savings in reduced inventories at destination — that is, the cost of warehousing, storage and miscellaneous handling charges.[2]

The use of air freight will require you to become familiar with the many characteristics of this mode. The single most helpful document in this regard is the *Air Cargo Guide* (see page 29). Shippers should also be aware that each airline has its own rules and regulations and special restrictions and that the same carrier may offer different services at different airports. Therefore, the shipper's single most important task in securing firm rate quotes is to know their particular shipment characteristics and service requirements and then check with local air cargo agents.

Air carriers serving Central Canadian and Southern U.S. city pairs are listed on page 25 of this report. Check the yellow pages of your telephone directory for local offices or toll-free numbers.

Common Motor Carriers

Motor carriers provide transportation in trailer-load, (TL) or less-than-trailer-load (LTL) quantities. Trucking is very flexible in that it can reach shippers and consignees not situated adjacent to rail lines or water routes. Motor carrier or truck is the fastest and most direct of the common carrier surface modes and can serve most Central Canada/Southern U.S. city pairs in three to five days.

Offering such equipment as straight trucks, semi trailer rigs, tank trailers, flat bed trailers, stake and rack trailers, refrigerated vans, air ride delivery (for fragile goods), tilt and load (to bring the truck body to the ground for easier loading), and float trucks (with a low bed to carry heavy or oversized goods), motor carriers can and do haul almost every imaginable commodity.

Apart from private carriage (discussed on pages 15 to 17) and contract carriage (for very large volume movements) two types of motor carriers are available — licensed common carriers and independent owner-operators. Properly licensed motor carriers receive their authority to operate in various service lanes from the Interstate Commerce Commission and state and provincial jurisdictions which impose different licensing restrictions. Some common motor carriers have specialized authority to haul particular goods such as agricultural commodities, household goods, construction materials, and other named commodities specifically mentioned in their licences. Some carriers are licensed to haul goods only in truckload quantities between certain regions or points while others can provide less than truckload and international services to gateway cities in the U.S., all of course within the licence authorizations and restrictions applicable to their respective routes.

Motor common carriers are also generally liable for loss of or damage to the goods while they are in a carrier's custody. The exceptions are for loss or damage of goods caused by an act of God, riots, strikes, a defect or inherent vice in the goods, default on the part of the shipper or consignee, etc. . . The amount for which the carrier is liable is computed on the basis of:

- the value of the goods at the place and time of shipment including the freight and other charges if paid; or,
- where a value lower than that referred to above has been represented in writing by the shipper or has been agreed upon, such lower value.

The amount of any loss or damage computed as above is not to exceed \$2 per pound unless a higher value is declared on the bill of lading by the shipper.

Goods shipped by licensed motor carriers from Ontario and Quebec to the Southern United States move in either one of three ways:

- Canadian carrier with U.S. operating authority direct from origin to destination;
- American carrier with Canadian operating authority direct from origin to destination; and,
- through rate quoted by Canadian or American carrier with the Canadian carrier hauling the goods from the Canadian origin to a U.S. border point where they are turned over to a U.S. carrier for furtherance to the final destination.

The third arrangement is the most common. A set of through rates covering all three arrangements is published by tariff bureaus (associations of motor carriers) concerned with traffic moving between Ontario or Quebec and the U.S. Since the deregulation of American motor carriers in 1980, however, it has been discovered that the longer U.S. portion of the haul is relatively less expensive than the shorter Canadian portion. *Therefore, many Ontario and Quebec shippers have achieved major savings by delivering their goods in their own trucks to the terminals of U.S. carriers located at border points.* In these circumstances motor carriers have become increasingly competitive and many are prepared to negotiate special deals with shippers who have large volumes to offer.

An important point for Central Canadian firms to note in shipping to the Southern U.S. — particularly to Florida and Texas — is the equipment imbalance that exists. Some sources estimate that as many as half of the refrigerated trailers carrying fruit and vegetables to Ontario and Quebec return to the Southern U.S. empty.

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[2] James L. Heskett, Nicholas Glaskowsky, Jr. and Robert M. Ivie, *Business Logistics*, New York: Ronald Press Company, 1973.