

Maritime Commissioners Question Canadian Takeover of U.S. Ports, Cargo Diversion

NOVEMBER 18, 2021

On November 5, 2021, Federal Maritime Commissioners Carl W. Bentzel and Louis E. Sola wrote a letter to Treasury Secretary Yellen expressing concerns about the takeover of Ports America, the largest terminal operator in North America, by Canadian Pension Plan Investment Board (CPP Investments).

The bipartisan letter from the Commissioners recalls the 2006 dust-up that occurred when DP World proposed to acquire the North American assets of P&O Ports, leading to the creation of today's Ports America.

Recognizing that CPP Investments is governed and managed independently and at arm's length from governments, the Commissioners conclude "Nevertheless, as a foreign enterprise with a vested interest in the welfare of foreign nationals, a review is warranted."

The letter links the proposed takeover of Ports America with the Canadian Pacific Railroad's proposed acquisition of the Kansas City Southern Railroad, and Canadian Government policies which have resulted in the diversion of U.S.-bound cargo to Canadian ports at the expense of U.S. ports.

Although U.S. ports are currently experiencing unprecedented congestion, the diversion of cargoes to Canadian ports has been a contentious issue in both Washington, D.C. and Washington State. Many have opined that U.S. ports are placed at a competitive disadvantage by Constitutional provisions which prohibit taxation of U.S. exports, shifting revenue-raising measures to imports and placing U.S. West Coast ports at a competitive disadvantage relative to their northern neighbors. The Senate Committee on Commerce, Science, and Transportation, which oversees the transportation matters including the Commission, is chaired by Senator Maria Cantwell (D-WA).

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