



**Canadian
Manufacturers &
Exporters**

**Manufacturiers et
Exportateurs du
Canada**



December 14, 2011

Karen V. Gregory, Secretary
Federal Maritime Commission
800 North Capitol Street, N.W.
Washington, D.C. 20573-0001

**In response to Federal Maritime Commission's Notice of Inquiry – U.S. Inland
Containerized Cargo Moving through Canadian and Mexican Ports.
Docket No. 11-19**

Dear Ms. Gregory:

As President & CEO of Canadian Manufacturers & Exporters (CME), I am pleased for the opportunity to provide comment to the notice cited above.

CME is Canada's largest trade and industry association. Our mission is to promote the continuous improvement of North American manufacturing and exporting through engagement of government at all levels. We also represent Canada's largest business network, with membership drawn from all sectors of Canadian and U.S. manufacturing and exporting communities. The association represents Canada's leading global enterprises and more than 85% of CME's members are small and medium-sized enterprises. Together, CME's membership accounts for an estimated 75% of total manufacturing production and 90% of Canada's exports.

The United States marketplace is the largest destination for Canadian exports. More importantly perhaps, Canada is the largest customer in the world for U.S. products. Thirty-seven States in the Union point to Canada as their largest trading partner. Today, our two countries have created the world's largest and safest trading relationship in the world. Our cross-border supply chain is unique in the world in its volume, immediacy and integrated nature of component parts. Long gone are the days our two countries shipped finished goods to each other. Component parts can cross our border several times before its final assembly. In fact, one-third of our cross-border shipments are intra-firm. Today, we do not trade with each other as much as we build things together. That dynamic relationship has created jobs and spurred innovation in communities on both sides of our border. That is our shared uniqueness in the global marketplace and our competitive advantage.

It is not CME's role here to argue the legality or application of the Harbour Maintenance Tax enacted by the U.S. Comprehensive Water Resources Development Act of 1986 and assessed on inbound cargo arriving at U.S. seaports. In our view, this is a U.S. domestic issue and one which arguably can be resolved through normal U.S. agency channels.

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What we would like to point out however, is the need by our manufacturers in Canada and their U.S. business partners, suppliers and customers to have as many transportation options as possible in the delivery of their cross-border shipments. This includes reliable and low-cost seaport operations, as well as intermodal infrastructure. Today's global marketplace is not the marketplace of the last decade. Companies all over the world look for the quickest and most reliable delivery systems. Our manufacturers in Canada and in the United States shared those same imperatives.

On December 7th, 2011, Prime Minister Harper and President Obama met at the White House to announce the ***Perimeter Security and Economic Competitiveness Action Plan***, a bilateral effort to speed up legitimate trade and travel between our two countries, improve NA security and align regulatory standards and procedures. A key initiative in the plan is one that will push out the border to our perimeter and beyond by stopping threats before they arrive at our shores. This type of early screening and data sharing will deliver manufacturing efficiencies to both U.S. and Canadian manufacturers and CME stands ready to partner with both Ottawa and Washington to ensure our full support and cooperation.

These are critical times of North American manufacturing. Business uncertainty and economic turmoil around the globe have wreaked havoc in our communities and workplaces. This is why the Action Plan announced in Washington is so important – it has sent a much needed signal that manufacturing in North America is dynamic and back on track. Our two countries can compete with any other region in the world in terms of product quality and production standards. Our seaports play an important role in that competitiveness. Our cross-border manufacturing supply chain deserves a strategic future thinking approach to port management.

Sincerely,



Jayson Myers
President & CEO
Canadian Manufacturers & Exporters

The full text of the Action Plan is available at <http://www.dhs.gov/files/publications/beyond-the-border.shtm>