considering only major movements where conditions exist which are conducive to a successful private trucking operation such as:

- concentration of traffic in relatively few city pairs;
- high traffic volume in those city pairs;
- availability of return loads for many city pairs;
- estimated empty mileage for the planned private carriage operation no greater than 30 per cent;
- in cases where multiple pick-up and delivery movements with a substantial portion of "minimum charge" shipments are necessary; and,
- where there are multiple deliveries, perhaps combined with pick-ups of less than truckload lots in a territory where a truck can operate over a somewhat circular route finishing near the dispatch point.[3]

Information which will help you to conduct a detailed cost study is available from sources listed on pages 31 and 32 of this report. However, it is fair to say that unless you are already in the business of transporting goods in your own vehicles within Canada, it is not likely that purchasing a truck(s) for hauling goods to Southern U.S. destinations would be economic under any circumstances. Even when a Canadian firm is operating its own private carriage within Canada, extending that operation into distant Southern U.S. markets is a significantly costly process that should only be undertaken under unique circumstances such as those listed above.

Unless common carrier service is so poor, rates so high and/or needs for specialized equipment very great, it is doubtful that the small to medium-size shipper will find any economies in private carriage. One author suggests that shippers explore *every* for-hire alternative before embarking on the private carriage option.[4]

A major concern relating to the use of private carriage across the border is the large amount of paperwork associated with such movements. Each state and the U.S. federal government require varying fees, licences or permits and impose different size and weight restrictions. Some states require several permits and most require registrations and licensing within each state that the motor carrier crosses, except in cases where states or provinces have reciprocity agreements. The Province of Ontario has licensing reciprocity with 37 states including seven of the ten southern states (except Louisiana, Arkansas, and Tennessee). The Province of Quebec's formal or tentative reciprocity arrangements extend to 29 states including all except Arkansas in the South.

With regard to size and weight limitations, the Surface Transportation Act of 1982 (PL 97-424) requires all states to accept federally approved weight, width and length standards for operations over the U.S. Interstate Highway System. The law allows at least a 48-foot tractor-semitrailer or a 28-foot semitrailer or full trailer must in a twin trailer combination. Trailers should be no wider than 102 inches. Although some states allow slightly greater weights, in most states, the maximum allowable gross vehicle weight is 80,000 lb.

Information on fees, permits and other documentation is available from the sources listed on pages 31 and 32.

As an alternative to private carriage to the Southern United States, shippers could use their fleets to transport goods relatively short distances into the U.S. for movement beyond by U.S. carriers or intermediaries. A recent study[5] suggests the use of private carriage to United States border points and U.S. carriers beyond as an alternative to paying the high international class rates of NFTB motor carriers. A large number of Canadian shippers in many different industries are achieving major savings by trucking their goods to border terminals of U.S. common carrier or to distribution warehouses operated by freight forwarders and other intermediaries in American border cities.

A well-known Canadian company, Northern Telecom, utilizes its private fleet to move goods across the border to its private trucking hub in Buffalo. Its success with this approach is duly noted:

> "Recently, we finalized negotiations with two major U.S. motor carriers establishing state-wide rates from Maine to California for traffic moving to or from our private trucking hub in Buffalo. In lieu of the tens of thousands of rates contained in the various bureau tariffs, our rates are published on three tariff pages."
>
> "As well, we have negotiated or are in process of negotiating simplified rates to and from Western Canada, between Montreal and the east coast of the U.S. and to and from Montreal and our intra-Quebec business. To summarize the merits of this type of rate-making: administrative costs are controlled, rate errors should be non-existent and carrier invoices are processed and paid with minimum effort."[6]

---

[3] Canadian Institute of Traffic and Transportation, *Canadian Traffic and Transportation* Vol. I, Toronto, Ontario, 1981.

[4] Colin Barrett, *The Practical Handbook of Private Trucking*, The Traffic Service Corporation, Washington DC, 1983, p.37.

[5] Peter Skorochod, Rob P. Bergevin *Issues in Transportation/ Distribution for the Small New Exporter*, A paper presented at the May, 1984 CTRF Annual Meeting; Jasper, Alberta.

[6] Comments by A. I. Fothergill, Manager of Traffic for Northern Telecom at the annual meeting of the Canadian Industrial Traffic League held February 27-March 1, 1984 in Winnipeg. Mr. Fothergill's comments excerpted from the March 12, 1984 issue of *Traffic World*, p. 17.