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Transit times from major Canadian cities to Laredo can take anywhere from 4 to 12 days depending on the originating city and the routing. However, several days can be added to this transit time when lines are congested near the border or in Mexico. In general, TOFC and COFC train shipments are faster and are given higher priority than box car shipments of bulk goods. Once through Laredo, an average transit time of 2 days is required to reach Mexico City.

Upon reaching Laredo, customs procedures and the transfer of railcars to FNM for transport to destinations within Mexico used to take an average of 5 to 6 days. Since January 1990, however, "despacho previo" has been implemented and railcars are premanifested (with an important 10-day grace on their import permits) allowing for railcar crossings seven days a week (even when customs brokers are not working), less switching by FNM at the border as many trains are delivered in precleared Mexican destination blocks, and a significant overall improvement in border-crossing times.

Provided the correct preclearing procedures have been followed, shipments can now move across the border in less than 24 hours.

The "despacho previo" concept represents a significant change in Mexican customs procedures and a positive move by the Mexican government. It should be noted, however, that certain high priority trains, like those moving automotive parts, have benefitted more from this system than others. Trains carrying products which are not given high priority by the rail carrier or the Mexican authorities, or which are not usually classified as "just in time" shipments (for example, milk powder, scrap paper or chemicals) may still experience delays despite the implementation of preclearing.

Shippers should also note that a 10% V.A.T. on total freight charges within Mexico must be paid to the Mexican authorities.

The following summarizes the services offered by principal Canadian and American railways. *CP Rail System* or *CN North America* will handle the Canadian portion of a rail shipment before handing it over to an American rail carrier, for example in Chicago.

*CN North America* recently signed an agreement with *Burlington Northern (BN)* and *Ferrocarriles Nacionales de Mexico (FNM)* to provide an integrated network of services covering Canada, the U.S. and Mexico. In addition *CN* has entered into strategic alliances with *JB Hunt* which will facilitate shipments to Mexico. Also, *CN* has made a major commitment to intermodalism in its Sarnia tunnel project scheduled for opening in 1994.