

motor common carrier

Licensed common motor carriers usually are willing to offer reduced backhaul rates in order to attract return loads. This situation presents an excellent opportunity for Ontario and Quebec food, beverage and other perishable product producers to get their goods to Southern U.S. markets cheaply with the assurance that their goods will be in the hands of an authorized motor carrier. These refrigerated vans are also suitable for other commodities (i.e., — a "reefer" becomes a plain dry van when the temperature control unit is switched off).

In general, however, common motor carrier rates are based on the classification of the commodities hauled. Rates are very high for small shipments and become significantly lower as weight increases. However, some carriers interpret the commodities differently, resulting in different classifications and therefore different rates. For example, rates on office furniture would differ depending on whether the furniture was set up (SU) or knocked down (KD). Certain carriers who want the traffic badly might occasionally offer the KD rate (cheaper) instead of the SU rate. Furthermore, in the deregulated U.S. trucking environment, some motor carriers offer discount programs simply for the asking. The point is that it pays to check with several motor carriers before making a commitment to ship regardless of whether your volumes are large or small.

To summarize, shippers wishing to use common motor carriers should always do the following when seeking rate quotes:

- accurately describe goods for proper classification;
- try to increase the shipment size by consolidating loads destined to the same place;
- ask carriers for the difference in rates they would charge for direct door-to-door service compared to your hauling the goods in your own truck to the trucking company's terminal at the border;
- check on the availability of backhaul rates even to the point of contacting the carrier's office in the city to which you wish to ship; and,
- ask for details about special discount programs.

A large number of motor carriers offer services between Central Canada and the Southern U.S. Consult the yellow pages of your telephone book, or any of the motor carrier directories listed on page 29. A short sample of motor carriers and their telephone numbers are provided on pages 25 and 26.

Independent Truckers/Owner-Operators/ Backhaulers

The second type of motor carrier is the owner-operator or independent trucker, sometimes

referred to as the "backhauler". They are a small "niche" in the transportation marketplace where individuals have found the freedom to act as entrepreneurs. Canadian and American legislation allows these owner-operators to lease their equipment and their driving services to shippers and common carriers who are increasingly using them to keep costs down. If you have sufficient volumes, you can make an exclusive contractual arrangement with an owner-operator to act in effect as a private carrier, or, by seeking out common carriers who make extensive use of owner-operators you can obtain lower rates than those offered by carriers who operate employee-driven fleets.

A certain attraction exists for using the independent trucker who, seeking return southbound loads, will sometimes haul goods for as little as the cost of the fuel. Again, fruit and vegetable haulers from Florida and Texas abound. However, because the address and the location of these operations amounts to the cab of their truck, it is impossible to trace the goods in transit, or even to locate the individual to press a claim if damage or non-receipt of the goods is reported by the consignee. Attractive backhaul rates can be obtained by contacting authorized licensed motor carriers and intermediaries. The importance of backhaul in securing rates applies to every type of transportation arrangement.

Direct use of these independent truckers usually presumes that the shipper has truckload quantities to be moved. *Therefore, the best way for LTL shippers to use such operators is to deal through a freight forwarder, transportation broker, or other intermediary with whom many owner-operators have established a track record and who is willing to accept legal responsibility for the shipment.*

Rail Carload

Rail carload movements are most appropriate for large volume shippers with their own railroad siding and with large volumes of goods to be transported. A minimum rail shipment size is in the order of 40,000 lb. Goods which are suitable for rail transport are those which can be stowed compactly, wedged or tied down such as carpets, appliances, furniture and similar commodities (knocked down or folded flat), steel products, newsprint, paper, etc. . . Cargo which is susceptible to damage from knocking or jarring (such as computers and other sensitive equipment) is not usually shipped by rail because of frequent coupling and uncoupling of cars, humping, and shunting.

Unlike in Canada where in most cases, one of our two transcontinental railways can haul your goods from origin to destination, shipping to the Southern United States, requires the use of at least two connecting rail carriers. This situation contributes to the relative slowness of the mode;