increased sales and the expansion of the dealer's base, and it meets periodically with sales staff from the dealer to appraise trends in the marketplace and to assess the changing needs of customers.

Once orders for software applications have been received from the dealer, Establishment D exports the merchandise C.I.F. (i.e., cost, insurance, and freight charges) to the dealer. The documentation and transportation arrangements required for these export shipments are handled by a large customs broker in New York State. Establishment D receives payment from the dealer through a lock box arrangement with a New York State bank that has a correspondence relationship with the firm's Canadian bank. According to the person interviewed, the major disadvantage of this arrangement is the loss of margins to intermediaries; however, at this point in time, the establishment is not in a financial position to launch its own sales operation.

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