

**Keynote Address**  
**FMC Commissioner William P. Doyle**  
**American Association of Exporters and Importers**  
**92nd Annual Conference and Expo, Globalization: Policy and Practice**  
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Good afternoon and thank you for inviting me to speak. I am very grateful for the opportunity.

As a few of you may already know, I am actually a marine engineer by education and by training. I am also a graduate of the Massachusetts Maritime Academy, and I sailed as an officer in the U.S. Merchant Marine aboard numerous classes of vessels. From sailing the seas to my current role as a Commissioner, I continue to learn about the amazing orchestration that is our modern international trade environment.

My agency, the Federal Maritime Commission (FMC), has a long, storied history at the heart of U.S. international trade. For those of you who may not know, the FMC is an independent regulatory agency responsible for the regulation of ocean transportation in the foreign trade of the U.S. I have the pleasure of serving as one of five Commissioners on the Commission. With that said, I should emphasize that my thoughts and comments here are mine and mine alone – they do not reflect the position of the Commission, and they should not be construed to represent the positions of any of my fellow Commissioners.

Shortly after I received the invitation to speak, your President and CEO, Marianne Rowden, suggested a few topics for me to highlight that may be of interest to you. Therefore, I will address infrastructure, freight rates, the relationship between the FMC and the U.S. Customs and Border Protection (USCBP) and Ocean Transportation Intermediaries (OTI or OTIs).

## **First, Infrastructure: Policies of the President Obama, Private-Public Partnerships and Federal, State, and Local Cooperation**

In July 2012, the Obama Administration announced that it would expedite the federal permitting processes for the Port of Jacksonville, the Port of Miami, the Port of Savannah, the Port of New York and New Jersey, and the Port of Charleston.<sup>1</sup>

This policy recognizes that the Panama Canal expansion project will be completed in 2015 and the U.S. needs to be ready. This was part of President Obama's *We Can't Wait Initiative*, and it is based on a March 2012 Presidential Executive Order titled *Improving Performance of Federal Permitting and Review of Infrastructure Projects*.<sup>2</sup>

On March 29, 2013, in the Port of Miami, Florida, President Obama outlined a program of transportation bonds and other measures to encourage infrastructure improvements on roads, bridges, and ports.

Then, on April 30, 2013, the U.S. Conference of Mayors issued a letter to Congress supporting American Fast Forward (AFF) Transportation Bonds. These AFF Transportation Bonds would serve as a new tax credit bond program designed to stimulate greater investment in surface transportation infrastructure projects.

Last month, on May 17, 2013, President Obama signed a Presidential Memorandum<sup>3</sup> to modernize the federal infrastructure permitting process, cutting timelines in half for major infrastructure projects while creating incentives for better outcomes for communities and the environment. Notably, he made this announcement while visiting Ellicott Dredges, a dredging supply company based in Baltimore, Maryland, and a company at the heart of U.S. port development and maintenance.

Now, the aforementioned measures have been implemented because the Panama Canal is undergoing a \$5.2 billion expansion project due to be completed in early 2015. The expansion will enable a doubling in the tonnage of trade that can transit the Canal. In terms of ship size, the

canal's expansion will allow a 160% increase in the size of ships able to transit the Panama Canal.

Looking to the U.S., the East Coast and Gulf Coast ports are gearing up to be post-Panamax ready. In terms of attributes, this means that a port has a channel depth of approximately 50 feet as well as sufficient docking and crane facilities to handle the increased ship size.

To meet the expansion, you see ports and railroads deepening harbors, raising bridges, improving tunnels and railways, increasing dock facilities, and installing new cranes to accommodate larger ships and much greater cargo volumes – all in an effort to keep up with the capacity increases and service to their respective customers.

Currently, there are a few East Coast ports with the depths required to handle post-Panamax ships.

To start with, **the Port of New York and New Jersey** can handle these vessels, but the container terminals on Newark Bay have height restrictions due to the Bayonne Bridge. As an example of infrastructure development, in May, the U.S. Coast Guard approved the raising of the Bayonne Bridge. This was the last major federal regulatory hurdle. The permit and review process was expedited in accordance with the Obama Administration's *We Can't Wait* program. The project is expected to cost around \$1.3 billion. With this height restriction removed, the Port can readily handle post-Panamax vessels.

