transit time for carload shipments from Ontario and Quebec to the Southern U.S. can reach 12 to 15 days or more. In these circumstances, rail would be most suitable where product value per pound is not exceptionally high and when expedited delivery is not of great importance.

With rail deregulation in the United States, the U.S.-based carriers compete aggressively with each other and with motor carriers for traffic. Bridge carriers whose rail lines lie in between the Central Canadian originating railway and the Southern U.S. destination railway are developing a reputation for quoting low carload through rates to Canadian shippers. Therefore, if you are a large carload shipper and you know which railways would be involved in the movement of your goods, you would do well to obtain through rate quotes from each participating carrier and pick the lowest. *A general rule to remember, however, is that the more railways are involved, the higher the through rate will be.*

In deciding whether to ship by rail, you should consult railway maps (See Section VII for further information) to determine if there is a choice of railways serving the city to which you wish to ship. For example, in shipping to Texas, only one railway serves Dallas while several serve Houston; rail rates are often more attractive to Houston than they are to Dallas from Canadian origins. In general, for single carload shipments, carload rates are competitive with motor carrier truckload rates and intermodal trailerload rates. Major savings in rail rates start to occur when you can offer the railways five to ten cars a week. *As the above implies, and because Canadian and American railways stopped carrying LCL (Less than Carload) traffic years ago, rail transportation is not an alternative for small shippers.*

Intermodal

Intermodal transportation, also called "piggyback", "trailer-on-flatcar" (TOFC) or "container-on-flatcar" (COFC), is a unique marriage of the rail and highway modes. The concept involves loading a highway trailer for shipment to a railroad piggyback ramp (terminal) for movement beyond by rail. For large volume users, TOFC features the lower cost of rail service combined with the convenience of door-to-door shipping available in motor carriage.

Some advantages of TOFC are:

— all rail carriers provide shipment tracing services for full trailerloads;

— through bills of lading from origin to distribution are provided;

— Canadian shippers located near border points can explore possible advantages of this mode's low volume rates through moving their goods to U.S. railroad ramps, thus minimizing the number of carriers involved;

— the rate structure is very simple — all rates are FAK (Freight All Kinds) with no differentiation by commodity; and,

— deregulation has not affected rail carriers' liability for goods assigned to them by shippers. (Per 49 U.S.C.A. 11707, U.S. carriers must pay damage costs amounting to the full product value unless released value rates are utilized).

However, shippers should be aware of certain disadvantages:

— rail carriers indicate that they offer only 40-foot and 45-foot dry (non-refrigerated) vans for international movements. Additionally, Canadian railways indicate that they will not (as a rule) load their own equipment to U.S. points;

— rates quoted by all carriers are per trailer regardless of commodity load or whether the trailer is loaded to capacity. Therefore, a small shipper would be at a disadvantage if he tendered an LTL shipment through rail carriers;

— reduced (volume) rates are available only at very high volumes (greater than 100 trailers per month);

— many rail carriers do not sell door-to-door services. They rely on middlemen such as shippers' agents to perform "retail" services such as arranging pickup and delivery, providing equipment, tracing shipments, soliciting traffic and consolidating loads;

— because TOFC trailers move on trains they are subject to greater loss and damage potential (compared to motor carrier movements) due to humping, shunting and switching; and,

— service is relatively slow, compared to direct haul motor carrier and expedited services. (From Eastern Canadian origins to Southeastern/Southwestern American destinations, shipping time would range from five to seven days or more depending on the number of railways involved).

Despite the fact that TOFC has been deregulated in the U.S., the small Canadian exporter wishing to use this mode will find it relatively unattractive when compared with other alternatives. Since third party shippers' agents and forwarders can obtain volume discounts and since they can also provide specialized equipment, and further, because other services (such as customs brokerage services) are often available from such organizations, these intermediaries represent a more appropriate choice for Canadian shippers wishing to utilize the intermodal option. Further information on rail carriers and intermediaries offering intermodal services is provided on page 26.