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2 CHAIRMAN KHOURI: If everyone is  
3 comfortable, let's go ahead and wait and then  
4 we'll just do one session of questions.

5 MS. GREGORY: Okay. Great. Now,  
6 turning to the regulatory reform task force, on  
7 February 24th, President Trump issued executive  
8 order 13777 enforcing the regulatory reform  
9 agenda. This executive order directs the head of  
10 most federal agencies to designate an agency  
11 official as its regulatory reform officer who will

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1     oversee the implementation of regulatory reform  
2     initiatives and policies to ensure that agencies  
3     effectively carry out regulatory reforms.

4     Although not required by the executive order, to  
5     appoint a regulatory reform officer. On March  
6     13th Chairman Khouri designated the managing  
7     director to serve in that capacity.

8             I appreciate the chairman's decision to  
9     designate me to serve this important initiative  
10    and I look forward to coordinating the agency's  
11    effort to evaluate our existing regulations and  
12    make recommendations for repeal, replacement or  
13    modification. As the first order of business and  
14    as directed by the executive order, the  
15    commission's regulatory reform task force was  
16    formed and the task force includes Mary Hoang,  
17    chief of staff, Peter King, deputy managing  
18    director, Tyler Wood, general counsel and Tara  
19    Nelson, counsel to the managing director. This  
20    small group will ensure that we keep processes  
21    moving and accomplish tasks in the most  
22    expeditious and efficient manner.

1           The executive order directs each task  
2     force to attempt and identify regulations that  
3     eliminate jobs or inhibit job creation, are  
4     outdated, unnecessary or ineffective, impose costs  
5     that exceed benefits or create a serious  
6     inconsistency or otherwise interfere with  
7     regulatory reform initiatives and policies.  
8     Consistent with the intent of the executive order,  
9     I've met several times with the chairman to  
10    discuss the approach, initial concepts as to the  
11    regulatory proposals and a suggested timeline for  
12    the task force to produce its deliverables.

13           Within 90 days of the executive order,  
14    the task force is directed to also provide a  
15    report to the agency head detailing the agency's  
16    progress towards the goals of implementing  
17    regulatory reform and identifying regulations for  
18    repeal, replacement or modification. Today's  
19    briefing meets that requirement.

20           Now, on to the work that the task force  
21    has been working on. We've been meeting weekly  
22    now for the last six weeks or so. The first item

1 that we wanted, we talked about what would be the  
2 best way to receive public comment on the  
3 commission's regulations. Section three of the  
4 executive order calls for the task force to seek  
5 input from state, local and tribal governments,  
6 small businesses, consumers and non- governmental  
7 organizations and trade associations. Given the  
8 relatively broad span of the commission's  
9 regulations, which affect ocean common carriers,  
10 marine terminal operators, ocean transportation  
11 intermediaries, tariff published surety companies,  
12 exporters, importers, and beneficial cargo owners,  
13 we determined that a public notice of inquiry  
14 offered the best and most expeditious way to  
15 solicit comments and information from members of  
16 the public about the commission's regulatory  
17 programs deemed outdated, unnecessary or  
18 ineffective.

19 Comments received from the NOI process  
20 will serve to better focus the task force's  
21 efforts on those regulatory provisions or programs  
22 deemed to be most ineffective or the easiest to

1 appeal. In turn, relevant and insightful input on  
2 the effects, costs and burdens of the agency's  
3 programs will assist the task force and the agency  
4 head in determining the extent to which the  
5 commission can and should prioritize efforts in  
6 remedying those provisions identified as being  
7 outdated, unnecessary or ineffective.

8 I'm pleased to report that the  
9 commission has voted to approve issuance of this  
10 notice of inquiry with the 30 day comment period.  
11 I expect that the NOI could be sent to the Federal  
12 Register in relatively short order and thereafter  
13 posted on the commission's website. The task  
14 force will use this information as well as input  
15 from the commissioners to develop a recommended  
16 list of FMC regulations in priority order that  
17 should be repealed, replaced or modified. There  
18 may be an opportunity here to move the  
19 commission's regulatory reform priorities forward  
20 on two tracks, a regular track for those types of  
21 regulations that are more complicated, and also a  
22 faster track. That would be proposals for

1 regulatory change that would require relatively  
2 less time to execute. So our task force will come  
3 back to the commission hopefully with two lists, a  
4 fast track list and sort of a regular list.

