

E. CONCLUDING REMARKS ON RATES

The rate information provided herein is intended to help you identify which transportation alternative is best suited to your particular circumstances, and to help you determine the total costs of selling in Western U.S., Hawaiian and Alaskan markets. (Other costs such as customs clearance duties, taxes, permits, etc. will also be involved.) There is no substitute for obtaining firm rate quotes from transportation organizations, based on the specific details of your movements.

Transportation deregulation in the United States has created a very competitive environment; in Canada, moves are afoot which will also substantially change the rules of the transportation game. In these circumstances, the individual shipper will have to learn to become more of a rate negotiator than simply a rate taker. As one author states: [9]

When deregulation finally prevails, the time for "let's make a deal" will begin. Shippers will be in a position to offer all or part of their traffic to a common carrier in return for special rates and terms known only to the parties involved.

A number of shippers in British Columbia and Alberta have already been exposed to such negotiating situations in dealing with U.S. carriers for export movements. Indeed, a number of carriers and intermediaries consulted in the preparation of this report placed an important caveat on the rate information they supplied to the consultant; that is, rates provided are class or "paper" rates and the final rate paid for an actual movement will be the outcome of negotiation between a shipper and carrier based on specific information supplied by each. For a number of carriers, the negotiation process already governs all movements and eventually all carriers wishing to survive in the increasingly competitive environment will be willing to negotiate. In these circumstances shippers should always be prepared to negotiate rates and services based on their specific needs. More and more carriers are becoming flexible in moving away from published rates and negotiating terms satisfactory to both the shipper and the carrier; it is your job to seek out those "flexible" carriers who can best meet your needs. For assistance in the development of transportation negotiating skills, be on the lookout for occasional courses and seminars offered by consultants and educational institutions as advertised in transportation trade magazines and business newspapers.

9. H. James Eckler "Negotiating Transportation Contracts", in Canadian Transportation and Distribution Management, Volume 88, No. 5, May, 1985.