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NOMINATIONS TO THE
DEPARTMENT OF TRANSPORTATION

HEARING
BEFORE THE
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION
JANUARY 26, 2010

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NOMINATIONS TO THE DEPARTMENT OF TRANSPORTATION

TUESDAY, JANUARY 26, 2010

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to the notice, at 2:30 p.m. in room SR–253, Russell Senate Office Building, Hon. Frank R. Lautenberg, presiding.

OPENING STATEMENT OF HON. FRANK R. LAUTENBERG,
U.S. SENATOR FROM NEW JERSEY

Senator LUTENBERG. Excuse the tardiness. We have an important hearing to hold, and we want to get on with it. And so, we call the hearing to order and welcome our friend and colleague Senator Hatch.

And, Senator Boxer, did you want to say anything?

Senator BOXER. Well, I'm here to introduce Mr. Michael Huerta to be the Deputy Administrator of the FAA, so at that point I would do that.

Senator LUTENBERG. Thank you.

Senator Hatch, welcome.

STATEMENT OF HON. ORRIN G. HATCH,
U.S. SENATOR FROM UTAH

Senator HATCH. Well, thank you, Mr. Chairman and Senator Boxer. I'm honored to be here with both of you.

I'm here today to introduce an honorary Utahn, Michael Huerta, President Obama's nominee for Deputy Administrator of the Federal Aviation Administration.

I first met Michael about 10 years ago, when he joined the Salt Lake Olympic Committee, or Games Team, in Utah, to help pull together the monumental logistical and operational planning effort needed to sponsor what we considered to be the most important Winter Olympics and Winter Games in history. Michael brought his expertise in transportation, planning, operations, and logistical integration to bear—it was no small part due to his efforts that Utah's Olympic Games are known as the first Olympics to have a fully successful transportation operation.

In fact, one of my favorite stories about Michael which exemplifies his commitment to public service took place in August 2001. Michael had completed his work on the core transportation plan for the Games, and had left the Olympic Organizing Committee in early 2001 to take a much better paying and high profile position
in the private sector. We all hated to lose him, but understood the opportunity and wished him well. Then, in late summer, just 2 months before the start of the Games, our planning team realized that we had a potentially serious flaw in our operations plan, and there was no one in Utah with the necessary level of experience and understanding of the Games plan to pull together and run this operation at Games time.

So, the Olympic team reached out to Michael, and made the audacious request that he leave his senior management position and rejoin the Olympic Games Team for just 7 months. After a little soul searching, Mike agreed, because at heart he is a public servant and he couldn’t let an effort he had worked on fail when he knew he could serve it. His company, realizing they were losing an incredibly valuable asset in Mike, decided that, rather than let him go, they would loan him to the Olympic Games. And so, it ended well for everyone, particularly the 2002 Olympic Winter Games.

At Games time, Mike led a very successful initiative called Travel Demand Management, which I understand is transportation-speak for programs that shift traffic to alternative times in order to make room for the Games-related traffic. We in Utah are quite proud of the fact that our transportation systems were not a news story during the Olympics. It meant that everything worked, and everything worked well.

The years Michael spent in Utah are just one example of his many years of experience in public service and in transportation. He has worked in just about every major mode of transportation and at every level of government, both in the United States and around the world. He ran a very successful transportation technology company, and now is ready once again to return to public service.

This unique combination of capability, knowledge, experience, and genuine commitment to the public good and public service is exactly what we need at this time at the FAA. With the challenges facing that important agency, I’ve got to tell you that you’ve got a real good one here. I urge that you make a favorable consideration of this nomination as quickly as you can. He’s a really, really fine man, with great abilities, who can serve at this time. And I want to commend the President of the United States for picking him. It was a great choice, and I’m really, really honored to be here to back up this choice.

[The prepared statement of Senator Hatch follows:]

PREPARED STATEMENT OF HON. ORRIN G. HATCH, U.S. SENATOR FROM UTAH

Mr. Chairman, Madam Ranking Member and members of the Committee, I’m here today to introduce an honorary Utahn, Michael Huerta, President Obama’s nominee for Deputy Administrator of the Federal Aviation Administration.

I first met Michael about 10 years ago when he joined the Salt Lake Olympic Games team in Utah to help pull together the monumental logistical and operational planning effort needed to host the Winter Games. Michael brought his expertise in transportation planning, operations and logistical integration to bear and it is no small part due to his efforts that Utah’s Olympic Games are known as the first Olympics to have a fully successful transportation operation.

In fact, one of my favorite stories about Michael, which exemplifies his commitment to public service, took place in August of 2001. Michael had completed his work on the core transportation plan for the Games and had left the Olympic Organizing Committee in early 2001 to take a much better paying and high profile posi-
tion in the private sector. We all hated to lose him but understood the opportunity and wished him well. Then, in late summer, just months before the start of the Games, our planning team realized that we had a potentially serious flaw in our operations plan, and there was no one in Utah with the necessary level of experience and understanding of the Games plan to pull together and run this operation at Games time.

So, the Olympic team reached out to Michael and made the audacious request that he leave his senior management position and rejoin the Olympic Games team— for just seven months. After a little soul-searching, Mike agreed—because at heart, he is a public servant and he couldn’t let an effort he had worked on fail when he knew he could save it. His company, realizing they were losing an incredibly valuable asset in Mike, decided that rather than let him go, they would loan him to the Olympic Games, and so it ended well for everyone—particularly the 2002 Olympic Winter Games.

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The years Michael spent in Utah are just one example of his many years of experience in public service and in transportation. He has worked in just about every major mode of transportation and at every level of government, both in US and around the world. He ran a very successful transportation technology company and now is ready, once again, to return to public service.

This unique combination of capability, knowledge, experience and genuine commitment to the public good and public service is exactly what we need at the FAA right now. With the challenges facing that important agency, I urge your favorable consideration of his nomination.

Thank you for your consideration.

Senator Lautenberg. Thank you very much. It shows you what a guilty conscience can do to you. Because I was late and I saw our distinguished colleague here at the table, I introduced him to make, essentially, a very broad opening statement on behalf of Mr. Huerta. But, now—you’re welcome to stay, Senator Hatch, but I know you have a busy schedule.

Senator Hatch. Thank you, Mr. Chairman.

Senator Lautenberg. I hope so, anyway. We’re glad to see you.

And now, I want to welcome everybody to the—to this hearing on the nomination of David Matsuda to head the Maritime Administration, commonly known as MARAD; and Michael Huerta, who we heard something about from Senator Hatch, to be Deputy FAA Administrator. Very important nominations in each case, and I think it’s a good day for our country. But, for me personally, it’s a proud day, as well.

Eventually, many of the men and women who come to work with us in the Senate move on, but our hope is that they remain committed to public service. And today, it’s a special privilege for me to introduce a former staff member who personifies that commitment. David Matsuda, my senior transportation advisor for 6 years, is President Obama’s nominee to be Administrator of MARAD at the Department of Transportation. The President and Secretary LaHood have made excellent choices but, particularly because I am so familiar with David Matsuda, I am especially grateful that they chose David to fill this post.

The Maritime Administration plays a critical role in port and vessel operations, maintaining the health of the Merchant Marine fleet, supporting current mariners, and educating future ones. We need someone at MARAD who understands the role of the maritime sector in our economy and our national security, and how all
of our Nation’s transportation modes fit together. And I know that David Matsuda is the person for the job.

He has unparalleled expertise in transportation issues. If it moves, David wants to understand how it works. David and I have worked together on laws that fundamentally changed rail travel in this country, strengthened our Nation’s oil pollution prevention and response programs, and improved security at our Nation’s seaports.

Time and time again, David Matsuda has proved himself resourceful and successful. And I look forward to working with him again to implement the new maritime laws recently signed into law.

Now, my Maritime Administration Authorization Act will move more of America’s freight off the roads and onto the sea by creating a new Marine Highway Grant Program. This law also establishes a grant program to improve the capability of our ports, and David will be a strong partner in implementing these new programs.

I note that he’s joined today by his wife, whom I also know, having been present at their wedding—Catherine Matsuda; his parents, retired Major Ron Matsuda and Mary Matsuda; his in-laws, Eugene and Barbara Parsons; and his brother, Michael, and his sister-in-law, Veronica. They’re all proud of his accomplishments, and so are we. I’m confident that he’ll be an exceptional leader for our Nation’s maritime system.

Today, as you heard from Senator Hatch, we’re considering the nomination of an excellent candidate, Michael Huerta, to be the Deputy Administrator of the Federal aviation system. Mr. Huerta held senior positions in the Clinton Administration, at Department of Transportation, and is currently the President of MPH Consulting, which specializes in transportation issues, and he was a member of President Obama’s transportation transition team. He’s a graduate of the Woodrow Wilson School at Princeton University, in my State of New Jersey.

At FAA, he’ll be charged with helping keep our skies safe and convenient for all our air travelers—this too is a critical assignment, especially given the expected increase in air traffic in the coming years. I welcome and congratulate both of our nominees and their families.

It’s my pleasure to welcome our colleagues, who will all also introduce our nominees.

Senator Boxer, if you’d like to talk about Michael Huerta, please do so.

Senator BOXER. Thanks, Senator.

STATEMENT OF HON. BARBARA BOXER, U.S. SENATOR FROM CALIFORNIA

Senator BOXER. Thank you, Senator Lautenberg.

I would like to ask unanimous consent to place my entire statement in the record.

Senator LAUTENBERG. Without objection.

[The prepared statement of Senator Boxer follows:]
Mr. Chairman, I am pleased to be here today to support the nomination of Mr. Michael Huerta to be Deputy Administrator of the Federal Aviation Administration (FAA). I would like to congratulate Michael and his family on his nomination.

I am proud to see the Obama Administration choose a California native and a University of California at Riverside graduate to fill this important position at the FAA.

Mr. Huerta has a long history of service in the transportation sector and he brings a wealth of experience to this position at the FAA.

He has served in a variety of leadership roles ranging from the Executive Director at the Port of San Francisco, to coordinating transportation for the Salt Lake City Olympics to working in industry management.

During Mr. Huerta’s time as the Chief of Staff for the Secretary of Transportation (DOT) under the Clinton Administration, I worked with him on several transportation initiatives that were important to California, including the Alameda Corridor project in Southern California and the extension of BART to the San Francisco Airport.

These projects brought jobs to California, and greatly increased California’s ability to move goods and people in our state. I am confident he will bring that same leadership to key FAA programs.

The FAA is facing many challenges. First, we must take action to improve aviation safety in the wake of the tragic crash of Flight 3407 near Buffalo last February. The FAA delayed new rules to address pilot fatigue until early this year and FAA must act now to address this issue.

The FAA must also work to implement Next Gen, which will modernize our air traffic control system and make our skies safer and more efficient.

Mr. Huerta's experience managing large, complex organizations lends well to understanding the planning and technology deployment requirements needed to modernize our air traffic control system in the coming years.

Finally, while I am pleased that the DOT has implemented a final rule based on the Boxer-Snowe airline passenger bill of rights legislation to protect passengers from lengthy tarmac delays, DOT and FAA must ensure that strong consumer protections are enforced and I am counting on Michael to do just that.

Mr. Huerta’s breadth of experience and leadership make him an excellent choice to fill the role of Deputy Administrator at the FAA. I look forward to working with him in his new capacity and congratulate him again on his nomination.

Thank you, Mr. Chairman.
Riverside—it means a lot to us in California to see a hometown guy make good. And we know you have a long history of service in the transportation sector. And we heard about your role at the Olympics—and I wanted to mention, you were Executive Director at the Port of San Francisco, which means a lot to a lot of us who were there at the time—and you were Chief of Staff for the Secretary of Transportation under the Clinton Administration. I remember, at that time, we worked together on very important initiatives for California, including the Alameda Corridor and the extension of train service to the airport. Those projects brought an amazing number of jobs to our State, and they greatly increased our ability to move goods and people in our State.

Mr. Chairman, 40 percent of the goods headed for the United States of America come through the Port of Los Angeles. It's huge. We really need to pay attention to these—our States where we do so much work at the ports. And even though you’re going to FAA, it's all about intermodal—it's all about how you connect all of this. So, I think your experience at our ports is going to be very helpful. Your experience in ground transportation at the Olympics is also very important. You’re an organizer, and you understand making priorities. I just want to mention a few of mine, which I think speak for a lot of us here.