Now, moving a little south, the **Port of Baltimore** has recently completed its 50-foot dredging project. This \$105 million project, which includes four new cranes that are capable of handling vessels two to three times larger than those currently calling on the port, was accomplished through a public-private partnership with a company called Ports America Chesapeake. Under the agreement, the company paid for the improvements as part of its 50-year lease to operate the terminal.<sup>4</sup>

Moving to **Virginia**, the **Port of Norfolk** has long been able to accommodate such Post-Panamax sized ships. In addition to the benefits of its natural terrain and naval heritage, Norfolk has benefited from a successful public-private partnership. As an example, look at the **Norfolk Southern Heartland Corridor** project.<sup>5</sup> This is a \$190 million partnership between Norfolk Southern, the Federal Highway Administration, and three U.S. states to improve railroad freight operations. The project was developed to facilitate more efficient travel between the Norfolk, Virginia, ports and Chicago, Illinois.

The project, completed in September 2010, increased clearances in tunnels to allow the use of double-stack intermodal trains – increasing capacity, reducing transit times, shortening the previous double-stack route by 200 miles, and reducing tractor-trailer traffic.

The new, shorter routing reduces travel times from the Norfolk ports to Chicago by one to three days total.

Then, in January 2012, an extension of the Heartland Corridor was completed when Norfolk Southern announced the completion of the newly improved double-stack rail line between Columbus and Cincinnati, Ohio. The **Heartland Connector**,<sup>6</sup> as it is known, reduces transit times by one to two days and increase service reliability for double-stack freight traveling to and from the Port of Virginia and Cincinnati and Detroit.

Financial support for the \$6.1 million Heartland Connector project included \$3.6 million from federal government economic stimulus funding combined with matching contributions from Norfolk Southern and the Ohio-Kentucky-Indiana Council of Governments.

Looking south to the **Port of Charleston, South Carolina**, the U.S. Army Corps of Engineers (USACE) is implementing an aggressive planning schedule for the Charleston Harbor Feasibility Study<sup>7</sup> on deepening the navigation channel from 45 feet to 50 feet. The study is expected to be completed in 2015.

In Georgia, in October 2012, the USACE gave its final approval for the \$652 million **Savannah Harbor Expansion Project**<sup>8</sup> to proceed with a dredging project to accommodate larger ships. The project is expected to be completed in 2016.

In Florida, the **Port of Jacksonville** is in the process of deepening its port to as much as 50 feet,<sup>9</sup> a project that is expected to be completed around 2018. A new Intermodal Container Facility (ICTF) at this port is also underway and will increase the capacity of the port to handle containers that arrive or depart by rail. The ICTF will include a five-track rail yard, two wide-span electric cranes, and a paved area for stacking containers and several support uses, including a road, a gate for truck movement of cargo, a parking area, and storm water retention facilities. The facility will also use zero-emission, wide-span electric cranes for all lift operations.

This \$45 million project is being financed through a public-private partnership, including US Department of Transportation's (USDOT) **Transportation Investment Generating Economic Recovery grant funding** of \$10 million (The TIGER Grant Program).<sup>10</sup>

Additionally, in 2011, Florida directed \$77 million in state funds to cover a portion of the Port of Miami's \$180 million dredging project.<sup>11</sup> The bay will be dredged to a depth of 50 feet and is expected to be completed in 2014. Taking the port's development a step further, Miami has started boring twin tunnels that will allow trucks entering or leaving the port to bypass downtown Miami streets, a project costing over \$607 million.<sup>12</sup>

Along the Gulf Coast, the **Port of Houston** anticipates beginning a dredging project later this year to deepen and widen the Bayport Channel. In 2010, Bayport added 1,330 feet of additional wharf, nine Rubber Tire Gantry (RTG) yard cranes, and three post-Panamax cranes – at final build out, these will amount to a total of 7,000 feet of berthing space and a 2.3M TEU capacity.

