

TRUCKING

Road transportation to and from Mexico has grown in importance in recent years. The proportion of Canadian exports transported by road grew from one-third in 1988 to more than half in 1993. Only large quantities of bulk commodities are outside the domain of truck transportation. Refrigerated cargo moves almost exclusively by truck. Road transportation from major Canadian cities to the Mexican border at Laredo, Texas, takes about four days in full truckloads (FTL) and up to seven days for less-than-truckload (LTL) shipments. Once customs is cleared, another two or three days are required for the goods to reach Mexico City.

Many Canadian trucking companies have developed arrangements with American and Mexican truckers and can provide a complete transportation package for the Canadian exporter. Examples include Gerth Transport, Mill Creek Motor Freight, Can Pac International Freight Service, SGT 2000, Canadian American Transportation, SMR Transport, N. Yanke Transfer, Challenger Motor Freight, Future Fast Freight and Trimac.

RAILWAYS

The use of rail transportation for exports to Mexico has declined in recent years from about 20 percent of total exports in 1988 to less than 14 percent in the early 1990s. Rail transportation is used mostly for bulk commodities, intermodal traffic and double-stack loads.

The Canadian exporter must first ship the goods to the United States before they can continue to Mexico, since the trains to Mexico originate there. At Laredo, *despacho previo*, a new customs preclearing system, has improved efficiency and has shortened the time it takes to cross the border. Shipments can, with correct preclearing procedures, move across the border in less than 24 hours. High priority trains, such as those carrying auto parts, have benefitted more from this system than others. Trains carrying products that have been designated as low priority, or are not classified as just-in-time (JIT) shipments, may still experience delays.

Nevertheless, American and Canadian rolling stock can cross into Mexico, eliminating the need for reloading at the border. Rail service is improving with the increasing availability of double-stack trains, express trains and intermodal trains. In addition, rail traffic congestion is being alleviated with the construction of new facilities on the American side of the border and the slow but continuous upgrading of the Mexican railway system. In particular, *Ferrocarriles Nacionales de México (FNM)*, the national railway, has been developing "rail ports" that allow truck-rail intermodal transportation.