport infrastructure. I am hopeful lessons will be learned from the cargo surge especially on the West Coast, where there is a desperate need for more resiliency. Investment in our Nation's seaports is smart, timely and overdue.**

Even with the port congestion crisis, productivity is up 30% over last year in the Ports of Los Angeles and Long Beach.

As a nominee to serve in an Executive Branch agency, it would not be appropriate for me to offer a formal position on legislation that is pending before the Congress. Broadly speaking though, I certainly support the overall objective of investing in America's infrastructure generally, and in programs and projects that promote the more efficient movement of freight of all kinds.

An important thing to remember about ocean cargo is that it is dependent upon many different modes of transportation travelling over and through many different kinds of conveyances. Investing in a bridge that crosses the Mississippi River means that ocean cargo moving over the Memphis railhead can flow fluidly. While our ports and port related intermodal connectors need investment, infrastructure investment does not need to take place at a port to benefit cargo velocity. Additionally, given how many states an ocean container travels through before arriving at its destination, better coordination between regions and states on goods movement is a goal we should all share.

Without offering an endorsement of any bill before the Congress, I can say our transportation workers are giving their all to make cargo move under unprecedented conditions. We should invest in our infrastructure to not only make their jobs easier, but for the benefit of all Americans. Proposals such as your legislation go a long way toward reaching that goal.