We’re concerned about pilot fatigue. We think this needs to be addressed, and in the wake of the tragic crash of Flight 3407 near Buffalo, we have to work to implement NextGen, which will modernize our air traffic control system and make our skies safer and more efficient. And your experience managing large, complex organizations lends itself well to understanding the planning and technology deployment requirements needed to modernize our air traffic control system.

Sometimes I really lose a little sleep worrying about what’s going on, because we’ve heard from controllers, there are issues, there are problems. And then we hear from pilots, there are issues and there are problems. So, this is a very important job you’re going to fill.

Personally—a point of personal privilege for myself and Senator Snowe—we authored the Passenger Bill of Rights legislation. We’re very pleased that the FAA has moved forward and essentially put one into place, but the consumer protections need to be enforced. They’re not going to be worth anything if they’re not enforced. I’m going to count on you, and I know Senator Snowe will, to do just that.

Well, in conclusion, Mr. Chairman, Mr. Huerta’s breadth of experience and leadership make him an excellent choice to fill the role of Deputy Administrator at the FAA. I look forward to working with you so we can make sure that these two fine public servants get to work as soon as they can.

Thank you very much.

Senator LAUTENBERG. Thank you very much, Senator Boxer.

And now we’ll hear from David Matsuda first, for 5 minutes, if you will give your testimony.
7

STATEMENT OF DAVID T. MATSUDA,
ADMINISTRATOR-DESIGNATE, MARITIME ADMINISTRATION,
U.S. DEPARTMENT OF TRANSPORTATION

Mr. MATSUDA. Thank you.

Good afternoon, Mr. Chairman. I'm greatly honored to be here today and to receive the President's nomination to serve as Administrator of the U.S. Department of Transportation's Maritime Administration.

I'm pleased to be joined by my family, who you mentioned earlier. I'd ask them to take the opportunity to stand, right now. Some of them came from all over the country to be here with us, so if you don't mind.

Senator LAUTENBERG. If you would like to all stand, members of the extended family——

[Laughter.]

Mr. MATSUDA. Not the extended family, sir.

Senator LAUTENBERG. Congratulations to all of you.

Mr. MATSUDA. Thank you.

Well, I want to thank you, in particular, Mr. Chairman, for your trust and confidence in me as your chief transportation advisor for many years, and for the opportunity to be a part of your team serving the people of New Jersey. Through you, I've learned much about the government, about fighting for what you believe in, and about how to get things done in this town to help people.

I'm proud to be back in this room today among colleagues and friends. I have had the opportunity to put in long hours with many of the staff in the room, and always the staff have represented members' interests here fiercely but with great civility. I think that's a hallmark of this committee and this body that deserves mention.

Over the years, I've witnessed this committee play a tremendous role in maritime leadership and oversight, and, if confirmed, I will commit to maintaining its strong working relationship with the agency.

Also, I pledge to you that I will work for President Obama and Secretary LaHood to carry out the mission of the Maritime Administration and execute the duties prescribed by our country's laws.

With the Committee's permission, I'd like to take this opportunity to update you about what the Maritime Administration is doing to help the people of Haiti.

Many of us heard the news, just 2 weeks ago, about the devastation left by the earthquake there. Since that time, the agency has mobilized the Merchant Marine to aid in what we knew would be essential relief-and-recovery efforts. We have activated five Ready Reserve Force cargo ships, as requested by the Defense Department, for Operation United Response. The four that will be used in Haiti have all been delivered, or are being delivered, ahead of schedule. We're also managing two additional fast passenger transport ships for the military. All are being crewed by U.S. civilian Merchant Mariners. And the agency is still receiving calls from skilled Mariners all over the country offering to help.

Commercial U.S. flagships with American workers are already bringing large quantities of badly needed supplies, medicine, and food to Haiti, using makeshift ports. We've advised our fellow agen-
cies on the many offers of support from the U.S. maritime industry that we have solicited, including offers from shipping companies, longshoremen, and offshore supply boat operators.

In brief, the U.S. Merchant Marine is, again, quietly and successfully delivering, as they have so many times in the history of our country. “Acta, non verba”—meaning, “Deeds, not words,” as we say at the U.S. Merchant Marine Academy, in Kings Point, New York—exemplifies this humble dedication.

But the maritime industry’s breadth goes beyond just being there when the country needs them in times of crisis or natural disaster. It enables us to trade globally every day. Items brought in by ship make their way to store shelves and factory lines throughout the country, not just in the coastal States. Some raw materials we mine, goods we produce, and crops we grow for export leave through our seaports or travel down inland rivers or across great lakes to distant markets.

In all, 36 states have a maritime port, whether it’s a river, lake, gulf, or ocean. In some states, a shipyard or marine manufacturing plant can be the largest source of jobs for an entire community or region. I’ve found the Maritime Administration’s mission to be critical to ensuring our country’s maritime infrastructure, vessels, shipbuilding capacity, and workforce are adequate to support our Nation’s sealift needs, for our military as well as our economy.

Today’s maritime industry is struggling with many tough challenges: a lagging economy; environmental threats, like climate change, invasive species, and harmful air emissions; piracy and other security issues; a greatly expanded Panama Canal, opening in the year 2014; and an aging work force, to name a few. I believe my experience working within the Federal Government, and especially working in the Senate, has given me a broad understanding of how these challenges can be approached successfully by working with all stakeholders in good faith and by ensuring transparency in decisionmaking.

Since coming back to the DOT, I’ve had the opportunity to again work with some highly capable Federal professionals who show great passion for their work, and, if confirmed, it’ll be my privilege to work with these men and women, carry out the Maritime laws and policies of our country, make sure the Merchant Marine is there when we need it, and especially when we need it the most.

Thank you, and I’m happy to answer any questions the Committee has.

[The prepared statement and biographical information of Mr. Matsuda follows:]

**PREPARED STATEMENT OF DAVID T. MATSUDA, ADMINISTRATOR-DESIGNATE, MARITIME ADMINISTRATION, U.S. DEPARTMENT OF TRANSPORTATION**

Mr. Chairman, Ranking Member Hutchison, and members of the Committee:

I am greatly honored to be here today before the Committee, and to receive the President’s nomination to serve as Administrator of the Maritime Administration. For many years I was fortunate to witness the Committee’s work in transportation and maritime issues from well behind the dais as a staffer. So, it gives me great pride to be back in this room today among colleagues and friends. I’ve had the opportunity to work with many of your staff members, and they have represented your interests fiercely, but always did so with great civility.

If confirmed, I pledge to you that I will work for President Obama and Secretary LaHood to carry out the mission of the Maritime Administration and execute the
duties prescribed by the laws of our country. Over the years I have witnessed this Committee play a tremendous role in maritime leadership and oversight, and I will strive to ensure that its strong working relationship with the agency continues.

The impacts of our Nation’s maritime industry are not limited to coastal states—you don’t have to have an ocean to depend on the maritime industry. Items brought in by ship make their way to store shelves and factory lines throughout the Nation. Some raw materials we mine, goods we produce, and agricultural products we grow for export leave through our seaports or travel down rivers or across great lakes to distant markets.

In all, 36 states have a maritime port—whether it’s on a river, lake, gulf, or ocean. Merchant mariners live in just about every state in the Union, and midshipmen nominated by you and your colleagues to study at the U.S. Merchant Marine Academy can claim home to all but one state. Some states have shipyards or marine manufacturers which can be the largest sources of jobs in an entire community or region. I feel that these basic elements of our maritime transportation system are influenced by the many Federal programs managed by the Maritime Administration.

I believe the agency’s mission is critical to ensuring these elements all exist and are adequate to support our Nation’s sealift needs—for our military as well as our economy.

Today’s maritime industry is struggling with many tough challenges: a lagging economy, climate change, the threats of invasive species, piracy and other security issues, a greatly expanded Panama Canal opening in 2014, and an aging workforce, to name a few. I feel my experience working within the Federal Government, and especially working in the Senate, has allowed me a broad understanding of how these challenges can be approached successfully: by working with all stakeholders in good faith and with transparency in decisionmaking.

Since coming back to the Department of Transportation, I’ve had the opportunity to again work with some highly capable Federal professionals, who show great passion for their work. If confirmed, it will be my privilege to work with these men and women to execute the relevant laws and policies of our country to help ensure that the merchant marine is there when we need it, and especially when we need it the most.

Thank you.

A. BIOGRAPHICAL INFORMATION

1. Name (Include any former names or nicknames used): David T. Matsuda.
2. Position to which nominated: Administrator, Maritime Administration, Department of Transportation.
3. Date of Nomination: December 17, 2009.
4. Address (List current place of residence and office addresses):
   Residence: Information not released to the public.
5. Date and Place of Birth: August 8, 1972, Soest, the Netherlands.
6. Provide the name, position, and place of employment for your spouse (if married) and the names and ages of your children (including stepchildren and children by a previous marriage).
   Spouse: Catherine Parsons, Director of Development, Internet Education Foundation, Washington, D.C.
7. List all college and graduate degrees. Provide year and school attended.
   BS Engineering, 1994, Harvey Mudd College, Claremont, CA.
   JD, 1997, University of San Diego School of Law, San Diego, CA.
   Other schools attended (credit coursework only):
   New Mexico State University, Las Cruces, NM: June 1992 to August 1992.
8. List all post-undergraduate employment, and highlight all management-level jobs held and any non-managerial jobs that relate to the position for which you are nominated.

9. Attach a copy of your resume. A copy is attached.
10. List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments, other than those listed above, within the last 5 years: N/A.
11. List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business, enterprise, educational, or other institution within the last 5 years: N/A.
12. Please list each membership you have had during the past 10 years or currently hold with any civic, social, charitable, educational, political, professional, fraternal, benevolent or religious organization, private club, or other membership organization. Include dates of membership and any positions you have held with any organization. Please note whether any such club or organization restricts membership on the basis of sex, race, color, religion, national origin, age, or handicap.
   - Federal Bar Association Section on Transportation and Transportation Security Law. Have served on leadership board since 2001.
   - None of the organizations listed above restricts membership on the basis of sex, race, color, religion, national origin, age, or handicap.
13. Have you ever been a candidate for and/or held a public office (elected, non-elected, or appointed)? If so, indicate whether any campaign has any outstanding debt, the amount, and whether you are personally liable for that debt: No.
14. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $500 or more for the past 10 years. Also list all offices you have held with, and services rendered to, a state or national political party or election committee during the same period.
   - Obama for America, Chicago, IL: Member, Transportation Policy Committee, July 2008 to November 2008.
   - John Kerry for President (2004, DC, PA): Member, Policy Outreach Committee on Transportation, and GOTV volunteer in Pittsburgh, PA.
5. List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognition for outstanding service or achievements.
   - Mothers Against Drunk Driving (MADD) Congressional Staffer of the Year (2005).
Federal Railroad Administrator’s Silver Achievement Award—recognized for individual and team work to develop and publish Positive Train Control (PTC) regulation (2000).

Scholarships awarded in conjunction with undergraduate and law school education (obtainable upon further request) (1990–1997).

16. Please list each book, article, column, or publication you have authored, individually or with others. Also list any speeches that you have given on topics relevant to the position for which you have been nominated. Do not attach copies of these publications unless otherwise instructed.

Speeches delivered:
- Quadrennial Convention of the Maritime Trades Department, AFL-CIO, Pittsburgh, PA (Sept. 11, 2009).

17. Please identify each instance in which you have testified orally or in writing before Congress in a governmental or non-governmental capacity and specify the date and subject matter of each testimony.


18. Given the current mission, major programs, and major operational objectives of the department/agency to which you have been nominated, what in your background or employment experience do you believe affirmatively qualifies you for appointment to the position for which you have been nominated, and why do you wish to serve in that position?

I believe it is my overall experience and work on transportation and maritime issues, including those important to this Committee, that qualify me for this position. I have witnessed virtually every committee action (hearings, markups, floor action, conference) regarding transportation legislation and oversight action before the Senate Commerce Committee over the past 8 years. I also believe my combination of policy, legal, technical, political, communications, and leadership skills makes me uniquely qualified for this position, and I would like to serve the country as best I can.

19. What do you believe are your responsibilities, if confirmed, to ensure that the department/agency has proper management and accounting controls, and what experience do you have in managing a large organization?

I believe it would be my responsibility to ensure as best I can that proper management and financial controls at the Maritime Administration are in place and working as intended. I have served in an acting capacity as Administrator for the agency since July 2009. I believe that many improvements in efficiency and effectiveness have been made, and several more are in the process of being implemented. I have also served as Acting Assistant Secretary for Policy (and, for over a month, acting for the Undersecretary for Policy), USDOT, between 3/2009 and 7/2009, leading the policy development office.