5           Once public comments are received and  
6 reviewed, the task force will finalize its  
7 recommendations for commission consideration. In  
8 the meantime, in undertaking this role, the task  
9 force also will coordinate staff's activities with  
10 respect to other rulemakings and petitions  
11 currently before the commission. Separately, but  
12 certainly related, the task force will also  
13 coordinate its efforts with the development of the  
14 commission's next five year strategic plan. Thank  
15 you for this opportunity to brief you today, and  
16 I'd be happy to answer any questions you may have.

17           CHAIRMAN KHOURI: Thank you, a very good  
18 briefing, I'll turn to my colleague, ladies first.

19           COMMISSIONER DYE: Thank you so much.  
20 This is great. When I came here to the commission  
21 a long time ago, don't anybody start counting on  
22 their fingers, I assumed, after having handled all

1 the ocean shipping reform at the House of  
2 Representatives, that we would continue to  
3 incrementally deregulate, give the market some  
4 time to adjust and move forward. That didn't  
5 happen. Now, after hearing this briefing and  
6 discussing with my fellow commissioners, I'm sure  
7 that that will happen. It will come as no  
8 surprise here, to anybody here that I refer all  
9 that, the repeal part rather than replace or  
10 modify part, and I'm very pleased to hear you say  
11 that you -- our task force is considering fast  
12 tracking some deregulatory provisions that we all  
13 know are ready to go. And so I appreciate it very  
14 much and I look forward to discussing it with my  
15 colleagues and my staff soon.

16 CHAIRMAN KHOURI: Thank you.

17 Commissioner Doyle.

18 COMMISSIONER DOYLE: Thank you, Ms.  
19 Gregory for reporting that. Any timeline or I  
20 know you said in the near future for the notice of  
21 inquiry to be published in the Federal Register.  
22 You got enough time, two weeks, three weeks, a

1 month?

2 MS. GREGORY: I would have to check with  
3 our assistant secretary but it should be in pretty  
4 good order. It could out, it could go to the  
5 Federal Register in the next couple of days.

6 MS. DICKON: Yeah, it could be published  
7 next week.

8 COMMISSIONER DOYLE: Thank you. No  
9 further questions.

10 CHAIRMAN KHOURI: Commissioner Maffei.

11 COMMISSIONER MAFFEI: Thank you very  
12 much, Mr. Chairman. I do, I do just want to  
13 express my view. First of all, it was a very good  
14 presentation, thank you. I do want to express my  
15 view that I do think the analysis is correct, that  
16 as an independent agency, we are not required to  
17 follow these executive orders. That said, I think  
18 that unless there was an exception and compelling  
19 reason not to do so that we absolutely should and  
20 so I very much support the chairman's move on  
21 that. I would also note that he has been  
22 extremely inclusive in his decision making on

1 this, including even appointing you, Madame  
2 Managing Director, so I just applaud him for that,  
3 and I think it's certainly the right thing to do  
4 that we do this process.

5 My only question is just in terms of the  
6 public comment. Is there any plan or should we  
7 consider having any kind of hearings or more  
8 active solicitation of particular groups that we  
9 know are of interest and I would invite Commission  
10 Dye with her experience, with her supply chain  
11 initiative to also comment on that. Will we get  
12 sufficient public comment simply with a notice of  
13 inquiry.

14 MS. GREGORY: I think that that is --  
15 I'm sorry, was the question to Commission Dye?

16 COMMISSIONER MAFFEI: Yeah, I guess I  
17 would ask you to answer it first and then if  
18 Commission Dye.

19 COMMISSIONER DYE: Okay. As far as the  
20 effect or a perspective?

21 COMMISSIONER MAFFEI: Perspective, yeah.

22 COMMISSIONER DYE: Perspective.

1                   COMMISSIONER MAFFEI: Yeah, my concern  
2                   is sometimes when we send these inquiries out and  
3                   granted, these, it may not be as major an issue as  
4                   this is, we don't get much. And I don't think  
5                   that's because of lack of interest necessarily,  
6                   it's just that, you know, people are busy, and you  
7                   know, they don't necessarily know how seriously  
8                   we're taking this et cetera. So I know with you  
9                   and your supply chain initiative, you've been able  
10                  to get a great deal of input that we would  
11                  otherwise would have not gotten. And so I guess  
12                  my question to both of you is, is there any plan  
13                  for that, should we consider something more active  
14                  like a hearing, or no? I mean it may not be  
15                  necessary. It really is a question.

