

**Statement of
The Honorable James L Oberstar
Subcommittee on the Coast Guard and Maritime Transportation
Hearing On
“Federal Maritime Commission
Management and Regulation of International Shipping”
June 19, 2008**

Mr. Chairman, thank you for scheduling today’s hearing to look at management issues at the Federal Maritime Commission. I applaud you, Mr. Chairman, for the six hearings your Subcommittee has already convened this year. I appreciate your follow up on important issues and the issues within the Federal Maritime Commission are important.

During the last hearing, issues with leadership and the management of the Commission were raised. Results of a Federal Human Capital Survey revealed budgetary concerns, low employee moral, a lack of leadership and communication, and a host of other management issues. We have Mr. Cole, a management consultant who reviewed the management at the FMC for the then chairman of the Commission, Steve Blust, here to testify today. I look forward to your testimony.

Mr. Chairman, at the last hearing, you told the Commissioners you wanted to hear what steps they were going to take to address the management issues at the Commission. As always, you are a man of your word. Some of the issues raised concern trust and leadership by the Commissioners and senior staff of the Commission. We recognize that it takes time to build trust and we do not expect that a few changes in the past 60 days will fix all of the problems. However, we would like to hear what changes have been made to correct the issues within the Commission and what the Commission is doing to implement processes to address the longer-term problem. The last hearing was not meant to tear down the Commission, but to highlight the problems and ensure they are dealt with, so the Commission can fully and wholly serve its purpose and be worthy of the support of the American taxpayers money.

We will also be hearing from the Agriculture Transportation Coalition, Ocean Transportation Committee, World Shipping Council, the National Association of Waterfront Employers and the National Customs Brokers and Forwarders Association of America. International shipping is critical to the U.S. economy. I am concerned by reports that U.S. exporters are unable to get their goods to foreign markets and believe that the carriers need to address this problem. Regulation of international shipping has changed dramatically since the advent of confidential service contracts in 1998. Now the European Union is taking further steps to eliminate much of the carriers’ antitrust immunity in those trades. The global transportation system is dynamic and evolving, and it is imperative that the United States adjust its regulations to meet the growing demands of U.S. importers and exporters. I also look forward to your testimony.

Chairman Cummings, I am privileged to work with you and Ranking Members Mica and LaTourette to ensure the Federal Maritime Commission is operating in a positive and productive manner.