20. What do you believe to be the top three challenges facing the department/agency, and why?

(1) Development of national freight/goods movement policy—I believe the lack of a clear national strategy can hamper the U.S. economy and its ability to compete in a global marketplace. This impedance will be demonstrated in greater clarity as the widened Panama Canal opens in 2014, creating potentially greatly altered freight flows in the continental U.S. and affecting citizens, travelers, residents, and businesses at all levels.

(2) Improved Management/Accounting of the U.S. Merchant Marine Academy—I believe the lack of resources and accountability, as well as overall neglect, has led to potential legal violations, deteriorated facilities, as well as other problems at the Academy. These factors appear to have contributed to problems with re-
cruitment, retention and graduation of a vibrant corps of future U.S. ship officers.

(3) Revisiting Federal Policies Designed to Sustain U.S. Flag Fleet/Military Sea-lift Capability—I believe Federal policies should be constantly examined to ensure that the Federal Government is taking adequate action to ensure a sufficient U.S. maritime capability for national defense and other needs. Economic pressures may have an adverse impact on U.S. flag carriers, which the country relies on heavily for national defense sealift capability.

B. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers. Please include information related to retirement accounts: N/A.

2. Do you have any commitments or agreements, formal or informal, to maintain employment, affiliation, or practice with any business, association or other organization during your appointment? If so, please explain: N/A.

3. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Transportation’s ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department’s designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

4. Describe any business relationship, dealing, or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Transportation’s ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department’s designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

5. Indicate any activity during the past 10 years in which you have been engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy.

None apart from activities in conjunction with duties as part of working for a Senator and a Senate Committee.

6. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Transportation’s ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department’s designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

C. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, please explain: No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority of any Federal, State, county, or municipal entity, other than for a minor traffic offense? If so, please explain: No.

3. Have you or any business of which you are or were an officer ever been involved as a party in an administrative agency proceeding or civil litigation? If so, please explain: No—other than successful appeal of a minor traffic offense.

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If so, please explain: No.

5. Have you ever been accused, formally or informally, of sexual harassment or discrimination on the basis of sex, race, religion, or any other basis? If so, please explain: No.
6. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be disclosed in connection with your nomination. N/A.

D. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your department/agency complies with deadlines for information set by Congressional committees? Yes.
2. Will you ensure that your department/agency does whatever it can to protect Congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.
3. Will you cooperate in providing the Committee with requested witnesses, including technical experts and career employees, with firsthand knowledge of matters of interest to the Committee? Yes.
4. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

RESUME OF DAVID T. MATSUDA

—Transportation Leader, Policy Expert
—Broad Management, Work Experience in All Three Branches of Government
—Legal, Technical, Legislative, Communications, Political Skills

Executive Branch, Legal/Managerial Experience

United States Department of Transportation—Maritime Administration, Washington, D.C.—Deputy Administrator/Acting Administrator. Serve as Chief Executive Officer for $1 billion agency with more than 700 employees and mandates to ensure an adequate U.S. merchant marine, maintain the National Defense Reserve Fleet of roughly 200 large cargo vessels, and operate the U.S. Merchant Marine Academy (USMMA) to educate future generations of U.S. maritime officers. Worked to develop national freight movement policy, settle 3-year legal conflict over environmental management of ship disposal program, and instill new governance, oversight, and operational controls at the USMMA. July 2009 to Present.
Office of Policy, Office of the Secretary, Washington, D.C.—Deputy Assistant Secretary/Acting Assistant Secretary. Served as Chief Policy Advisor, and for over a month, served as third-ranking official in 55,000-member Federal Department. Played key roles in launching two new multi-billion dollar grant programs: TIGER and High-Speed Rail. Advised Secretary of Transportation and other top Obama Administration officials on transportation policies, including high-speed rail development, maritime matters, surface transportation reauthorization. March 2009 to July 2009.
Office of the Secretary, Office of General Counsel, Washington, D.C.—Law Clerk. Assisted senior attorneys on cases involving airline bankruptcy, commercial landlord-tenant dispute involving USDOT headquarters, and patent law claims. Drafted legal opinions for Secretary on Board of Correction for Military Records (U.S. Coast Guard) cases. Summer 1996.

Policy and Legislative Experience

Office of U.S. Senator Frank R. Lautenberg (D–NJ) Washington, D.C.—Senior Counsel. Served as primary advisor on all transportation and related security matters for active Senator (major accomplishments listed below). Helped supervise and manage staff of 25, and coordinate assignments and initiatives amongst committee staff, communications staff, and constituent caseworkers.
Prepared and staffed Senator for all markups conducted by four Committees (Appropriations; Budget; Commerce, Science, and Transportation; and Environment and Public Works). May 2007 to March 2009. (Served as Transportation Counsel March 2003 to April 2007).

Obama for America, Chicago, IL—Member, Transportation Policy Committee. Collaborated with other experts to develop policy advisory memos on transportation issues for Barack Obama Presidential campaign staff. Served on subcommittees for passenger rail and transit, and contributed on documents involving Amtrak/high-speed rail, Senator McCain’s transportation record and potential campaign events. July 2008 to November 2008.

U.S. Senate Committee on Commerce, Science, and Transportation, Democratic Staff, Washington, D.C.—Congressional Fellow. Worked with committee professional staffer Deborah Hersman to develop and carry out surface transportation policy/legislative agenda for former Committee Chairman Fritz Hollings and former Subcommittee Chairman John Breaux. Worked to enact bills on pipeline safety and interstate limousine transportation, and worked to pass Amtrak bill through Committee over strong opposition of Ranking Member John McCain. January 2002 to January 2003.

Additional Political/Campaign Experience

Lautenberg for Senate (2008, NJ): volunteer
John Kerry for President (2004, DC, PA): member, Policy Outreach Committee on Transportation, and GOTV volunteer in Pittsburgh, PA.

Education

University of San Diego School of Law, San Diego, CA

Harvey Mudd College, Claremont, CA
Bachelor of Science—Engineering conferred May 1994. Earned Dean’s List honors in three semesters at school ranked by U.S. News and World Report as nation’s top undergraduate engineering institution.

Honors

Federal Bar Association Section on Transportation and Transportation Security Law. Serve on leadership board since 2001—Co-produced several successful live educational programs on TEA–21 Reauthorization, Trucking Hours of Service laws, and Aviation Carbon Emissions Regulation.

Federal Railroad Administrator's Silver Achievement Award—recognized for individual and team work to develop and publish Positive Train Control (PTC) regulation.

Mothers Against Drunk Driving (MADD) Congressional Staffer of the Year, 2005.

Senator Lautenberg. Thanks very much.

Mr. Huerta, you’ve had some laudatory comments, and we look forward to hearing from you. And I’d ask you to please keep it to 5 minutes, if you can.

Thank you.

STATEMENT OF HON. MICHAEL PETER HUERTA,
DEPUTY ADMINISTRATOR-DESIGNATE, FEDERAL AVIATION ADMINISTRATION, U.S. DEPARTMENT OF TRANSPORTATION

Mr. Huerta. Thank you, Senator Lautenberg. Thank you very much for the opportunity to appear before you today. And I’d also like to thank my home State Senator, Senator Boxer, and my adopted home State Senator, Senator Hatch, for their kind words today.
I’m honored that President Obama has nominated me for the position of Deputy Administrator of the Federal Aviation Administration. If confirmed, I look forward to the opportunity to work with Secretary LaHood, Administrator Babbitt, the Administration, and of course, you in Congress, to serve our country in this capacity.

You also met the members of my family who are present today. First, my wife, Ann, who is my best friend and life partner. On more than one occasion, she has encouraged and supported my desire to follow my heart and my passion to try something new and challenging. She shares my belief that public service is truly a noble calling, and I would like to thank her for all that she has done, not only for me, but for countless others.

You also met my son, Matthew, who has inherited his father’s interest in transportation and aviation, and was once observed, at age 6, to be schooling a couple of off-duty pilots on the fine distinctions between various aircraft types.

I’d also like to mention my parents, who would have loved to have been here today. My mother passed away in May of last year, and I lost my father 9 years earlier. I know they’re watching from a better place, but I just wanted to tell them, “Thanks for everything.”

The Federal Aviation Administration has a huge responsibility, and it faces significant challenges. As you well know, the FAA’s mission is to provide the safest, most efficient aerospace system in the world. It carries out its responsibilities both as a regulator and as an operator. Crucial to the success of the FAA is its ability to work in partnership with its diverse stakeholders, including the private-sector air carriers and the general aviation community.

The FAA also relies on sophisticated technology. Its systems must meet exceptionally high standards of safety, security, and reliability. And, of course, the agency is a large and complex organization. It has an ambitious agenda for transitioning to a next-generation air traffic control system while continuing to operate, on a daily basis, the largest air traffic system in the world.

In my career I’ve been privileged to have had wonderful professional opportunities, both in the public and private sectors. I held senior policy positions at the USDOT under President Clinton, which gave me valuable insight into how Federal agencies work, and, in particular, the important role played by the FAA.

More recently, I led a large transportation technology services company. I had responsibility for the operations of a large global organization, managing a diverse and technical work force, and ensuring that we met our financial targets. Our customers were, for the most part, State and local government agencies, and we provided critical systems that were central to them in being able to execute their missions. I came to develop a great appreciation for the benefits to be gained by partnerships between different interests in government and the private sector.

The years I spent with the Salt Lake Olympic Committee taught me about how an immovable deadline can be an extremely powerful force in motivating and focusing a team toward a common objective. We had to be focused, but flexible and ready to adapt to the unexpected.
My skills and experience will be helpful as I look at what is ahead at the FAA. I am excited about the prospect, if confirmed, of playing a major role in the FAA’s deployment of NextGen. NextGen is, in fact, a system of systems, which must all work together in a coordinated fashion to improve the safety and efficiency of our Nation’s aviation system. Its successful deployment has been identified both by Secretary LaHood and Administrator Babbitt as a critical objective for their tenure, and I’m committed to do everything I can to help ensure that objective is met.

I’m also aware that the series of short-term extensions in FAA authorizations have created a degree of uncertainty within the aviation community at large. It is important that FAA reauthorization gets done. There are important safety programs that need to be reauthorized, and, if confirmed, I look forward to working with Congress and the aviation stakeholders throughout the legislative process.

I hope that my background and experience will assist the FAA in meeting the challenges it faces in the coming years. I’m honored to have been nominated by President Obama, and I look forward to working in partnership with you in ensuring that our Nation’s aviation system leads the world in safety, efficiency, and innovation.

Thank you for the opportunity to be here today. I’m happy to respond to any questions that you might have.

[The prepared statement and biographical information of Mr. Huerta follows:]
DOT under President Clinton, which gave me valuable insight into how Federal agencies work and, in particular, the important role played by the FAA.

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I am also aware the series of short-term extensions in FAA authorizations have created a degree of uncertainty within the FAA and the aviation community at large.

It is important that FAA Reauthorization gets done. There are important safety programs that need to be reauthorized. If confirmed I look forward to working with Congress and aviation stakeholders throughout the legislative process.

I believe that my background and experience will assist the FAA in meeting the challenges it faces in the coming years. I am honored to have been nominated by President Obama. I look forward to working in partnership with you in ensuring that our Nation's aviation system leads the world in safety, efficiency and innovation.

Thank you for the opportunity to be here today. I am happy to respond to any questions that you might have.

A. BIOGRAPHICAL INFORMATION

1. Name (include and former names or nicknames used):
   Michael Peter Huerta
   Mike Huerta.

2. Position to which nominated: Deputy Administrator, Federal Aviation Administration, United States Department of Transportation.

3. Date of nomination: December 8, 2009.

4. Address (List current place of residence and office addresses):
   Residence and Office: 5505 Utah Avenue, NW, Washington, DC 20015.

5. Date and place of birth: November 18, 1956; Riverside, California.

6. Provide the name, position and place of employment for your spouse (if married) and the names and ages of your children (including stepchildren and children by a previous marriage).
   Spouse: Ann L. Sowder, Financial Planner, Sagemark Consulting (A Division of Lincoln Financial Advisors), 8219 Leesburg Pike, Suite 200, Vienna, VA 22182;

7. List all college and graduate degrees. Provide year and school attended.
   Woodrow Wilson School of Public and International Affairs, Princeton University, MPA, International Relations, 1980.
   University of California at Riverside, BA, Political Science, 1978.

