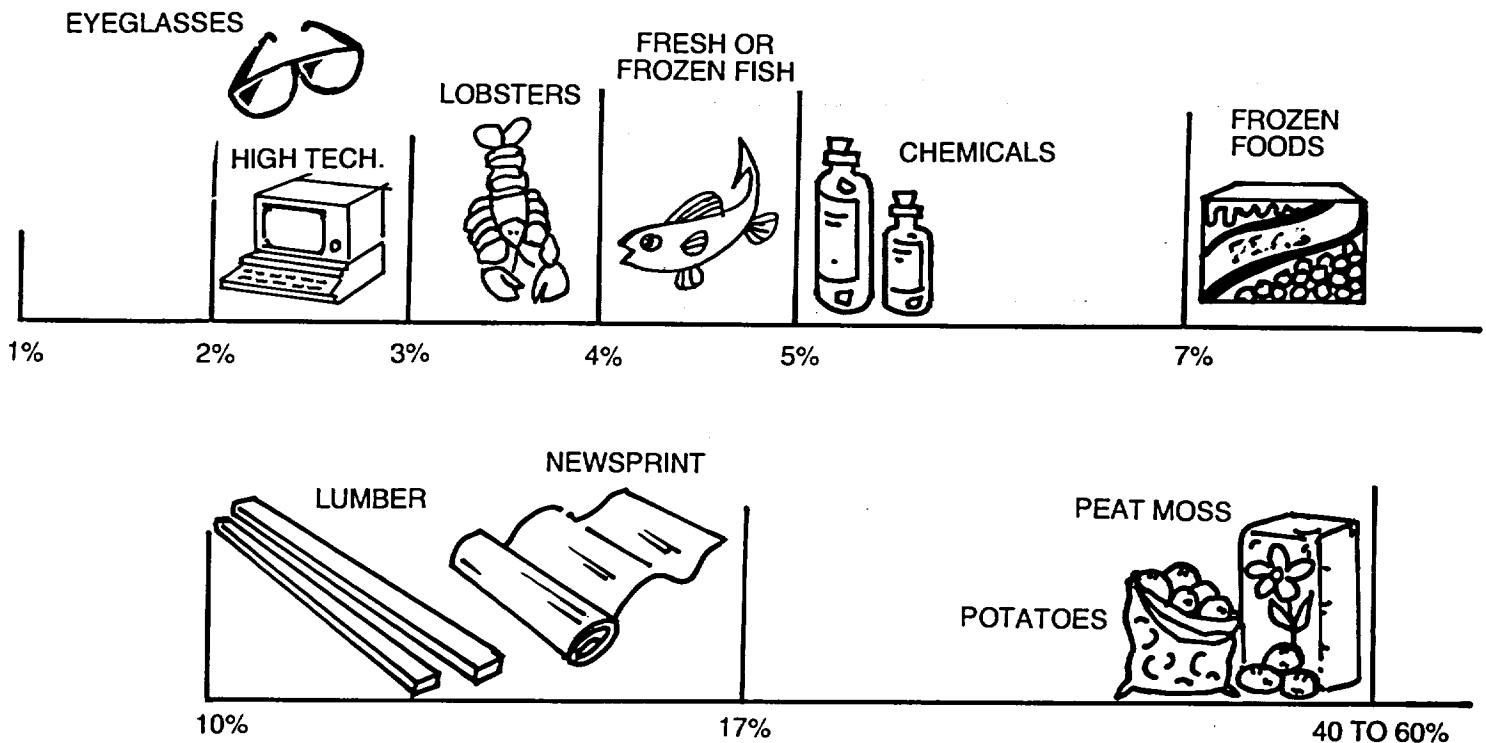


**ATLANTIC CANADA EXPORTERS, TRANSPORTATION COST
AS A PERCENT OF DELIVERED PRICES TO U.S. MARKETS.**



B. TERMS OF SALE

The terms of sale can have an important bearing on a firm's recognition of true transportation costs and ultimately, competitiveness. For example, a firm which assigns all responsibility for transportation and payment of freight charges to the consignee or customer, may be under the illusion that because it pays no freight charges it is not affected by transportation cost and service considerations.

No matter of whether the buyer or the seller makes the shipping arrangements, buying decisions are made on the basis of delivered price comparisons and it is up to the seller to determine the most economical shipping means and either quote these in a delivered price or advise the buyer of the best option(s).

Atlantic Canada shippers in exporting to U.S. markets use a variety of terms of sale from complete customer responsibility for all transportation arrangements and costs to complete shipper responsibility as illustrated below.