Last month, the Port Commission of the Port of Houston Authority awarded nearly \$56 million in contracts for four electric wharf cranes at the Barbours Cut Container Terminal and an additional three container yard cranes at the Bayport Terminal.<sup>13</sup> Barbours Cut is currently in the process of adding eight container yard cranes.

These are some examples from the **East Coast and the Gulf Coast**.

On the **West Coast**, the major ports already have 50-foot harbors and terminals of 100 to more than 400 acres in size.

In the **Port of Long Beach**, the **Gerald Desmond Bridge Replacement Project**<sup>14</sup> is underway. It is a \$1.1 billion project to build a new bridge to span the Port's Back Channel. The new bridge will be higher to allow additional clearance for larger, more efficient cargo ships, and it will also be wider to ease the flow of cars and trucks that use the bridge. This project is scheduled to be completed in 2016.

Additionally, construction is under way in the Port of Long Beach for the **Middle Harbor**,<sup>15</sup> which will combine two aging container terminals. The project will include state of the art automation, double capacity, and support 14,000 new jobs — while cutting air pollution in half.

This Middle Harbor is an important part of Long Beach's development. In April, the Port of Long Beach signed a 40-year, \$4.6 billion lease with Orient Overseas Container Line (OOCL)<sup>16</sup> for the Middle Harbor property – the largest deal of its kind for any U.S. seaport.

Further, the **Long Beach Pacific Gateway port project**, known as the **Green Port Gateway**,<sup>17</sup> includes the realignment of railroad tracks and roadways with an accompanying Pier F Rail Support Yard to serve the future Middle Harbor terminal. The Green Port Gateway is the first of four rail construction projects underway or scheduled to begin over the next year to enhance on-dock rail. It is also part of the **San Pedro Bay Ports Rail Enhancement Program**, which includes several projects by the Port of Long Beach, the Port of Los Angeles, and the **Alameda Corridor Transportation Authority**.

The USDOT's TIGER grant program provided \$17 million and California provided \$31.75 million toward the \$83.7 million Green Port Gateway project.<sup>18</sup>

As for **Los Angeles**, it is spending \$1.2 billion over the next five years on capital projects. In November of 2012, the Los Angeles Board of Harbor Commissioners awarded construction contracts totaling more than \$127 million for two major projects that advance modernization of the marine container terminal operated by TraPac, Inc.<sup>19</sup>

This container terminal will receive an on-dock rail facility, an improved wharf, electric rail mounted runways, new terminal buildings and a new main gate, shore-to-ship electric power connections to allow dock ships to plug-in and turn off diesel engines, landfill additions, electrical system upgrades, and new automatic stacking crane infrastructure.

Looking north to the Bay Area, the city of **Oakland, California**, is converting the decommissioned Oakland Army Base into a major transportation center. It is known as the **Outer Harbor Intermodal Terminal (OHIT) Project**. Construction of the 35-acre railyard is expected to begin this year and is expected to be completed in 2015. The project includes the installation of tracks, signal equipment, power and lighting systems, and modular buildings. In addition, the new railyard will provide a place for the storage and inspection of trains near the busy **Port of Oakland**. Last summer, this project was granted \$15 million under the USDOT's TIGER grant program.<sup>20</sup> In total, the project is expected to cost \$41 million.

These are just some of the projects from the **West Coast**.

As an engineer, I know and fully appreciate the need for capital maintenance and infrastructure development. While these projects are not the sum of our national efforts, they do represent collective steps in the right direction by private stakeholders, state and local governments, and the federal government. I would agree that we need to continue this momentum forward.

## **Second, Freight Rates and the “Boom and Bust Economics of the Shipping Industry”**

In particular, I want to speak about an industry buzz word – overcapacity.

Some perspective – The owners of the world's containerships are arguably the folks most responsible for making globalization a reality. The container fleet transports 90% of world trade in manufactured goods.

This is remarkable considering that the world's first containership, a retrofitted World War II oil tanker, entered service in 1956 carrying a load of 58 containers from the port of Newark, New Jersey, to the port of Houston, Texas.

