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OFFICE OF THE SECRETARY  
FEDERAL MARITIME COMMISSION

December 19, 2011

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 Secretary Gregory:

Please consider these comments in response to the Federal Maritime Commission's Notice of Inquiry on factors that cause or contribute to the shift of cargo destined for the U.S. inland from U.S. to Canadian and Mexican seaports.

Of ultimate concern is the impact on cross-border trade and increased costs of doing business in Michigan, thereby, threatening jobs in Michigan Trade between the State of Michigan and Canada. In Michigan, there are 237,100 jobs depending on Canada-U.S. trade. There are 241 Canadian-owned companies in Michigan employing 26,842 people. The total Canada-U.S. goods and services trade is \$627 billion per year. Michigan sells more goods to Canada than to any other country in the world. Any impediments to this activity will cause further detriment to the regional U.S. Midwestern economy.



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The automotive industry has routinized the daily transfer of finished products and parts through the Canadian seaports and onto the U.S. Midwest. Reliability, expediency, and cost-effective transport of imports and exports are key to the recovery of the U.S. manufacturing business. A disruption would not only be costly to the partnership enabling this routine, but also to North American trade and trusted business partnerships throughout the U.S.

There are a variety of reasons for U.S. businesses to utilize Canadian ports. The U.S. Harbor Maintenance Tax does not appear to be the overriding consideration in port selection. Distance is a major factor. Western Canadian ports are closer to the Pacific Rim countries, while Eastern Canadian ports are closer to Europe. For this reason, we encourage the Commission to focus on the HMT itself rather than raise potential concerns about investment in Canadian seaports operations and infrastructure, all of which are absolutely critical to the ability of U.S. businesses to compete in a global marketplace.

Thank you for your consideration and for including these remarks in the public docket for this proceeding.

Most sincerely,

AnnMarie Schneider  
Director