

December 19, 2011

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 Secretary Gregory:

Please include this comment from The Southeast Michigan Council of Governments, SEMCOG, 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 United States (U.S.) from U.S. seaports to Canadian and Mexican seaports.

As a large metropolitan region located adjacent to Canada, separated only by a narrow stretch of the Detroit River, Southeast Michigan's economy has depended for centuries upon the efficient flow of goods through Canada and the Great Lakes. Direct access to Canadian ports through our gateway offers additional choice, resiliency, and reliability to both our region's businesses and to those of other U.S. Midwestern states.

Southeast Michigan's gateway with Canada accounts for over \$200 billion in trade each year. An efficient and integrated North American transportation system is crucial for us to maintain strong economic ties with the Canadian portion of our metropolitan region and access the most direct trading routes to Europe, the Middle East, and Southwest Asia. Our region's automotive manufacturing base relies on world-wide access through both U.S. and Canadian ports. Measures that increase the cost of shipping through Canadian ports will reduce options and raise costs for shippers, making our trade-reliant economy less competitive.

The U.S. Harbor Maintenance Tax (HMT) does pose a significant challenge to the Great Lakes marine shipping industry, since this applies to cargo moved by ship between two U.S. ports. The current HMT poses a significant barrier to moving high value containerized cargo by ship on the Great Lakes, which is the most energy efficient mode. If, as noted by the Commission's Notice of Inquiry, policymakers have concerns about the HMT, including the allocation of the revenues raised from that tax, SEMCOG would encourage the Commission to focus on the HMT itself, rather than raise potential concerns about investment in Canadian seaport infrastructure, environmental regulations, security, or customs inspection procedures.

Thank you for the opportunity to comment on this important issue. Please include this letter in the public docket for this proceeding.

Sincerely,



Paul E. Tait, CAE  
Executive Director