
Major continental carriers — which are U.S. based — have made great strides in establishing local customer services, subsidiaries, joint ventures and/or operating or interlining agreements; examples are *ABF*, *Roadway Express* and *Yellow Freight System*.

Appendix B provides information on trucking companies operating out of Canada handling Mexican-bound shipments. In addition, Appendix D contains the names of provincial trucking associations for enquiries on services to Mexico.

(c) Rail

Rail transport to Mexico encompasses traditional rolling stock for bulk or bulky commodities, as well as intermodal traffic (TOFC or trailer on flat car, COFC or container on flat car, and double-stack, ie. containers two-high on a flat car). Virtually no mechanical refrigerated cars operate into or out of Mexico due to low rates of return on investment and servicing problems.

Mexico's liberalized transportation regulations have impacted favourably on rail and intermodal services. Domestic freight rates on intermodal containers are now set by market forces and the rapidly growing trade has led to several new service offerings.

Rail traffic congestion is also being alleviated. New facilities are being constructed on the American side, and despite funding shortfalls, the Mexican railway is being upgraded progressively. The Mexican rail system requires more passing tracks, yard tracks and locomotives, and is burdened by overly labour intensive loading/unloading procedures. Recent encouraging events include FNM's upgrading of its Nuevo Laredo facilities and the purchase of a computerized tracking system.

There are ten border points in the United States from which rail shipments can cross into Mexico. The primary three crossings are in Texas: Laredo, El Paso and Eagle Pass. Laredo handles the largest amount of annual traffic (an estimated 50% of total rail traffic between Mexico and the United States/Canada). FNM, Mexico's principal railway company, has improved and expanded rail services at Nuevo Laredo, just opposite Laredo.

Union Pacific Railroad (UP), which handles the majority of rail traffic at Laredo, has also expanded its own Laredo yards. *Texas-Mexican Railway* is the other carrier operating through Laredo, providing the final leg for shipments on the Burlington Northern. *Southern Pacific Railroad (SP)*, a major competitor, has pushed for the development of El Paso and Eagle Pass, backing this up with new lift facilities at both sites. *Santa Fe Railway* has also upgraded services through the El Paso gateway.