8. List all post-undergraduate employment, and highlight all management-level jobs and any non-managerial jobs that relate to the position for which you are nominated.
   April 2009 to present, President, MPH Consulting, LLC.
April 2008 to March 2009, Executive Vice President and Group President, Transportation Solutions, Affiliated Computer Services, Inc.
June 2005 to April 2008, Senior Vice President and Managing Director, Transportation Solutions, Affiliated Computer Systems, Inc.
March 2002 to June 2005, Senior Vice President and Managing Director, Transportation Systems and Services, Affiliated Computer Services, Inc.
April 2001 to March 2002, Vice President, Marketing and Business Development, Lockheed Martin IMS, sold in August 2001 to Affiliated Computer Services, Inc.
September 2001 to March 2002, Managing Director, Transportation Communications, Salt Lake Organizing Committee for the Olympic Winter Games of 2002 (Loaned Executive from Affiliated Computer Services, Inc.).
January 1997 to June 1998, Chief of Staff, Office of the Secretary, U.S. Department of Transportation.
April 1993 to January 1997, Associate Deputy Secretary of Transportation, Director, Office of Intermodalism, U.S. Department of Transportation (Consultant until May 1993 when confirmed by the Senate).
January 1989 to April 1993, Executive Director, Port of San Francisco.
March 1986 to January 1989, Commissioner, New York City Department of Ports, International Trade and Commerce (The agency name was changed twice during my tenure and was also known as New York City Department of Ports and Trade and New York City Department of Ports and Terminals).
June 1979 to September 1979, Federal Summer Intern, U.S. Mission to NATO.

Chair, Oversight Committee, National Cooperative Freight Research Program, Transportation Research Board.

President, MPH consulting, LLC.
Member, Advisory Board, Kapsch TrafficCom Holding Corporation.
Consultant, Securing America’s Future Energy.
Chairman, Board of Directors, Intelligent Transportation Society of America.
Elder, Chevy Chase Presbyterian Church.
Deacon, Chevy Chase Presbyterian Church.
Chair, Oversight Committee, National Cooperative Freight Research Program, Transportation Research Board.
Consultant, Mark IV IVHS.
Consultant, Chicago 2016.
Member, Board of Advisors, College of Engineering, Center for Environmental Research and Technology, University of California, Riverside.
Executive Vice President, Affiliated Computer Services, Inc.

Please list each membership you have had during the past 10 years or currently hold in any civic, social, charitable, educational, political, professional, fraternal, benevolent or religious organization, private club, or other membership organization. Please note whether any such club or organization restricts membership on the basis of sex, race, color, religion, national origin, age, or handicap.

Member, The City Club of Washington.
Member, Chevy Chase Presbyterian Church.
Cubmaster, Cub Scout Pack 52 Member, Train Collectors Association.

13. Have you ever been a candidate for and/or held a public office (elected, non-
elected, or appointed)? If so, indicate whether any campaign has any outstanding
debt, the amount, and whether you are personally liable for that debt.

January 1997 to June 1998, Chief of Staff, Office of the Secretary, U.S. Depart-
ment of Transportation.
April 1993 to January 1997, Associate Deputy Secretary of Transportation, Di-
rector, Office of Intermodalism, U.S. Department of Transportation (Consultant
until May 1993 when confirmed by the Senate).
I have no outstanding campaign debts.

14. Itemize all political contributions to any individual, campaign organization,
political party, political action committee, or similar entity of $500 or more for the
past 10 years. Also list all offices you have held with, and services rendered to, a
state or national political party or election committee during the same period.
Contributions:

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<th>Organization</th>
<th>Date</th>
<th>Amount</th>
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<td>Obama for America</td>
<td>9/30/08</td>
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<td>Josh Zeitz for Congress</td>
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<td>Linda Stender for Congress</td>
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<td>Friends of Mark Warner</td>
<td>4/4/08</td>
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<tr>
<td>Friends of Jim Oberstar</td>
<td>3/21/08</td>
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<td>Josh Zeitz for Congress</td>
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<td>Hillary Clinton for President</td>
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<td>Mitt Romney for President</td>
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<td>Menendez for Congress</td>
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<td>4/5/06</td>
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<td>Democratic National Committee</td>
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<td>Torricelli for U.S. Senate</td>
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<td>$1,000</td>
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<td>Villaraigosa for LA Mayor</td>
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<tr>
<td>Democratic National Committee</td>
<td>8/16/00</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

I have not held any offices with, nor rendered services to, a state or national polit-
ical party or election committee during the last 10 years.

15. List all scholarships, fellowships, honorary degrees, honorary society members-
hips, military medals, and any other special recognition for outstanding service or
achievements; None.

16. Please list each book, article, column, or publication you have authored, indi-
vidually or with others. Also list any speeches that you have given on topics rel-
vant to the position for which you have been nominated. Do not attach copies of
these publications unless otherwise instructed.

International Bridge, Tunnel and Turnpike Association, Board of Directors, San

17. Please identify each instance in which you have testified orally or in writing
before Congress in a governmental or non-governmental capacity and specify the
date and subject matter of each testimony.

September 9, 2002
Testimony on Behalf of the Coalition for America's Gateways and Trade Cor-
rridors before the Subcommittee on Surface Transportation and Merchant Ma-
rine, Committee on Commerce, Science and Transportation, U.S. Senate, and
the Subcommittee on Transportation, Infrastructure and Nuclear Safety, Com-
mittee on Environment and Public Works, U.S. Senate, on Freight Transportation and Intermodal Connections.

March 13, 1997
Testimony as Associate Deputy Secretary of Transportation before the Subcommittee on Transportation and Infrastructure, Committee on Environment and Public Works, U.S. Senate, on reauthorization of the surface transportation program.

February 24, 1997
Testimony as Associate Deputy Secretary of Transportation before the Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, U.S. House of Representatives, on the Department of Transportation’s “Year 2000” activities.

June 19, 1995
Testimony as Associate Deputy Secretary of Transportation before the Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, U.S. House of Representatives, at a hearing in Chicago, IL on streamlining Federal field office structures.

May 17, 1993
Testimony as nominee to be Associate Deputy Secretary of Transportation before the Committee on Commerce, Science and Transportation, U.S. Senate, at a hearing to consider nominations.

18. Given the current mission, major programs, and major operational objectives of the department/agency to which you have been nominated, what in your background or employment experience do you believe affirmatively qualifies you for appointment to the position for which you have been nominated, and why do you wish to serve in that position?

The FAA’s mission is to provide the safest, most efficient aerospace system in the world. It does that as a regulator and as an operator. It works in partnership with the private sector. It relies on sophisticated technology. The agency is a large and complex organization and it has an ambitious agenda for transitioning to a next generation air traffic control system, while continuing to operate on a daily basis the largest air traffic system in the world.

In my career, I have worked both in government and the private sector. I held senior policy positions at the U.S. DOT, which gave me valuable insight into how Federal agencies work and, in particular, the important role played by the FAA. More recently, I led a large transportation technology services organization. In that capacity, I had responsibility for the operations of a large, global organization, managing a diverse and technical workforce and, of course, ensuring that the organization met its financial targets. Our customers were for the most part state and local government agencies and we provided critical systems that were central to them successfully executing their missions.

I am excited about the prospect, if confirmed, of playing a major role in the FAA’s deployment of NextGen, the new air traffic control system. NextGen is in fact a system of systems, which must all work together in a coordinated and fashion to improve the safety and efficiency of our Nation’s aviation system. Its successful deployment has been identified both by the Secretary of Transportation and the FAA Administrator as a critical objective for their tenure.

I hope that my background and experience will assist the FAA in carrying out its mission in the coming years.

19. What do you believe are your responsibilities, if confirmed, to ensure that the department/agency has proper management and accounting controls, and what experience do you have in managing a large organization?

As Deputy Administrator, I would have an important operational role at the department. Effective management of a large organization means that the leaders of that organization need to ensure that reporting systems are in place to provide them the visibility they need into what is going on in the organization. At the same time, they need to ensure that appropriate controls are in place.

I am excited about the prospect, if confirmed, of playing a major role in the FAA’s deployment of NextGen, the new air traffic control system. NextGen is in fact a system of systems, which must all work together in a coordinated and fashion to improve the safety and efficiency of our Nation’s aviation system. Its successful deployment has been identified both by the Secretary of Transportation and the FAA Administrator as a critical objective for their tenure.

I hope that my background and experience will assist the FAA in carrying out its mission in the coming years.
21

If confirmed, I look forward to working closely with the FAA’s employees and stakeholders, and particularly Congress in meeting the agency’s objectives in the coming years.

20. What do you believe to be the top three challenges facing the department/agency, and why?

If confirmed, I intend to build on my extensive experience to meet the Agency’s current and future challenges. These challenges are not small. Our first and highest priority to ensure that the world’s safest skies become even safer, and that we continue to be recognized as the world leader of aviation safety.

Second, we need to move quickly and efficiently to implement our next generation of air traffic modernization programs to maximize our aviation system’s efficiency. These next few years will be a critical time as the FAA and its partners in Congress, industry and labor take important steps toward a new future for our air traffic control systems.

Third, we can move our aircraft more quickly, and we can move them more efficiently with less carbon impact and smaller footprints and less noise with our new technology. But we need to move aggressively with implementation jointly by all of our stakeholders.

Finally, within the FAA, we need to regain internal labor stability, mutual trust, and build on the can-do spirit of the entire FAA work force, and we need to ensure the FAA’s accountability and credibility in the delivery of its goals, its budgetary compliance, and its safety standards.

II. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers. Please include information related to retirement accounts.

While employed by Affiliated Computer Systems, Inc. (ACS) I participated in a deferred compensation plan and, at the time I enrolled, I elected to receive deferred compensation in five annual installments following my departure from ACS (March 2009). I will receive four remaining annual payments with the final payment expected in April 2013.

While at ACS, I also participated in the company’s 401k plan. Upon my departure I had the option to keep my account with the ACS plan and elected to do so. I currently am covered by health insurance through COBRA under the ACS executive benefit plan.

Finally, I hold ACS stock options, which I intend to hold as market conditions warrant.

2. Do you have any commitments or agreements, formal or informal, to maintain employment, affiliation, or practice with any business, association, or other organization during your appointment? If so, please explain.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Transportation’s ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department’s designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

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4. Describe any business relationship, dealing, or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

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5. Describe any activity during the past 10 years in which you have been engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy.

From mid-1998 until April 2001, I was engaged by the Salt Lake Organizing Committee for the Olympic Winter Games of 2002 to assist in securing funding for transportation improvements in support of the Olympic Winter games held in Utah in February 2002. During the period, my company and I were registered as lobbyists.

6. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Transportation’s ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department’s designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

C. LEGAL MATTERS

1. Have you ever been disciplined or cited for breach of ethics by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, please explain: No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority of any Federal, State, county, or municipal entity, other than for a minor traffic offense? If so, please explain: No.

3. Have you or any business of which you are or were an officer ever been involved as a party in an administrative agency proceeding or civil litigation. If so, please explain.

I am aware of several suits that were filed against my previous employers or that named me in an official capacity. None of these involved any allegation related to my own conduct.

In my official capacity as Commissioner of the New York City Department of Ports and Trade, I was named in two suits against the city in the late 1980s involving nonpayment of rent at port facilities. I had no involvement in the litigation of these cases. The NYC Department of Ports and Trade may have been a party to other legal actions, but I had no involvement in any such cases.

In 1994 or 1995, I was deposed in a sexual harassment case that an employee had brought against the City of San Francisco. I had been the Executive Director of the Port of San Francisco until April 2003, and I testified that I had met the employee only once and had no knowledge of the complaint. The Port of San Francisco may have been a party to other legal actions, but I had no involvement in any such cases.

During the time when I was an officer of Affiliated Computer Services, Inc., a Fortune 500, publicly traded company with extensive domestic and international operations, the company may have been a party to administrative proceedings and litigation; however I had no involvement in any such cases.

4. Have you ever been convicted (including verdicts of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If so, please explain: No.

5. Have you ever been accused, formally or informally, of sexual harassment or discrimination on the basis of sex, race, religion, or any other basis? If so, please explain: No.

6. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be disclosed in connection with your nomination.

N/A.

D. RELATIONSHIP WITH THE COMMITTEE

1. Will you ensure that your department/agency complies with deadlines for information set by Congressional committees? Yes.

2. Will you ensure that your department/agency does whatever it can to protect Congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.

