

**Rep. Rick Larsen**

**Opening Statement**

**Hearing**

**Subcommittee on Coast Guard and Maritime Transportation**

**“Creating U.S. Maritime Industry Jobs by Reducing Regulatory Burdens”**

**May 24, 2011**

Good morning, Mr. Chairman, and thank you for convening today’s hearing to examine the status of major rulemaking activities by the U.S. Coast Guard and their affect on job creation in our domestic maritime industries and the overall economy.

Revitalizing and growing our maritime economy is a high priority for me, and I thank you for your interest in taking this matter up this morning.

The Coast Guard is a multi-mission, maritime military service of the United States. It is the principal Federal agency responsible for ensuring marine safety, preserving maritime and port security, enhancing maritime commerce, and protecting the marine environment. Not surprisingly, rulemaking is a prominent Coast Guard activity. In light of the service's broad portfolio, regulations issued by the Service affect and enhance virtually every sector of our domestic maritime economy.

Mr. Chairman, I share your view that we should examine whether regulatory burdens adversely affect job creation. In today's economy, we in Congress have no greater responsibility than to focus on protecting and creating jobs. However, the Coast Guard is one agency whose regulatory portfolio can enhance jobs.

The Coast Guard's regulations ensure that vessels are safe; that workers in maritime-based industries are protected in their lives and livelihoods; that waterborne commerce can move efficiently; and, should an accident occur, that there will be an effective response. Without the certainty afforded by the Coast Guard, our maritime commerce – and the economy – would suffer.

Our domestic maritime industry significantly impacts the overall U.S. economy. According to recent figures published by the American Maritime Partnership, the U.S. domestic maritime industry:

- Moves over a billion tons of cargo annually, with a market value of \$400 billion
- Sustains 500,000 jobs in total, including 74,000 jobs on vessels and at shipyards
- Generates annually \$100 billion in economic output and \$11 billion in tax revenue; and
- Pays \$29 billion in annual wages.

By any measure, Mr. Chairman, these numbers verify the importance of our responsibility in Congress to ensure that regulations issued by the Coast Guard are fair, targeted, and support our maritime industries, which by extension, will be good for job creation, good for the U.S. economy, and good for the American people.

Of course, as with most Federal agencies there are some instances where the Service's rulemaking, or lack thereof, has created problems.

For example, as was noted in a recently released Government Accountability Office report, efforts to issue regulations to fully implement the Transportation Worker Identification Credential, or TWIC, remain woefully behind schedule and over-budget. Not only has this rulemaking process created uncertainty about the reliability and effectiveness of TWIC cards, it has also spawned delays and frustration for mariners, boat operators and longshore workers nationally, as well as in my district.

Because a TWIC card is a prerequisite for the issuance or reissuance of merchant mariner credentials and licenses, the overlapping administrative processes have increased costs, prompted delays, and created confusion in what otherwise should be a fairly routine administrative process.

Such inefficiencies are unacceptable. With the current need to get people back to work, we simply cannot afford to strand qualified, able-bodied people on the dock because the Federal Government has been unable to effectively and efficiently coordinate the TWIC and mariner credential programs which are vital to port security and marine safety.

With that said, Mr. Chairman, we ought not to forget that under the present budget framework, budget cuts will impact the ability of the Service to promulgate regulations in a timely manner. As much as we might like the Coast Guard to do “more with less”, the reality is that the Coast Guard will be doing “less with less.”

According to the latest rulemaking summary issued by the Coast Guard in January, the Service reported that internal planning and administrative reforms implemented through its Marine Safety and Security Council, and additional resources provided in Fiscal Years 2008 and 2009, enabled the Service to reduce its regulatory backlog by 35% by the end of 2010.

Despite this progress, however, the Service unfortunately reports that recent efforts to work down the backlog may be offset this year by the approximately 20 new rulemaking requirements included in last year's Coast Guard authorization act, and by new rulemaking to address safety shortcomings revealed by the *Deepwater Horizon* oil spill, among other new issues.

Only time will tell, Mr. Chairman, if the Service's forecast was accurate. Nevertheless, it does serve to remind us that before we look to cast blame on the Service for creating regulatory burdens, we might want to examine the requirements that we in Congress have imposed on the Service.

Thank you again, Mr. Chairman, for holding this morning's hearing, and I will look forward to hearing from our witnesses.