Before the Federal Maritime Commission

Comments in Response to the November 8, 2011 Notice of Inquiry Regarding U.S. Inland Containerized Cargo Moving Through Canadian and Mexican Seaports

Docket Number 11-19

Submitted by

FedEx Trade Networks Transport & Brokerage, Inc.

FedEx Trade Networks Transport & Brokerage, Inc (FedEx Trade Networks) hereby submits these comments in response to the Federal Maritime Commission’s (FMC) notice of inquiry regarding the movement of U.S. originating or U.S. destined cargo through seaports in Canada or Mexico. FedEx Trade Networks is a freight forwarder and non-vessel operating common carrier (NVOCC) licensed by the FMC. The company provides transportation services worldwide. We submit these comments based on our long experience in the ocean transportation industry to assist the FMC in its inquiry.

The ocean transportation industry is highly competitive and service providers must meet their customers’ needs for efficiency in terms of speed, reliability and cost both in terms of price and the expense posed by administrative burdens. In terms of those factors Canadian ports offer many advantages.

Many Canadian ports have a geographic advantage over their U.S. counterparts. For example, Prince Rupert is the closest port to China in North America. That proximity translates into shorter ocean transit times, which, in turn, allow ocean carriers to offer lower rates. Although cargo must then move by rail or truck to the U.S., our experience has been that the transit times are still shorter. We have found the transportation service through Canada to be reliable and price competitive. Some Canadian railroads have trains synchronized with ports reducing cargo dwell time. Cargo movement through Canada is often faster and cheaper so that the overall speed and cost compares favorably with similar moves from U.S. ports.

One factor that allows cargo to move through Canada with less expense is the additional costs and administrative burden placed on cargo transiting U.S. seaports. Ocean carriers who service Canadian ports have long pointed out to their customers the cost advantage of using a port where there is no Harbor Maintenance Fee (HMF). Local fees and administrative requirements imposed on the use of (?) U.S. ports such as Pier Pass and the Clean Truck Initiative further increase the cost of U.S. ocean cargo. NVOCC tariff filing is another administrative burden placed on NVOCCs who move cargo through U.S.

ports. Canada imposes no such requirement making it less costly in terms of the administrative burden for NVOCCs to route freight through Canada.

We believe that the natural, geographic advantages and efficient transportation system(s?) will always make the use of Canadian ports attractive. Shippers would benefit from the reduction of fees and administrative burdens associated with the use of U.S. ports while increasing competition and benefiting international trade.