

Rail Services

The use of rail transportation for exports to Mexico has declined in recent years from roughly 20 percent of total exports in 1988, to less than 14 percent in 1993. Rail transportation is used mostly for bulk commodities, intermodal traffic and double-stack loads.

The Canadian exporter must first ship the goods to the US since trains to Mexico originate there. *Despacho previo*, a customs preclearing system for trains, at Laredo 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 re-loading 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 Mexico (FNM)*, the national railway, has been developing "rail-ports" that allow truck-rail intermodal transportation.