This was Malcolm McLean's idea. He was a trucking entrepreneur from North Carolina who recognized the potential of containerization, particularly in terms of loading and unloading costs. Four years later, in 1960, McLean founded the containership company SeaLand Services.

Today, container ships are rolling off shipyard blocks with the ability to carry more than 18,000 TEUs (twenty-foot equivalent units). Stating this differently, a single ship can transport the cargo equivalent of 18,000 tractor-trailers.

That said, according to shipping analyst Alphaliner,<sup>21</sup> 23 of the 30 largest liner companies lost money in 2012. The industry estimates that the cumulative losses over the past four years have been in the range of \$7 billion. This is a cumulative loss that comes even with the limited anti-trust immunity regulated by the FMC.

Further, excess tonnage – meaning an oversupply of container ships – has stifled the container-shipping industry over the past five-plus years.

Additionally, over the last seven to eight years, the price of fuel has skyrocketed. As a percentage, the price of fuel has increased about 15% on average every year since 2005.

Industry commentators note that growth has stagnated on major trade lanes – like those between Asia and Europe and Asia and the West Coast of United States.

Yet, even with this stagnation, Braemar Seascopes Ltd.<sup>22</sup> notes that orders for the construction of new containerships in the first quarter of 2013 were six times more than orders on the books during the same period last year.

This is our buzz word. This is overcapacity. So, what is the resulting noise surrounding this buzz word? The result of this overcapacity is the collapse of freight rates. This collapse, moreover, makes it very difficult for the liner companies to cover the industry's high fixed costs and operating expenses.

Lars Jensen, CEO of Danish research firm SeaIntel Maritime Analysis,<sup>23</sup> commented recently in the Wall Street Journal. Mr. Jensen noted that the decline in freight rates in the past six months was three times as fast as in 2011, when the previous price war broke out. Specifically, he said, "It is clearly the result of structural overcapacity."<sup>24</sup>

Mr. Jensen's comments do not stand alone. According to Maritime Professional,<sup>25</sup> the Asia-West Coast trade in the first quarter of 2013 fell almost five percent over the same period last year, and although the Los Angeles-Long Beach port complex handled 3.5 percent more containers in the first four months year-on-year, it was a sharp slowdown over the last few months of 2012.

Continuing with a look at industry analysis, Alphaliner recently noted that demand grew just 1.5 percent on the Asia – U.S. trade route. But capacity to the West Coast will increase 8.9 percent this year and 2.2 percent to the East Coast. Here, even looking at just the U.S. capacity-demand ratio, Alphaliner's assessments suggest a continuation of overcapacity.

With too much space available on ships and not enough cargo flowing, the effect on a weakened container shipping market will be significant.

In looking at utilization, Drewry Shipping Consultants<sup>26</sup> believes the average capacity utilization declined significantly from 90% to 83% in March of 2013. This type of posture does not bode well for liner companies hoping to raise freight rates.

Simon Heaney of Drewry recently stated, “Carriers will be forced to curb their losses somehow. Service quality might be forsaken as some operators might ask what benefit they get from offering reliable port-to-port services.”<sup>27</sup> He continued, “We expect the first step to be further slowing down on ship speeds, which, in itself, should not lessen reliability, but will lengthen transit times even more. After that, if they are still losing cash, the incentive to offer reliable services will be sorely tested.”<sup>28</sup> For those of you who may not know, the industry term for operating a ship at reduced speed is “slow steaming.”

All of the aforementioned information is well known in the carrier and shipping world. And in looking forward, here is how one of the companies is positioning itself.

Maersk Line, the world’s largest container shipping company, is planning for the future by investing in massive new ships to ensure it has the largest and most efficient fleet of vessels.

Maersk has ordered mega-containerships in a \$3.8 billion order for 20 Triple-E class vessels.<sup>29</sup> These ships can carry 18,000 or more TEU containers. This is 2,000 more containers per ship than CMA CGM’s Marco Polo class of vessels – currently the largest containership carriers.<sup>30</sup>

As a point of information, the Marco Polo and the Triple-E class of vessels will not fit through the new Panama Canal channel – they are too big for the expanded Canal.