3. Will you cooperate in providing the Committee with requested witnesses, including technical experts and career employees, with firsthand knowledge of matters of interest to the Committee? Yes.

4. Are you willing to appear and testify before any duly constituted committee of Congress on such occasions as you may be reasonably requested to do so? Yes.
Professional Experience

President, MPH Consulting, LLC, Washington, D.C.; April 2009 to present—Consultant on transportation policy, technology and financing. Clients include international technology companies and not-for-profit organizations.

Executive Vice President and Group President, Transportation Solutions, Affiliated Computer Services, Inc., Washington, D.C.; April 2008 to March 2009.

Senior Vice President and Managing Director, Transportation Solutions, ACS Government Solutions, Washington, D.C.; March 2002 to April 2008.

Chief executive of ACS’ transportation technology services line of business. ACS is a premier provider of diversified business process outsourcing and information technology services and solutions to government and commercial clients worldwide. The company provides a wide variety of revenue collection, regulatory compliance and technology services to the transportation industry throughout the world. Products and services include:

- System integration and customer service center operations for electronic toll collection systems including E-ZPass in the northeastern United States and FasTrak in California.
- Fare collection and parking revenue control and management systems to public transit authorities, airports, and cities.
- The nationwide PrePass electronic commercial vehicle pre-clearance program.
- A full suite of photo enforcement solutions designed to promote road and highway safety.
- System integration and design of PierPASS, a congestion fee collection program used at the Ports of Los Angeles and Long Beach, California.

Vice President, Marketing and Business Development, Lockheed Martin IMS, Transportation Systems and Services, Washington, D.C.; April 2001 to March 2002—Responsible for expanding IMS’ leadership position in intelligent transportation marketplaces such as electronic toll collection, commercial vehicle operations, and electronic payment systems.

Consultant, Director, and Managing Director, Salt Lake Organizing Committee for the Olympic Winter Games of 2002, Washington, D.C. and Salt Lake City, Utah; July 1998 to April 2002—Served in various positions as an independent consultant and an employee of the organization. Responsible for (a) designing and running, in cooperation with the Utah Department of Transportation, the highly successful Travel Demand Management (TDM) program used during the XIX Olympic Winter Games held in Utah during February 2002, and (b) securing funding for a $250 million program of temporary and permanent transportation projects to support the transportation requirements of the Games.

Principal, Cambridge Systematics, Inc., Washington, D.C.; September 1998 to April 2001—Principal of an employee-owned, nationally known, transportation consulting firm. Responsibilities included new business development for freight and intermodal transportation. Services provided included freight transportation planning, transportation planning for special events, project financing, and strategic planning.

Chief of Staff, Office of the Secretary, United States Department of Transportation, Washington, D.C.; January 1997 to June 1998—Responsibilities included serving as chief strategist and policy advisor to the Secretary of Transportation and day-to-day manager of the Office of the Secretary. Involved oversight of high-profile projects, major initiatives, and Federal Government financial assistance.

Associate Deputy Secretary of Transportation and Director, Office of Intermodalism, United States Department of Transportation, Washington, D.C.; May 1993 to January 1997—Responsibilities included coordinating Federal policy on intermodal transportation and initiating policies to promote efficient intermodal transportation in the United States. Selected accomplishments:

- $400 million Federal loan as part of financing package for $1.9 billion Alameda Corridor port access project in Southern California. The Federal loan was an innovative, direct loan which completed the financing package and enabled this project to move forward.
• Airport access projects in San Francisco and New York which involved blending airport, transit and highway revenues in new ways to provide mass transit links to these airports.

Executive Director, Port of San Francisco; January 1989 to April 1993—Chief executive of the port, a self-supporting public agency that develops and administers maritime facilities, commercial development, and fishing facilities on San Francisco’s waterfront. Completed a port strategic plan, which led to substantially increased container shipping volume. Initiated planning and construction for modernizing and expanding the port’s shipping terminals and fish handling facilities. Completed an award-winning public access pier in downtown San Francisco.

Commissioner, New York City Department of Ports, International Trade and Commerce; March 1986 to January 1989—Chief executive of the city department responsible for developing and administering marine, air, rail and truck facilities throughout the city; promoting international trade and investment; operating and regulating the city’s public markets.


Education
MPA 1980, Woodrow Wilson School of Public and International Affairs, Princeton University BA 1978, University of California, Riverside.

Professional Affiliations
Chairman of the Board of Directors, Intelligent Transportation Society of America.

Senator LAUTENBERG. I thank each of you for your testimony.

And I want to make note of the fact that the sparseness of attendance doesn’t indicate any lack of interest. Interpret it to be confidence in the selection of each of you by the President, by the Secretary, for your competence and your experience. So, we feel very good about that, and I look forward to having the Committee move on this as quickly—on your nominations as quickly as we can.

A few questions, first, that I’d like to discuss—first of all, for Mr. Matsuda, the completion of the Panama Canal in 2014 will lead to bigger and more ships in East Coast ports, including the Port of Newark, which is the largest port on the East Coast. This kind of inquiry will not come as a surprise to you, I’m sure. As Administrator, what might you do to take a proactive role to prepare the Port of Newark and other East Coast ports for this large increase in freight volume?

Mr. MATSUDA. Thank you, sir. I believe that the Panama Canal reopening and expansion is probably going to be one of the biggest factors that changes freight flows in our country over the next decade. It’s a significant change for, not just the East Coast ports, but also the Gulf ports, in the Gulf region of our country. We at the Maritime Administration have already begun to look at this issue. I’ve been up to the—well, the Port of New York/New Jersey many, many times—but even twice as Acting Administrator—to understand the challenges they face, and we have already commissioned a study to take a look at how the Panama Canal reopening might impact, like I said, our entire country, and we hope that that will prove valuable, in terms of ports and other policymakers determining how they might best prepare for this.

Senator LAUTENBERG. For each of you, also, what we’ve seen over the recent years is the globalization of trade and commerce. And, whether it’s by ship or by air, America must have its structure pre-
pared to take advantage of the opportunities that are presented as a result of this globalization.

So, last year, David, President Obama signed into law legislation that we wrote to establish a Marine Highways Grant Program. As Administrator, how might you implement this new program to meet the goal of moving more of our freight off the roads and onto the sea?

Mr. MATSUDA. Senator, I believe that was a key piece of legislation that will really help bring about a change in getting the—America’s Marine Highway Program up and running. We want to create more services, and expand the existing ones, to make sure that shippers have a choice when they look to—look for transportation services on domestic routes.

We can take advantage of getting cargo moving in a more efficient manner on the water. A recent study showed that a ton of cargo can be moved 576 miles on one gallon of fuel on a tug-and-barge system, and that certainly presents some major opportunities when it comes to energy savings, and we’d really like to take advantage of that. So, we are going to be looking very closely, I believe, at getting the program up and running, getting the funds out the door, and making grant awards as soon as we can.

Senator LAUTENBERG. It will also help our environment.

Mr. MATSUDA. Absolutely.

Senator LAUTENBERG. And, Mr. Huerta, regional airlines operate half of all domestic departures and move more than 160 billion of our country’s passengers each year. If we’re to have one level of safety for both regional and major network carriers, shouldn’t the pilots of the regional carriers be trained and compensated at the same level as pilots for major network carriers, and particularly if they’re flying identical routes? Because each one of them has enormous responsibilities for safety, for reliability. And so, what do you see as a—as an opportunity, or a criticism, of the fact that often pilots of regional carriers are paid far less and often are required to have personal travel to get to their base of operations? But the fatigue factor has to be reckoned with when their compensation isn’t adequate, and often second jobs are necessary to provide for their families. And so, what could we do, what should we be looking at, in terms of the development of adequately trained, adequately rested, and adequately alert pilots that might be captaining an airplane?

Mr. HUERTA. Clearly, the responsibility of being an airline pilot is one of the most significant responsibilities that an individual can have in the transportation system, and safety is, without question, the thing that the FAA cares the most about.

It is—there have been a lot of discussions, and a lot of interest in, What can we do to take our already impressive level of safety and continue to improve it and make it better?

I think that what it comes down to is—you touched on the one level of safety, and it is clear that there has to be one level of safety for all air carriers throughout the aviation system. And we need to look at ensuring that there is adequate training, that pilot capabilities are what they need to be to deal with the unexpected as well as the routine, and that we at the FAA are as vigilant as we
can possibly be in ensuring that appropriate safety standards are met.

The issues that you raise on regional carriers versus mainline carriers, I think, are significant issues, and I look forward to getting into the FAA and really understanding and focusing on what can we be doing to constantly improve our safety environment.

The Administrator has pointed out, on a number of occasions, that there’s no one silver bullet that you can look at, because you have to look at the specific training that an individual has for a specific situation, what their experience has been, and the characteristics of the route that’s being flown. It's all important, and it all needs to be looked at, but, at the end of the day, you can’t lose sight of the fact that we have to enforce one level of safety.

Senator LAUTENBERG. Mr. Huerta, the airspace around Newark is one of the most complex and congested in the world. Newark Airport’s the country's most delayed airport—cause delays that ripple throughout the country. What can we do to alleviate the congestion and delays that do occur at Newark Airport? I know that you’re familiar with what the problems are. What can we do to solve them?

Mr. HUERTA. Well, you are correct that I'm familiar with the problems. I’ve spent a lot of time in delays at Newark Airport over the course of my career. And it is a large, complex airport, and it’s in a large and complex metropolitan area of several other airports.

This is a lot of what the FAA hopes to accomplish through the NextGen system. How do we bring more traffic through the system? How do we make the system operate more efficiently, effectively, and to better be able to respond to different conditions and such things as weather and traffic? And so, this is what the new system is all about. How do we improve the capacity of the system?

And the onus is on the FAA to figure out, How can we accelerate and improve upon an already very ambitious schedule for deployment so that we can take advantage of the capabilities that the new system will get us, down the line?

We’ve had some success in rolling out aspects of the program, and I understand that the FAA met nearly 100 percent of its milestones in the last year, in 2009, for the deployment of NextGen. And we’ve got to continue to focus on ensuring that milestones are met and that the system is deployed in a way that deals with complex metroplex areas such as you have in New York and New Jersey; and in particular, Newark Airport.

Senator LAUTENBERG. As you might know, it’s not simply, or not only, the allocation of space and making sure that schedules are realistic, but also, as your neighbor at the table learned during our working together in my Senate operation, that the noise level issues that people are finding as a result of the shifts in the airspace use will come, I hope not to haunt you, Mr. Huerta but to bring to your attention, I promise.

[Laughter.]

Mr. Matsuda, the United States Merchant Marine Academy is in an unacceptable condition. Its infrastructure is deteriorating. It’s had difficulty maintaining effective leadership, and nearly $20 million in financial reporting violations were recently discovered. As Administrator, what might you do to improve the financial man-
agement, the planning, strategic planning, quality of mariner education, training, at the Academy?

Mr. MATSUDA. There's a—we are taking a very close look at the Academy at Kings Point. Recently, we are—we have opened an announcement to begin a search process for a new superintendent, and we feel that that holds great promise to instilling leadership there for the future.

I think it's probably fair to point out that the Secretary—one of Secretary LaHood's top priorities has been to make Kings Point the crown jewel of the service academies. And I share that vision. I believe that, with leadership, proper financial accountability, and investment in, not only the facilities there, but these are investments in our next generation of ship officers in our country, and they'll continue to be the best in the world if we make those investments.

So, what we're doing is, we have a system for taking a look at all 47 of the recommendations made by the Government Accountability Office, and we will have—make sure that there are financial controls in place to ensure that taxpayer dollars there are being well spent, and not for any reasons that they would find to be improper.

Senator LAUTENBERG. There are all kinds of reasons to make the Merchant Marine Academy as fine an educational facility as we can have, because, as you point out in your testimony, the fact is that suddenly the merchant fleet is called upon to bring relief to Haiti, we find that the merchant fleet is called upon for other moments of crisis in addition to their normal functioning. And it's critical, in my view, that the United States, if I may say, the greatest power on the globe—to have fleet representation out there that can manage to be effective when called upon in emergency.

And I had my own experience learning something about the Merchant Marine when I was in uniform, a long time ago, and when we had 3,000 soldiers on about a 300-foot vessel, going through the seas to bring us back to America from Europe. I thought I was traveling in the utmost luxury, only because of the destination, not because of the quality of the accommodations.

[Laughter.]

Senator LAUTENBERG. But, you learn very quickly how important good management of a fleet is, and what—and I'd like to see us be able to have, if possible, is more American flag vessels out there, as well.

