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December 22, 2011

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

Re: 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:

The Canadian province of Manitoba is pleased to be able to comment on FMC's notice of inquiry regarding containerized cargo moving through Canada.

As you know, Canada and the United States enjoy the largest trading relationship in the world. In fact, 37 U.S. states list Canada as their number one trading partner. Canada is the largest customer for American products. In addition to trading with each other, we also manufacture and build many things together by supplying each other with various parts and services throughout the process. It is this integrated supply chain that has made both of our countries competitive in the global market place.

Manitoba is a key player in the Canada-U.S. trading relationship – with our key exports to the U.S. being agricultural products (canola, wheat, hogs, cattle, etc.) and metals and minerals and our main imports: machinery and parts, vehicles and transport equipment, and chemical products. Our location in the mid-continent corridor with its convergence of rail lines, trucking operations as well as our 20,000 acre multi-modal transportation hub, Centre Port (currently in development), make Manitoba's services an appealing option for American importers.

Given the ongoing economic challenges faced by both of our countries we frequently hear from business owners in both the U.S. and Canada that one of the keys to recovery is to have flexibility in shipping options based on changing conditions such as congestion or inclement weather. As such, they value the ability to rely on various ports to manage their shipments.

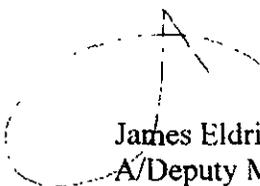
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We understand that a concern has been raised about shipments being diverted to Canada (and Mexico) rather than through U.S. ports but data collected by both the American Association of Port Authorities and Canadian Port Authorities show that 74% of the increase in container cargo received at North American ports over the last decade, in fact, went to the United States.

Manitoba fully supports the spirit and intent of the December 7th, 2011 Perimeter Security and Economic Competitiveness Action Plan announced by President Obama and Prime Minister Harper. This bilateral effort represents a commitment to speed up legitimate trade and travel between our two countries, improve North American security and align regulatory standards and procedures. As part of this initiative, our leaders have agreed on a pilot project involving the ports of Prince Rupert and Montreal where U.S. bound cargo will be subject to shared risk assessment by US and Canadian authorities. This type of cooperation will improve efficiency for Canadian and American business and represent the type of improvements that all government agencies should be striving for as we tackle the global economic recovery together.

Sincerely,



James Eldridge
A/Deputy Minister
Federal-Provincial and International Relations