

CHIPPEWA COUNTY

*Wisconsin's Spirit
of Innovation*



ECONOMIC
DEVELOPMENT
CORPORATION

RECEIVED

2012 JAN 17 PM 2:35

OFFICE OF THE SECRETARY
FEDERAL MARITIME COM.

January 4, 2012

Ms. Karen V. Gregory
Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573-0001

Subject: Docket No. 11-19, *U.S. Containerized Cargo Flows – Response to NOI*

Dear Madam Secretary:

Chippewa County Economic Development Corporation (CCEDC) is a 501 (c) 6 non-profit corporation whose primary purpose is to create jobs and enhance the quality of life in Chippewa County, Wisconsin. CCEDC is submitting these comments in response to the Federal Maritime Commission's Notice of Inquiry on factors that may cause or contribute to the shift of cargo destined for the U.S. inland from U.S. to Canadian and Mexican seaports.

For years port authorities have complained about the Harbor Maintenance Trust Fund (HMTF) and how those funds are being misused. The HMTF has a surplus of almost \$5 billion. Only 43% of the revenue generated in the HMTF fund is appropriated out. There is a large need to reduce or eliminate the harbor maintenance tax levied on U.S. ports instead of focusing on applying this tax to cross border freight carried by rail.

The best reform of the HMTF would be to abolish the harbor maintenance tax and the trust fund it poorly supports, thus better positioning U.S. ports to be more competitive globally. CCEDC believes if a port needs maintenance then its users can and should pay directly, as part of that port's operating costs.

Secondly, the Federal Maritime Commission's allegations of potential unfair competition from Canadian seaports are unwarranted. Unjustified protectionist measures would only lead to higher costs at the border and would lead to a devastating impact on Wisconsin's economy and jobs. Much of Wisconsin's international trade flows through the ports of Western United States and Canada. In fact Wisconsin exports \$5.7 billion in goods to Canada and 156,000 Wisconsin jobs depend on trade with Canada.

CCEDC urges the Federal Maritime Commission not to expand the HMTF tax any further and not to interfere with the competitive shipping choices our local businesses now have.

I look forward to answering any of your questions regarding this at your convenience. Thank you for the opportunity to comment on this issue. Please include this letter in the public docket for this proceeding.

Sincerely,

Charlie Walker
President/CEO

cc: Congressman Sean Duffy