Maersk reports that the new Triple-E vessels will consume approximately 35% less fuel per container than the standard 13,100-capacity container vessels being delivered to other shipping lines in the next few years.<sup>31</sup>

Even with the resulting low rates, most shippers (cargo owners/box stores) agree that paying a little more for a reliable and consistent service is better than securing a cut-rate freight rate and having to deal with service disruptions or delivery problems because the cargo is not on time.

So, where are we now?—Fuel costs remain high, the world economy is recovering slowly, the shipping companies are reluctant to withdraw capacity, and shipping companies continue to order new mega-ships. For now, the box stores and cargo owners get the benefit of low freight rates. Going forward, we will see soon if there are service disruptions, and if so, to what extent. That, though, is overcapacity.

**Third, I was asked if I might comment on the FMC's role with respect to and interaction with the United States Customs and Border Protection.**

Let me begin by noting that last week, my fellow FMC Commissioner, Commissioner Lidinsky, and I attended a meeting in New York with the USCBP Director of NY Field Operations, Mr. Robert Perez, and his staff. It was a good meeting. We discussed customs examination centers, non-intrusive inspection technology, radiation portal monitors, automated export systems, and automated targeting systems.

As some of you may know, the FMC and the USCBP have been parties to a Memorandum of Understanding (MOU) since 1986 that provides for mutual alerts when either agency becomes aware of violations of the other agency's regulations. The MOU was amended in 1990 and 1995 to allow FMC access to USCBP's Automated Commercial System (ACS) and Automated Manifest System (AMS). The FMC is currently reviewing an amendment to the MOU that would allow the agency to access the International Trade Data System (ITDS), a packaging data system pursuant to the Automated Commercial Environment Project.

I know that USCBP Deputy Commissioner Tom Winkowski will be addressing you this week, so I will now turn to some of the specifics with respect to the FMC.

**In particular, I will follow Ms. Rowden's questions referencing the evolving role of intermediaries and what is going on at the FMC:**

Broadly, the FMC regulates ocean transportation intermediaries (also known as OTIs). This regulatory capacity suggests that businesses and consumers should contact an FMC licensed ocean transportation intermediary for their movements. Concurrent with licensed participants, as you might guess, there are unlicensed, rogue operators out there. These may be bad actors, if you will.

To help the shipping public, the FMC posts a list of OTIs on its website where one can search by a company's name or by a location.<sup>32</sup> At the conclusion of the first quarter of 2013, there were more than 4,000 licensed OTIs in the United States.

U.S.-based companies or sole proprietors operating as Ocean Freight Forwarders (OFFs) or Non-vessel Operating Common Carriers (NVOCCs) are required to obtain a license from the FMC. Non-U.S.-based NVOCCs are not required to, but they may obtain an FMC-issued license.

I will briefly discuss some of the relevant terminology.

Generally speaking, an **Ocean Freight Forwarder (OFF)** is an individual or company located in the U.S. that:

- dispatches shipments from the United States via common carriers and books or otherwise arranges space for those shipments on behalf of shippers; and
- processes the documentation or performs related activities pertaining to those shipments.

Broadly, a **Non-Vessel-Operating Common Carrier (NVOCC)** is:

- a common carrier that holds itself out to the public to provide ocean transportation and issues its own house bill of lading or equivalent document, but *does not* own or operate the vessels by which ocean transportation is provided, and
- a shipper in its relationship with the vessel-operating common carrier involved in the actual movement of cargo.

The general difference between OFFs and NVOCCs is that an NVOCC acts as the carrier of the cargo being sent.

NVOCCs provide a variety of international shipping services, including, but not limited to, leasing containers, packing cargo, picking up and transporting the cargo, and providing door to door cargo delivery.

An OFF does not act as a common carrier. An OFF only acts on behalf of the owner of the cargo to facilitate the passage of the cargo from the point of origin to its destination. OFFs contract with carriers to pick the cargo up and load it on a ship or a plane, and they may contract with another carrier to pick it up at the port, along with the entailing paperwork and documentation.

OFFs do not issue a bill of lading or equivalent documentation while NVOCCs do.