There's been little Federal investment in our great infrastructure—including ports and rail—even as freight traffic is projected to increase nearly 70 percent by 2020. What kind of a priority should freight be given as Congress considers the next transportation bill? That includes funding, of course, as well.

Mr. MATSUDA. Well, it's certainly my view that freight has to be a part of any future policy discussions. I can assure you that Maritime Administration would work very closely with the Committee and yourself to, you know, help develop any kind of proposals. We're happy to supply information.

I can tell you that the American Marine Highway Program, if we're serious about relieving congestion in some of our surface corridors, we've got to take advantage of some of the natural efficiencies that exist by moving goods on the water, and that that pro-
gram ought to, or can, play a role, certainly, in any kind of future freight policy.

Senator Lautenberg. We wonder what we can do to encourage jobs in the marine building—shipbuilding, ship materials, electronics, et cetera—what we can do to encourage investments in that type of thing so that we maintain leadership in the field of maritime effectiveness.

Mr. Huerta, the FAA has undertaken a redesign of the New York, New Jersey, Philadelphia region airspace—in our meeting, you mentioned that we have several other airports, beside the principal ones, like Teterboro, Westchester, Morristown, and other airports in the region, along with a significant use by the military airspace. So, the major overhaul of flight patterns has raised safety concerns from controllers, and as a consequence, the noise factor, which I mentioned before, in 2007, an FAA official dismissed the noise problems and as, and I quote here: “at best, a side issue.” Do you believe that the quality-of-life issues affecting hundreds of thousands of people in New Jersey, nearby Pennsylvania, and nearby suburban New York and New Jersey should be considered as a part of a necessity as we review the redesign process?

Mr. Huerta. Absolutely. The concerns of communities that are affected by aviation are a factor that is something that we need to hear and we need to consider as we are making tough decisions, in terms of what to do about the airspace in that particular region. But, concerns—it’s a multifaceted problem, and there are a lot of stakeholders, and it’s very important that the FAA listen to all of them.

Senator Lautenberg. With that, I would ask if any of you have anything else that—if each of you have anything else that you’d like to say, because we’ve taken care of what we have to do to make sure that we have an understanding. But, between you and the leadership, the Transportation Department’s so critical. And I didn’t see a visitor from Alaska here who came by, and we’re happy to have Senator Begich with us.

And, Senator, if you’d like to present your questions, we’re happy to hear them.

STATEMENT OF HON. MARK BEGICH, U.S. SENATOR FROM ALASKA

Senator Begich. Thank you very much, Mr. Chairman. I will be brief.

Mr. Huerta, you and I had a conversation, and a very good one, I believe. And my belief—as a former executive, a mayor, my belief is, the President has an opportunity to pick who he would like to be part of his team, but his success and failure is on your shoulders. So, I wish you the best.

And so, I just have a couple questions. And first, what I’d like to do—is it “Mahtsooda”? Is that right?

Mr. Matsuda. Yes, sir.

Senator Begich. Mr. Matsuda, let me ask, if I can, because Mr. Huerta and I had many questions already in a very short period, but I feel very confident of some of the response and understanding of Alaska’s uniqueness in regards to air. But, with MARAD, as you
know, MARAD has a unique role in Alaska, specifically around the large development in Anchorage, which is our regional port.

Our regional port serves 85 percent of the State population. It is a fairly significant project. It’s one of the few projects that MARAD has taken on as a large capital investment, which, of course, we’re excited about. I was mayor when we signed that agreement and moved forward. Now, as U.S. Senator, I’m hoping to see this port completed. It’s one of 15 strategic ports in the Nation. From a military standpoint, and obviously from a cargo and commodities standpoint, it’s very important.

You folks are the lead agency managing it, and I, again, don’t know how familiar you are with it, but I would love to get your thoughts, if you have any, in regards to that project, as one of the largest projects that MARAD has undertaken. And if you have limited knowledge on it, I would love to have you—assuming everything goes right and you’re sitting where you need to be sitting—that you feed back to me your review of it, and a very honest assessment in what things we need to be improving on, or add to, or make sure that the project continues. Do you have any comments, generally, on the project?

Mr. MATSUDA. Generally speaking I’m familiar with it. I’m trying to make my way up to Alaska at some point this spring——

Senator BEGICH. We’ll bring you up.

[Laughter.]

Senator BEGICH. You’d like it.

Mr. MATSUDA. I have met with the port director, the former Governor——

Senator BEGICH. Yes.

Mr. MATSUDA—and we’ve talked about the challenges that lie ahead. I’m very comfortable with the management that’s in place there to make sure that the project stays on track.

I would point out, though, that the one area that seems to be causing a little bit of concern is the future funding. And as you know, MARAD is happy to carry out the project, but we don’t—we can’t provide the actual funding. We——

Senator BEGICH. Right.

Mr. MATSUDA. We can use funding from any source—private, public, Federal, State, local government—and we’re happy to do so, but that seems to be one of the biggest challenges as we go forward.

And I believe it really will be a model for how MARAD can work and develop ports around the country. There’s been tremendous progress made there already, and we’d like to continue that.

Senator BEGICH. Your point on the diversity of the funding is one that I want to just add a little emphasis to. That is unique. It has private, public—both local bonds, as well as—or revenue bonds as well as revenue fees, it has State dollars, it has Federal dollars from multiple sources. So, it’s a very complex funding mechanism. But, all ports are complex in their own use; it’s not just for one type of commodity. So, I appreciate you mentioning that.

And again your review and your comments of how we can continue to move that project forward would be important to me here and, I know, to Alaska.
The other piece is, as you look at it—as mayor, one of the things we did, was to segregate the port into multiple phases. And we did that on purpose, because—my worry was, just what you said, that it’s so large that we may end up not getting the job done. And so, we wanted to make sure we did it in components. So, again, as you look at it and review it, indicate to us, at least in this office, what you feel is anything that we need to improve on in that aspect. I’m a believer that everything we do can always be better. But, I do believe that the project is a great project and has some great support across the Federal system, the State system, and the local government.

So again, thank you for your willingness to, one, come up to Alaska. You know, Secretary Locke just came up to Alaska in January, and because of that—he came in January—he gets extra points for that.

[Laughter.]

Senator Begich. So I would just note that. But, we’re happy to take you, anytime. But, again, thank you very much for your willingness to serve the country and serve in this position.

Michael, if I can ask you just a couple of the points that you and I talked about—from FAA in regards to the concerns we have in Alaska, that—the general aviation component and how different that is than regional, as well as the larger lines, that Alaska has some unique challenges. One that we talked about, is transporting oxygen to areas, which is life-and-death, literally. We’ve had to get waivers to do that, because the rules and the regulations are pretty intense. Is that an area that—and I’ll use that as an example—but your commentary, just in your view of how Alaska has some remoteness that’s very different than most remote areas around the country—can you give me just some feedback and thought on that, from your perspective?

Mr. Huerta. Sure. You know, as you point out, the aviation system is to Alaska what the highway system is to many other States. It is a principal mode of transportation, and it introduces a level of complexity that you don’t see in other parts of the country.

Yes, we spoke about the oxygen issue when we met, yesterday, and the thing that—what I will commit to you is, we will certainly look at this carefully, recognizing the unique situation that exists there in Alaska and what the alternatives are that are truly available, and, at the end of the day, making sure that we are maintaining the absolute safety of the system, which is, of course, our highest priority.

But, Alaska presents some unique challenges. You know, it’s a big State, and there are a lot of parts of the State that the only way to get there is by air.

Senator Begich. Absolutely.

Let me just finish here, Mr. Chairman, and say that—the other thing we talked about, especially as it gets closer and closer to springtime here, not only is the issue on transporting that product important for life-and-death issues of individuals, as we move into the construction season, we also have an issue of moving acetylene torches and other types of equipment by air to these remote areas where we’re building facilities that, literally, we’re announcing daily here, stimulus money to be put into those communities, but
if they can’t get certain equipment there because of these regulations, and they—like you said, it’s the only way—we can’t truck it in, we can’t boat it in; we can only fly it in. And so, again, as you review that, I assume you’ll keep an open mind of how you look at that component to ensure that we get a timely response in regards to construction of these projects that we have out there.

Mr. Huerta. Certainly.

Senator Begich. Let me end there, Mr. Chairman. Again, we had a great conversation, even though it was brief. I know my staff—James Feldman—probably grilled you prior to me getting there. Staff do a good job on that, and they give me the easy job. But I, again, thank both of you for your willingness to serve—serve the President, serve this country—and again, I wish you both the best in your new positions, as—hoping everything goes smoothly—and again, invite both of you to Alaska in your own unique new role.

Thank you very much.

Mr. Chairman?

Senator Lautenberg. Thanks very much, Senator Begich.

No place needs available aircraft like Alaska. I’ve been there and had a chance to see the beauty, but also the terrain of Alaska, and we want to make sure that whatever investment’s going to be made in aviation, whether technology or training and so forth, are there.

And, Mr. Huerta, there’s one thing that I would like to ask you about before we complete our review here, and that is the shortage of qualified—professionally qualified controllers in a lot of the airports. One of them that has a shortage—it’s, frankly, had my interest for some time now—is at Newark Liberty Airport, at the control tower. It says to be fully complemented, has to have 35 controllers to move the traffic as efficiently and as safely as we can. Right now, there are only 26 certified controllers, and eight trainees manning the tower. And I’d like to know if I can get your commitment to fully review that. And I’d like a particular look at the Newark tower, about certified controllers and what we might do to fill the required number of people in there that we need.

Mr. Huerta. Controller staffing is certainly a significant issue, and, in particular, at a significant airport like Newark. Yes—you know, I understand that there have been questions about the staffing, and I discussed them with your staff. And once I am in position over at the FAA, I will certainly give you my commitment to take a careful look at that and get back to you.

Senator Lautenberg. We’d ask you to do that.

With that, I say thanks, to each of you. I feel very confident that we have good people to fill these posts. Your training and attitude and experience couldn’t be better. And I commend you both for your willingness to serve, to accept some of the abuses that may be heaped on you from the Congress. And I speak for both bodies, not just the Senate.

And say that we’re going to close this hearing. Questions for the record are due to be submitted to you by 6 p.m. this Thursday, and the Committee will ask colleagues—we’ll notify them—to have their responses to their questions by 6 p.m. on February 2.

And with that, I would close the meeting, and with the belief that quick processing of your confirmation can be accomplished here and that you’ll be able to not be concerned about this, but
about the effectiveness of the jobs that you're doing. And we know that you'll do them well. And, with that, this hearing is concluded. [Whereupon, at 3:33 p.m., the hearing was adjourned.]
APPENDIX

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TOM UDALL TO HON. MICHAEL PETER HUERTA

Question 1. Mr. Huerta, news reports this month discuss at least 3 flights that were diverted due to “disruptive” or unruly passengers. Just last Friday, a flight from Washington Dulles to Las Vegas was diverted when an unruly passenger, who may have been intoxicated, tried to open an emergency exit while in flight.

In response to a notorious 2006 drunk driving incident following a flight into Albuquerque, I crafted legislation (S. 743) to require flight attendants and gate agents to receive training on recognizing and dealing with intoxicated or disruptive passengers. I am pleased that this Committee already included my bill as part of legislation to reauthorize the FAA. Do you agree that flight attendants and gate agents should receive such training to help ensure passenger safety in the air and also protect public safety on the ground?

Answer. I agree with the important goals of S. 743, and it is my understanding that the FAA has a rulemaking underway to address this area. The FAA established an Aviation Rulemaking Advisory Committee (ARC) consisting of government, industry and labor unions in order to update all of our crewmember training requirements.

Question 2. Mr. Huerta, small aerospace companies in my state have been frustrated by long delays in getting FAA certifications for new products—apparently due to inadequate staffing to handle such requests. This situation has already improved under the new FAA Administrator Randy Babbitt, who assured me that providing timely FAA certifications is a priority.

With manufacturers making new products to take advantage of NextGen implementation, I hope that you will make sure that FAA devotes adequate attention and resources to ensure that companies receive timely responses to their certification requests. As FAA Deputy Administrator, will you work to ensure that the agency devotes adequate resources to avoid unnecessary delays for FAA certifications?

Answer. I am sensitive to the impact that delay can have on the U.S. aerospace industry’s ability to obtain FAA certification. I will commit to review the current situation and make the most effective use of our resources to reduce delays in the future.

