Ocean Transportation Intermediary Advanced Notice of Proposed Rulemaking December 12, 2012

Executive Order 13563

- I supported the Commission's Plan for the Retrospective Review of Existing Rules, including the matter before us today, because it was undertaken under the high standards of Executive Order 13563.
- I understand that the staff is considering adjusting the timeline for the plan, and I will have suggestions that respond to the public comments that we received on the Plan.
- The purpose of the Retrospective Review, as we stated in our request for comments, is to review our existing significant regulations to

determine whether they should be modified to make the Commission's regulatory program more effective and less burdensome in achieving our regulatory objectives.

- The Commission emphasized the position of the Administrator of the Office of Information and Regulatory Affairs at the Office of Management and Budget that when implementing retrospective review plans, agencies should give high priority to reforms that will promote economic growth, innovation, competitiveness, and/or job creation.
- These reforms should include those with the greatest potential to produce significant quantifiable cost savings and significant quantifiable reductions in paperwork burdens.
- Agencies should give special consideration to reforms that would reduce, simplify, or

harmonize regulatory or reporting requirements imposed on small business.

- I was very pleased to see that our Plan expressed the Commission's intent to reflect stakeholders input in reviewing our existing regulations.
- The explanation of the Commission's Plan states that one of the motivating factors for the Commission's review of our OTI licensing and financial responsibility rules is the potential for savings from improvements and updates that could reduce the time required to complete license applications and streamline the review process.
- I am concerned that the proposal before us does not adequately justify the need for the regulatory changes included in this package, in light of the Commission's stated objectives under Executive Order 13563.

Define the Problem

- The best way to develop an effective regulatory solution is to carefully define the problem, or the harm that we intend to reduce.
- The package of proposals before us does not contain the evidence to support a conclusion that they are necessary to reduce harm in the international supply chain.
- The only demonstration of actual harm in this proposal relates to household goods and was contained in Commissioner Khouri's Fact Finding 27 Investigation.
- In the public comments on our Regulatory Review, several areas of demonstrable harm were discussed, especially regarding the inflexibility of Commission service contract

filing requirements and the need to eliminate tariff filing requirements.

- I support making changes to reduce the harm resulting from these current regulatory regimes and to make our systems more efficient and less burdensome.
- Finally, because the ocean transportation intermediary industry is made up of thousands of small businesses, the Regulatory Flexibility Act requires us to consider equally effective alternatives to any regulatory proposals.

Small Business Regulatory Burden

 A recent Wall Street Journal article, noted with concern, the huge number of Federal proposed regulations that have been issued just recently. Many of these regulations are continuing to slow our economy and prevent small businesses from putting more Americans to work.

- We must carefully target our reforms to promote economic growth, innovation, competitiveness and job creation.
- Thank you, Mr. Chairman.