A bill of lading is also known as a contract of carriage and is a legal document that binds both parties to the terms agreed upon. A bill of lading is important as it holds the NVOCC liable if and when the cargo becomes lost or damaged while in transit.

Now, as for recent activity at the FMC, on May 31, 2013, the Commission published an Advance Notice of Proposed Rule (ANPR) regarding OTIs in the Federal Register.<sup>33</sup>

This started a 60-day notice and comment period, during which affected or interested parties, including U.S. and foreign-based NVOCCs and U.S.-based OFFs, can provide feedback, objections, and other commentary on the Proposed Rule.

The FMC will receive this feedback, and we will review it. Ultimately, there may or may not be changes to the rules governing OTIs. We will have to wait and see. The Commission has, however, opened up the floor for input based on the ANPR.

**In closing, I offer the following.**

The engineer in me truly wants to see our infrastructure upgraded. I am certain that the Obama Administration and state and local governments will continue to make efforts to improve the nation's ports and rail infrastructure as we continue to recover from the economic downturn. Importantly, this will require partnerships and solid cooperation between the public and private sectors.

I have tried to provide some insight into freight rates as it relates to overcapacity – with slightly more than a basic understanding. I hope that it serves you well in your businesses.

I am equally pleased to see federal agencies working together to reduce the burden on the shipping public. I say to you, personally, that I welcome input and always appreciate insight from the private sector. With that said, I anticipate reviewing comments submitted in response to the FMC's ANPR regarding OTIs.

Lastly, thank you very, very much for this opportunity. I am grateful, and I hope that I have provided you with some meaningful insight into my perspective on the shipping world and international trade.

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<sup>1</sup> The White House, Office of the Press Secretary, *We Can't Wait: Obama Administration Announces 5 Major Port Projects to Be Expedited*, July 19, 2012, <http://www.whitehouse.gov/the-press-office/2012/07/19/we-can-t-wait-obama-administration-announces-5-major-port-projects-be-ex>.

<sup>2</sup> Presidential Executive Order, *Improving Performance of Federal Permitting and Review of Infrastructure Projects*, March 22, 2012.

<sup>3</sup> The White House, Office of the Press Secretary, *Creating Jobs Faster by Cutting Timelines in Half for Major Infrastructure Projects*, May 17, 2013, <http://www.whitehouse.gov/the-press-office/2013/05/17/creating-jobs-faster-cutting-timelines-half-major-infrastructure-project>.

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<sup>4</sup> Maryland Department of Transportation, *Governor O'Malley Leads Celebration of New 50-foot-deep Berth and Supersized Cranes at Port of Baltimore*, May 8, 2013; [http://www.mdot.maryland.gov/News/Releases/2013May8\\_MAA\\_Crane\\_Dedication.html](http://www.mdot.maryland.gov/News/Releases/2013May8_MAA_Crane_Dedication.html).

<sup>5</sup> Hatch Mott MacDonald Consultants, *Norfolk Southern Heartland Corridor Project*, <http://www.hatchmott.com/projects/norfolk-southern-heartland-corridor-project>.

<sup>6</sup> PR Newswire, *Extension of Heartland Corridor from Columbus to Cincinnati, Ohio, Benefits Port of Virginia*, January 19, 2012, <http://www.prnewswire.com/news-releases/extension-of-heartland-corridor-from-columbus-to-cincinnati-ohio-benefits-port-of-virginia-137698268.html>.

<sup>7</sup> Department of Defense, Federal Infrastructure Projects Permitting Dash Board, *Charleston Harbor Post-45 Study*; <http://www.permits.performance.gov/projects/charleston-harbor-post-45-study>.

<sup>8</sup> Asst. Sec. of Army (CW), *Record of Decision for Savannah Harbor Expansion Project*, October 27, 2012, <http://www.sas.usace.army.mil/Media/NewsReleases/tabid/10267/Article/9703/asst-sec-of-army-cw-issues-record-of-decision-for-savannah-harbor-expansion-pro.aspx>.