Question 3. The FAA currently classifies the Albuquerque air traffic control center (ZAB) as a Level 10 facility, which may no longer represent the volume and complexity of air traffic it now handles. As you know, the facility’s classification directly affects air traffic controllers’ compensation.

My understanding is that no process is in place to bring the FAA and air traffic controllers to a mutual agreement. When I, along with the other members of New Mexico’s Congressional delegation, raised concerns about the Albuquerque Center’s classification, Administrator Babbitt responded that the matter is now subject to litigation. I find this unfortunate and would prefer to see the FAA and controller’s union work together to resolve this issue fairly in a manner that promotes safety.

Mr. Huerta, I hope that under your leadership, the FAA will reconsider the approach it has taken to the dispute over the Albuquerque Center’s classification and avoid similar situations in the future. Will you agree to examine this matter and seek a fair process to resolve concerns about the classification level of the Albuquerque Center?

Answer. Yes, in fact, I understand that this issue is under review by the FAA and the National Air Traffic Controllers Association (NATCA).
RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. KAY BAILEY HUTCHISON TO HON. MICHAEL PETER HUERTA

Question 1. We often rely on the technical and legal expertise of agency staff when we are developing or reviewing proposed legislation. Can all members of the Committee, and their staff on their behalf, count on this cooperative relationship continuing with your respective agencies?

Answer. I strongly believe that agency staff should work closely with Congress in providing technical and legal expertise to assist in developing and reviewing legislation. The Committee can be assured that I will maintain a cooperative working relationship with majority and minority members of the Committee.

Question 2. As I mentioned in my statement, I am increasingly concerned with how the FAA is moving forward on NextGen implementation. What is your vision and what are your goals for the next 2–3 years on accelerating NextGen effectively and efficiently that will provide operational benefits to the system and its users?

Answer. NextGen remains a top priority for the Administration, the Department of Transportation (DOT) and the Federal Aviation Administration (FAA) and as such, I view it as one of my priorities to ensure we are moving forward on NextGen implementation in order to realize greater benefits sooner.

That said, considerable progress is already being made toward making NextGen a reality. The FAA met 94 percent of its high-priority NextGen goals in FY09. For example, the new satellite-based aircraft surveillance tracking system, Automatic Dependant Surveillance—Broadcast (ADS-B), was made operational in the Gulf of Mexico where surveillance has never before been possible. Over the next 2–3 years, the FAA will continue to build out the ADS-B infrastructure on schedule.

Question 3. I think that most, if not all, members of this committee believe that FAA reauthorization should be a top priority during this session of Congress. But we will not be able to enact a bill unless the Administration steps up and says the bill’s passage is important and helps make it happen. To what extent do you believe we can count on the Administration to make FAA reauthorization a priority for Congressional action?

Answer. If confirmed, I would make the FAA reauthorization a top priority. I understand that Administrator Babbitt believes that H.R. 915 and S. 1451 provide a basis for discussions in moving forward. If confirmed, I look forward to working with Congress to secure reauthorization.

Question 4. As you probably have come to realize from your briefings in preparation for today’s hearing, many of the same type of challenges that faced the department when you served there in the 1990s remain today. What did you learn in your previous work at DOT that you hope to now rely on to help you in your role as FAA Deputy Administrator?

Answer. I have been impressed with the dedication, experience and caliber of the professional staff I have met at the FAA and I look forward to working with them if confirmed. As is often the case in large organizations, however, the FAA does face many challenges.

In my previous tenure at DOT, I had responsibilities which required agencies and offices to work cooperatively in ways that crossed organizational lines. This required everyone to think outside of business as usual and to focus less on process and more on solving problems.

During my preparatory briefings, a concern I heard throughout the FAA was that the challenges facing the agency in the future will require new thinking and new ways of doing business. The professional staff is concerned that the agency needs to break through bureaucratic “stovepipes” to maximize its effectiveness. This will require the support and active participation of the Administrator and Deputy Administrator. I know that Administrator Babbitt shares my commitment to ensuring that the FAA adapts to the new challenges it faces in the future.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. JOHN THUNE TO HON. MICHAEL PETER HUERTA

Question. This Committee has paid a good amount of attention over the past year both with respect to the FAA Reauthorization bill and hearings having to do with Aviation Safety. I would appreciate knowing your views on the current regulations regarding pilot duty time and how the practice of pilots commuting to their duty station can have significant consequences when it comes to the safety of passengers. I realize that this is currently the responsibility for pilots to self-enforce when they should not fly, however as was witnessed in the Colgan crash in Buffalo roughly
one year ago, both pilots were commuting from long distances—the pilot commuted from Tampa and the copilot from Seattle.

Answer. Pilots bear an important responsibility to ensure the safety of their passengers and they, like any professional in a safety sensitive position, have a responsibility to show up for work fit for duty, without being fatigued or impaired. Long commutes are of concern if they affect fitness for duty, but this is only one of several factors that might affect performance. I have not had an opportunity yet to fully study the scope of regulations that relate to ensuring fitness for duty for pilots. If confirmed, I look forward to working with the Committee and Congress to ensure that safety is always the overriding factor in any consideration of regulations.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. SAM BROWNBACK TO HON. MICHAEL PETER HUERTA

Question 1. We have now had eight extensions of the programs of the FAA. I'm disappointed that the Obama Administration has not been more aggressive in working to secure passage of the FAA reauthorization bills now pending before Congress. Do you plan to take a leadership role to ensure the Administration advocates for quick passage of an FAA reauthorization bill pending before the Congress and to convey the impact of this delay on safety, job creation, and efficiency benefits of the reauthorization bill?

Answer. If confirmed, I would make the FAA reauthorization a top priority. I understand that Administrator Babbitt believes that H.R. 915 and S. 1451 provide a basis for discussions in moving forward. If confirmed, I look forward to working with Congress to secure reauthorization.

Question 2. In 2008, the United States signed the Bilateral Aviation Safety Agreement (BASA) with the European Union (EU) which calls for mutual cooperation on aviation safety issues and reciprocal oversight for the certification of aircraft and repair stations. This agreement was signed after years of assessments regarding the aviation safety requirements and capabilities of the aviation authorities in Europe and the effectiveness and proven performance of individual certification and safety agreements that the U.S. currently has in place with several EU nations including the United Kingdom, France, Ireland, and Germany.

As you know, the BASA is an international agreement that does not have to be ratified by the U.S. Senate. After it was signed, implementation of the BASA was initially delayed over a dispute regarding the fees and charges U.S. manufacturers would have to pay E.U. regulators. However, it is my understanding U.S. industry is sufficiently satisfied with the progress made on fees and charges and that this issue is no longer holding up implementation of the BASA; rather its implementation is necessary to address the fees and charges issue. Given that the U.S. signed the BASA, and that the fees and charges issue is being resolved, will the Administration move forward with the implementation of the BASA?

See response below.

Question 3. If not, given that the FAA has made the determination that EASA and the EU member safety authorities have the capability to perform this oversight on FAA’s behalf, what is the rationale for this delay in implementing the agreement?

See response below.

Question 4. Although the BASA has not yet been implemented, the E.U. has allowed more than 1,100 U.S. based repair station operators to repair E.U. registered aircraft and parts as long as those repair stations hold a FAA part 145 repair certificate. These U.S. stations support more than 130,000 jobs and derive a considerable amount of business from the E.U. market. If the BASA is not implemented, the majority of these U.S. repair stations will lose the ability to work on E.U. registered aircraft, potentially jeopardizing thousands of jobs. Are you aware of the negative consequences to U.S. industry and American jobs if the BASA is not implemented?

See response below.

Question 5. Do you believe that the FAA is aware of the negative consequences to U.S. industry and American jobs if the BASA is not implemented?

See response below.

Question 6. Will you commit to me to use your position as Deputy Administrator to push the FAA to implement the BASA?

Answer. Thank you for your questions on the BASA agreement FAA entered into with the European Union (EU) in 2008. I am well aware of the safety enhancements BASA is intended to support, and I understand that the FAA and the EU negotiated
in good faith to reach an agreement that met our mutual goals. I also understand that there are several challenges to the implementation of BASA. Among those challenges are legislative provisions in the pending FAA reauthorization bills being considered by Congress. If confirmed, I will work with the Committee and Congress to address outstanding issues and work toward implementation.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. KAY BAILEY HUTCHISON TO DAVID T. MATSUDA

Question 1. We often rely on the technical and legal expertise of agency staff when we are developing or reviewing proposed legislation. Can all members of the Committee, and their staff on their behalf, count on this cooperative relationship continuing with your respective agencies?

Answer. Absolutely. I look forward to a continuing cooperative relationship with Congress.

Question 2. What will be your top priority as Administrator?

Answer. If confirmed, my top priority as Administrator will be to ensure our Nation has a merchant marine sufficient to meet our sealift needs. To this end, we will develop policies that will enable the marine transportation industry to become a growing source of gainful employment for Americans, as it adapts to our future needs; we will seek to improve commerce by developing more efficient ways to move freight; we will continue to ensure that our sealift capability in times of national emergency or war is fully functional and ready, and we will continue to lead the Nation in preparing a new generation of mariners.

Question 3. Because of the escalation of piracy off the Horn of Africa, there is a trend for vessel owners to place private security teams onboard vessels. What is MARAD’s role in ensuring a standard of training for these security teams?

Answer. United States Coast Guard provided minimum guidelines for contracted security services (PSA 5–09) along with related piracy guidance through a series of Port Security Advisories available on the USCG Homeport website and the MARAD website.

MARAD plays a key role in the training of merchant mariners through the development of International Maritime Organization (IMO) maritime security courses and workforce development. Working with the U.S. Coast Guard and IMO, Vessel Security Officer, Company Security Officer, and Facility Security Officer anti-piracy training courses were developed by the United States Merchant Marine Academy. MARAD continues to certify maritime security training providers who meet the criteria established by the U.S. Coast Guard. To date, more than 40 training providers have been certified across the country. Efforts are also being made to include anti-piracy and security training in the academic programs at USMMA and the state maritime academies and to augment this training at the maritime union schools. MARAD strongly supported the Military Sealift Command’s proposal to create and implement “Anti-Piracy Assistance Teams” (APAT) for commercial vessels. These teams consist of personnel from the Naval Criminal Investigative Service and MARAD. On a voluntary basis, these teams visit U.S.-flag vessels and offer recommendations on how to improve a vessel’s physical defenses against piracy. The teams also review security tactics, techniques and procedures and make appropriate recommendations. To date, seventeen APAT vessel assessments and recommendations have been completed. MARAD expects that this process may be embraced by the international community for similar implementation.

Question 4. Should there be a standard rule of engagement and force policy?

Answer. Ultimately, it is the law of the flag state that governs the use of force. The United States Coast Guard has issued Port Security Advisory 3–09, which provides guidance on self-defense of others by U.S.-flagged commercial vessels operating in high-risk waters.

Question 5. What can MARAD do in partnership with the Navy and the Coast Guard to reduce the threat of piracy?

Answer. If confirmed I look forward to further collaboration with the Navy and Coast Guard to combat piracy. MARAD already has efforts underway. As part of the Maritime Administration action plan for addressing piracy off the Horn of Africa, MARAD provides operational advice to U.S.-flag owners and operators, including counter-piracy measures and awareness on a regular basis through MARAD Advisories, through a comprehensive and frequently updated website, and through MARAD’s electronic “MARVIEW” system which is available to registered users. The information is intended to assist ship owners, operators, and other maritime industry representatives to be prepared to prevent seajackings. Internationally, MARAD
will continue efforts as the USG co-chair, along with the USCG, for working group three (WG3) of the U.N.-sponsored Contact Group on Piracy off the Coast of Somalia (CGPCS). WG3 focuses on industry self-awareness and other means of utilizing best practices in countering piracy. The CGPCS completed its 5th plenary on January 28, 2010, at the United Nations in New York. This is an international issue with a shared responsibility of both industry and the military and over 45 flag-states are represented in this Contact Group.

The threat of piracy will continue, but the risk of piracy may be reduced by encouraging the use of best practices aboard commercial vessels. Additionally, the ability to share information between Navies, Coast Guards, and the commercial sector to avoid potential pirate attacks continues to be improved. Air assets are particularly helpful in the West Indian Ocean to provide situational awareness to commercial vessels. The U.S. Office of Naval Intelligence, United Kingdom Maritime Trade Office, Maritime Security Center-Horn of Africa, and NATO Shipping Center have all been instrumental in sharing pertinent information with ship owners and operators.

