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OFFICE OF THE SECRETARY
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302 Engineering Admin Bldg
Memphis, Tennessee 38152

302 Engineering Admin Bldg
Memphis, Tennessee 38152

Office: 901.678.3940
Fax: 901.678.0404

www.memphis.edu

December 21, 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 Madam Secretary:

I would like to offer my 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.

Memphis is one of the major inland distribution centers in the United States. It is home to five Class I railroads, the fourth largest inland river port, the largest freight airport in the United States and the home of FedEx, and is served by major interstate highways. In recent years the Class I railroads have invested over \$500 million in constructing and expanding intermodal facilities. Nike and Williams-Sonoma are two of the companies with their primary national distribution centers located in Memphis.

One of the railroads that has invested significantly in Memphis is the CN Railway. The CN network connects Memphis with facilities in Prince Rupert and Vancouver, British Columbia, and Halifax Nova Scotia. The flow of goods from these ocean ports, especially the west coast ports, is important to the creation of jobs and economic development of the Memphis region, and the volume of goods shipped from these ports is growing.

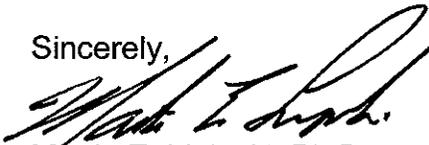
The transportation of goods in the global economy is extremely competitive. There are many reasons why Canadian seaports and ocean vessels are integral parts of the global supply chain to the heart of the United States. A primary factor is that millions of dollars of private funds have been invested to build state-of-the-art modern and efficient new port infrastructure. These investments have made possible the seamless flow of goods through the Canadian ports, avoiding lost time and congestion experienced in many US ports. A second factor is that these ports are located closer to the major

origin points in the Pacific Rim, reducing ocean shipping time by up to 50 hours, an important consideration in our just-in-time global delivery system.

Other major investments to the freight infrastructure in the US have followed as a result of the opportunity for goods to flow through the Canadian gateways. These have included enhancements by the CN Railway to its rail network in and around Chicago and other Midwestern states and the potential development of industrial parks to serve the nation's distribution system. These investments have contributed to a more efficient and 'leaner' supply chain and have resulted in job creation.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Martin E. Lipinski". The signature is fluid and cursive, written over the word "Sincerely,".

Martin E. Lipinski, Ph.D.
Director, Intermodal Freight Transportation Institute
National Maritime Enhancement Institute
The University of Memphis
Memphis, TN