<sup>9</sup> Peter T. Leach, *Jacksonville Builds Its Case As Southeast Hub*, by, The Journal of Commerce Magazine, July 30, 2012.

<sup>10</sup> Sarah Mueller, *Jaxport wins \$10 million in TIGER grant funding*, December 12, 2011, <http://www.bizjournals.com/jacksonville/news/2011/12/12/jacksonville-wins-10-million-in.html>.

<sup>11</sup> Michael Gerrity, *Benefits of Panama Canal's 2014 Expansion Now a 'Game Changing' Reality for Port of Miami*, World Property Channel (WPC), March 19, 2011.

<sup>12</sup> Andrea Hricko, *Progress and Pollution: Port Cities Prepare for the Panama Canal Expansion*, <http://ehp.niehs.nih.gov/120-a470/>.

<sup>13</sup> Port of Houston Authority, *Port Commission Approves Cranes for Barbours Cut and Bayport from Konecranes Finland Corp. for \$56M*, May 22, 2013, <http://www.portofhouston.com/inside-the-port-authority/communications/business-news/porrt-commission-approves-cranes-for-barbours-cut-and-bayport-from-konecranes-finland-corp-for-56m/>.

<sup>14</sup> Gerald Desmond Bridge Replacement Project, <http://www.newgdbridge.com/>.

<sup>15</sup> Port of Long Beach, *Middle Harbor Project*, <http://www.polb.com/about/projects/middleharbor.asp>.

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<sup>16</sup> Port of Long Beach, *Port, OOCL Sign \$4.6 Billion, 40-Year Middle Harbor Lease, New terminal will be a model of green, modern technology*, April 4, 2012, <http://www.polb.com/news/displaynews.asp?NewsID=989&TargetID=39>.

<sup>17</sup> Port of Long Beach, *Green Port Gateway*, at <http://www.polb.com/about/projects/gateway.asp>.

<sup>18</sup> *Id.*

<sup>19</sup> Los Angeles Board of Harbor Commissioners, *More Than \$127 Million Approved for Port of Los Angeles Construction*, November 8, 2012, [http://www.portoflosangeles.org/newsroom/2012\\_releases/news\\_110812\\_trapac.asp](http://www.portoflosangeles.org/newsroom/2012_releases/news_110812_trapac.asp).

<sup>20</sup> Port of Oakland, *\$15 Million Awarded to Port of Oakland Army Base First Phase Rail Project Federal TIGER grant to fund job-creating Outer Harbor Intermodal Terminal project*, June 19, 2012, <http://www.portofoakland.com/newsroom/pressrel/view.asp?id=270>.

<sup>21</sup> See Alphaliner, <http://www.alphaliner.com/>.

<sup>22</sup> Braemar Seascope is one of the largest chartering and sale and purchase shipbroking companies in the world. Braemar Seascope, <http://www.braemarseascope.com/>.

<sup>23</sup> SeaIntel Maritime Analysis, <http://www.seaintel.com/>.

<sup>24</sup> Costas Paris, *Shippers Struggle With Overcapacity, Sinking Rates*, WALL ST. J., May 2, 2013.

<sup>25</sup> Greg Knowler, *Transpacific Rates Beaten Down by Excess Capacity and Weak Loads*, May 29, 2013, [www.maritimeprofessional.com](http://www.maritimeprofessional.com).

<sup>26</sup> Drewry Independent Maritime Advisors, <http://www.drewry.co.uk/>.

<sup>27</sup> Costas Paris, *Shippers Struggle With Overcapacity, Sinking Rates*, WALL ST. J., May 2, 2013.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> Federal Maritime Commission, Ocean Transportation Intermediary (OTI) List, <http://www2.fmc.gov/oti/>.

<sup>33</sup> Amendments to Regulations Governing Ocean Transportation Intermediary Licensing and Financial Responsibility Requirements, and General Duties, 78 Fed. Reg. 32945 (proposed May

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31, 2013) (to be codified at 46 C.F.R. pt. 515),

<https://www.federalregister.gov/articles/2013/05/31/2013-12429/amendments-to-regulations-governing-ocean-transportation-intermediary-licensing-and-financial>.