16                 COMMISSIONER DYE: I'm sure our staff  
17                 has a lot of background and experience with  
18                 groups, and reaching out to groups, which I think  
19                 you've planned.

20                 MS. GREGORY: Yes, commissioner, I think  
21                 what we want to start with is the notice of  
22                 inquiry to get the written comments. Certainly,

1     yes, we've talked about also different ways to  
2     engage the industry and that can be done on a  
3     formal or informal basis. I think that once we  
4     have the comments, we have an opportunity to  
5     analysis them and also have, the commission have  
6     an opportunity to take a look at our own analysis,  
7     our internal analysis and we'll also be talking  
8     with the commissioners in terms of  
9     their priorities. It may be helpful and the  
10    commission could consider having a more formal  
11    type of oral hearing. But that could be a  
12    decision point in the future.

13           COMMISSIONER DYE: I think -- this is  
14    not a legal AAPA, APA proceeding and so we have  
15    some flexibility there--

16           COMMISSIONER MAFFEI: Okay, good.

17           COMMISSIONER DYE: -- on how we get  
18    input to the extent we think we need it.

19           COMMISSIONER MAFFEI: No, I think that's  
20    excellent. I mean yeah, I mean obviously it would  
21    be nice to see what we get, and then we can  
22    evaluate whether we need to do any more. I

1 certainly don't, you know, want to go to any  
2 effort, costly effort to get more information if  
3 it just comes in anyway. But yeah, so there is  
4 sufficient amount of flexibility in the process  
5 and the timeline to do that later, that would be  
6 great.

7 MS. GREGORY: Thank you.

8 CHAIRMAN KHOURI: If I might just follow  
9 up that comment of, I'm going to start with one,  
10 because I've had a number of meetings, as Ms.  
11 Gregory referenced, in moving this forward. I've  
12 spoken of this in a couple of speeches recently  
13 that we all, those of us old enough to remember,  
14 and this is a nonpartisan issue, Vice President Al  
15 Gore standing beside stacks of paper when  
16 President Clinton initiated his regulatory reform  
17 initiative, President George Bush and his  
18 regulatory reform initiative, President Obama and  
19 his excellent efforts in the same regard. We have  
20 done, I mean we have several notices of inquiry  
21 prior to the one that's getting ready to be  
22 issued.

1           When you say not enough comes, I'm going  
2           to be extremely frank here, I wouldn't be  
3           surprised if stakeholders across the board have  
4           fatigue on answering these. And all I can tell  
5           you is I give you my assurance, as I've said with  
6           Ms. Gregory, that Hollywood demagogue, Yoda,  
7           there's do or not do, there's no try. We're not  
8           going to try to do regulatory reform here. We  
9           will move forward, or stop. So I do encourage the  
10          stakeholders from across the board, please  
11          participate in this effort. We have, we are  
12          resolute to move forward in a truly proactive way.  
13          I think all of us four commissioners are confident  
14          that we have the right person running the program  
15          and her team and so thank you and you have all  
16          four of us 100 percent support, Ms. Gregory.

17                 MS. GREGORY: Thank you, Mr. Chairman,  
18                 thank you, commissioners.

19                 CHAIRMAN KHOURI: Oh, excuse me, Tyler?

20                 MR. WOOD: Yeah, thank you, sir. I just  
21                 wanted to make one comment so there's no  
22                 confusion. At this stage, the NOI stage, there is

1 a lot of flexibility in how the commission  
2 receives comments. The more we do to repeal  
3 regulations, the less flexibility there is. We  
4 can still get input, whether it's through hearing  
5 or something else. But it does become an APA  
6 proceeding if we're starting to pull back  
7 regulations and- -

8 COMMISSIONER DYE: Well, after we begin  
9 to consider a particular regulation.

10 MR. WOOD: That's right.

11 COMMISSIONER DYE: But not in the  
12 overall agenda.

13 MR. WOOD: No, we are soliciting  
14 comments, nothing wrong with that. But the more  
15 we do, sort of particularly state what we are  
16 going to do, it is an APA proceeding and there are  
17 ex parte rules in contacting one party, but not  
18 opening it up to the world, so I just wanted to  
19 recognize that. Thank you.

20 CHAIRMAN KHOURI: Point well made, and  
21 again, I'll just emphasize that, that's just a  
22 second layer of public participation as we get

1     into each particular regulation as we get into  
2     each particular regulation.  So that's, it's not a  
3     bad thing, it's a good thing.  Thank you for  
4     making that clarification, general counsel.

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