Question 6. What changes, if any, would you recommend for curriculum at the U.S. Merchant Marine Academy to ensure our Merchant Marine Officers are properly trained and ready to lead vessels and crews safely out of harm’s way with respect to piracy?

Answer. Efforts are currently underway to develop anti-piracy training courses at the U.S. Merchant Marine Academy. If confirmed, I will direct the Superintendent to continue to develop and teach such state-of-the-art maritime courses.

Question 7. The expansion of the Panama Canal will allow for a new generation of massive cargo ships to enter U.S. ports, including ports in my home state of Texas. What can the Maritime Administration do to ensure our ports are prepared for these vessels?

Answer. I want to let you know that recently I visited the Port of Houston and had very instructive meetings with port officials. I believe that the expansion of the Panama Canal and the trend toward the utilization of larger cargo ships will clearly affect our trading patterns and supply chain. A new post-Panamax all-water route to the East and Gulf Coasts could open markets from the Mississippi River to as far west as Denver, Colorado to an entirely new supply chain. With the potential for new Arctic shipping lanes and increased utilization of the Suez Canal, we are facing a new freight delivery market. To best realize the efficiencies of this new market, I understand that the Federal Government must play an active role. Specifically, MARAD could certainly help coordinate port access and capacity issues, as well as the intermodal connectors that feed these facilities. Failure to take advantage of these potential efficiencies, could add costs for U.S. consumers and exporters, and negatively impact the competitiveness of our transportation industries.

Currently, there are few studies that actually analyze these factors—and historical data does not apply in this situation. MARAD will commission a study to fully explore the impact of a newer, wider, and more efficient Panama Canal on our national freight transportation system. The outcome of this study will assist in the shaping of national policies, as MARAD works to address the future needs of our marine transportation system.

MARAD is also moving forward on port improvement projects. MARAD is helping several U.S. ports modernize and numerous ports have requested our assistance in their development planning and coordination to meet their capacity and modernization demands. Additionally, MARAD is implementing a Marine Highway program to help relieve surface congestion and move freight by water in a more energy-efficient manner.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN THUNE TO DAVID T. MATSUEDA

Question 1. Agricultural production is a key component of South Dakota’s economy. What can MARAD do to reduce transportation costs for agricultural commodities and make this industry more competitive?

Answer. There is growing interest in short sea shipping in the agricultural community, as it offers an economical and environmental alternative to land transportation. Currently, the bulk of certain products, like grain, are moved by truck from the field to a terminal and then by truck or rail to an export position. North America’s “marine highways” are one way of transporting these commodities for export more efficiently and potentially less costly than traditional land-based movement. These corridors exist where waterways or coasts allow for marine movement of goods as an alternative to existing surface corridors. If implemented correctly, these
opportunities can lead to reduced transportation costs for shippers of agricultural products.

I am also aware that in addition to commercial agricultural sales, South Dakota is a major supplier of agricultural products for the Government’s humanitarian food aid donations. Food aid transportation costs could potentially be reduced by increased utilization of commercial terms and practices in procurements. Use of long term purchase and service contracts could help to smooth the flow of cargoes over the entire year thereby reducing congestion, a reduction in commodity purchase costs and transportation rates by not buying at the height of markets. Commercial agricultural transportation costs can also be reduced by improving intermodal and port connections and expanding the use of marine highways where possible. Niche markets for specialized grains can be enhanced by increasing the use of containerization with rapid movements, particularly to Asia. MARAD looks forward to assisting shippers and shipper agencies in these areas.

Question 2. The Ready Reserve Force plays an important role in supplying and supporting our troops deployed overseas. Does the current fleet have the necessary resources to meet the needs of our Armed Forces?

Answer. The Department of Defense will soon finish the Mobility Capability Requirements Study (MCRS), which provides guidance on the future requirements for the Ready Reserve Force (RRF). The draft document basically states that all the current capability in the RRF will be needed out through the 2016 timeframe. The concern being addressed in anticipation of this requirement is the recapitalization of the existing 49 RRF vessels. The targeted service life of RRF ships was determined to be 50 years. This means that the first ship will reach the end of its useful life next Fiscal Year. Plans are in place to extend beyond 50 years in limited cases and funding needs have been identified to ensure the remaining fleet reaches the 50-year life. MARAD has identified the additional funds needed starting in 2012 to ensure the 50-year life.

Vessel replacement or recapitalization is focused on the first roll-on-roll-off vessel reaching 50-years in 2017 and 23 more reaching 50-years by 2023. MARAD intends to propose three methods of replacing vessels.

1. *New-build in U.S.*: MARAD’s predecessors have a long history of successful ship building programs, including LIBERTY ships, VICTORY ships, and the Mariner class program. We are considering proposing that MARAD’s expertise be relied upon to design and build ships that will function well for rapid-surge military support and introduce a new type of vessel that will leverage the ability of U.S. companies to venture into new services such as coastal Marine highways initiative and maybe foreign trade. The new vessel will be competitively built in smaller U.S. ship yards for greater price competition and be highly automated to take advantage of U.S. technological strengths.

2. *Substantially Extend Service Life*: It is conceivable to extend the current life beyond 50 and even 60 years. RRF ships do not operate annually like their commercial counterparts, so the lack of wear-and-tear supports a longer service life.

3. *Foreign Purchase*: In the early 1990s, MARAD purchased 14 vessels that are currently among the main assets in the RRF. At that time, purchasing foreign built vessels was allowed. Purchasing foreign built ships is now prohibited by statute, however, the current economic downturn has created a very favorable buyer’s market for ships. The U.S.-built inventory of ships does not include the types required that might be available for purchase.

The MCRS also identifies a substantial need for additional “handy-sized” product tankers in support of military operations. Analysis is continuing to determine the portion of this requirement that can be provided by commercially available vessels. It is expected that this will show a strong reliance on foreign built, owned, and operated vessels. Discussions with military planners have indicated that less risky assets are needed more quickly than commercially available and that the RRF can meet a substantial part of the requirement at less expense.

Another mission that is not identified in the MCRS is support of disaster relief efforts. The Department of Defense is called upon regularly to provide relief and recovery services during national and international emergencies. Recently, the Nation has called upon MARAD’s ships to help provide this service as shown in New Orleans after Hurricane Katrina’s devastation, in Galveston after Hurricane Ike’s devastation, and in Haiti after the earthquake.
RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DAVID VITTER TO DAVID T. MATSUDA

Question 1. Congress recently provided MARAD additional funding for Title XI shipbuilding loan guarantees and has fully funded the program’s administrative costs. Several commercial shipbuilding projects that would employ thousands of American workers have applied for such guarantees, but the agency has been slow to process them. How do you intend to improve the MARAD’s capability to expedite approval of loan guarantees for economically sound projects that will help provide much-needed jobs for Americans this year?

Answer. I agree that expedited approval of loan guarantees can help put Americans to work in shipyards sooner. Shipowners and shipyards applying for Title XI loan guarantees must meet the requirements for obtaining such loan guarantees. They must meet certain financial requirements with respect to working capital and net worth, both of which are based on such factors as the amount of the guaranteed obligation, financial strength, intended employment of vessels or technology, and credit worthiness of the applicant. All guarantees under the program must also be determined to be economically sound. While these requirements are necessary, and by their very nature extensive and complex, MARAD can work closely with the applicants to ensure that the process advances as quickly as possible. In order to facilitate MARAD’s capability to expedite approval of loan guarantees, and if confirmed, I will be seeking additional personnel for this purpose.

Question 2. I want to voice my support for “Section 2” requirements for contracts related to the National Defense Ready Reserve Fleet. I believe requiring companies that operate and maintain this fleet to be owned by United States citizens is important for domestic small businesses, for our industrial base, and for better maintaining national security. Will you work to maintain this citizenship requirement for the operation and maintenance of the Ready Reserve Fleet?

Answer. I fully support the existing regulation requiring so called “Section 2 U.S. Citizenship” for RRF ship manager contracts. Further, I believe any decision to pursue a change to such a regulation must comply with Federal laws, and should be done in a transparent and open manner.

Question 3. At your hearing, you stated that you will work with all stakeholders with transparency in decisionmaking. I thank you for that commitment.

One area that I believe needs more transparency is MARAD’s Ship Disposal Program. For example, MARAD has not published the names of the companies in the pre-qualified bidding pool for this program nor the amounts of the sales bids it has received on vessels since November 2008. Also, a number of contract modifications with foreign companies for major scrapping work at significant taxpayer expense have not been published. There are additional concerns that some companies are being allowed to take U.S.-flagged vessels and reflag them for scrapping in other countries, possibly evading laws against toxic exports and undermining our domestic industry. Additionally, I have been told that a number of Freedom of Information Requests filed on these and other subjects have not been answered by the agency. What will you do to address these problems and improve transparency in the Ship Disposal Program?

Answer. While I understand that certain information related to legal proceedings and procurement actions cannot be released to the public because of its potential to affect competition between private parties, it is my intention to ensure that all requests made under the Freedom of Information Act be responded to in accordance with the FOIA, and as promptly as possible.

Responses to the four specific questions are as follows:

a. “For example, MARAD has not published the names of the companies in the pre-qualified bidding pool for this program nor the amounts of the sales bids it has received on vessels since November 2008.”

I understand that the list of qualified ship recycling companies is dynamic and subject to change; however, the list—which is public information—is made available upon routine telephonic or written request and through requests made under the Freedom of Information Act (FOIA). Providing the list upon request also complies with the requirements of the Federal Acquisition Regulations (FAR).

Sales contracts along with ship recycling service contracts are posted on the awards section of MARAD’s Office of Acquisition website, which is accessible to the public over the Internet. Those postings include the value of the awarded contracts. MARAD uses a simplified acquisition process for commercial services for the disposal of non-retention ships, as authorized in FAR Part 13.5. This process provides for a competitive process to obtain ship recycling price
quotations, which are then evaluated using the published criteria of price, schedule/capacity and past performance to determine the best value to the Government. MARAD also added the capability to conduct vessel sales using this process. While sales are not covered under the FAR, the sales contracts incorporate FAR contract principles and sales quotes are evaluated using the same criteria as the fee-for-service quotes. Only the final awarded contracts are publicly posted on the MARAD website per the FAR.

b. "Also, a number of contract modifications with foreign companies for major scrapping work at significant taxpayer expense have not been published."

MARAD has only awarded one contract to a single foreign company for the recycling of six (6) non-retention ships. I understand that through an administrative oversight, modifications 18 and 19 to that contract were inadvertently not loaded to MARAD's public Virtual Office of Acquisition website, which posts all contracts and modifications for 5 years. Modifications through 20 have previously been posted. Modifications 18 and 19 were uploaded Jan 29, 2010.

c. "There are additional concerns that some companies are being allowed to take U.S.-flagged vessels and reflag them for scrapping in other countries, possibly evading laws against toxic exports and undermining our domestic industry."

In response to these concerns, the Maritime Administration has initiated a number of actions to ensure that all vessels we approve for re-flagging are reviewed by EPA for environmental compliance. Before MARAD approves any vessel for foreign transfer, the Maritime Administration notifies EPA of this transfer request and will not approve the request unless EPA notifies MARAD in writing that they have no reason to oppose the transfer. MARAD is in discussions with the EPA regarding ways in which this process can further be strengthened. This issue is an important component of these discussions.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. MARK BEGICH TO DAVID T. MATSUEDA

Question. The Port of Anchorage is one of 16 commercial seaports in the U.S. designated as a strategic seaport, based on its importance to the national defense of this country. The National Oceanic and Atmospheric Administration (NOAA) is in the middle of evaluating (under the Endangered Species Act) the Port area to be designated as Critical Habitat for Cook Inlet beluga whale. The ESA provides an exemption of Critical Habitat designations based on national security interests (Sec. 4(b)(2)). I'm concerned NOAA lacks sufficient data to make this evaluation. If confirmed, could I count on MARAD to work with NOAA to fully account for the role the Port of Anchorage plays in the security of this country?

Answer. Absolutely. I am aware that the critical habitat designation in Cook Inlet has the potential to affect Port development and operations, as well as military deployments. I also understand that the Port of Anchorage receives and distributes 90 percent of all the goods coming into Alaska, and that port efficiency may be affected by a critical habitat designation. In that regard, MARAD has been working with NOAA's National Marine Fisheries Service (NMFS) on issues associated with construction and operations at the Port since the belugas were listed as an endangered species in 2008. I assure you that MARAD will continue to work with NMFS, as well as affected stakeholders, including the Military and the Port, on the critical habitat designation to both protect the environment and port operations.