

PREFACE

This report has been prepared on behalf of the Department of External Affairs' United States Trade and Investment Development Bureau and the Canadian Consulates General in Dallas, Texas and Atlanta, Georgia. These offices have identified many potential sales opportunities for Canadian products in the rapidly growing Southern U.S. markets. In selling to these markets for the first time, some companies find that although their products are well accepted by potential customers and their "domestic" price seems reasonable, the final landed or delivered price of the goods in the United States, including freight, can end up being too high *unless* shippers explore and take advantage of the most economic means of transport they can find. The intention of this document, therefore, is to provide potential Canadian exporters with basic background on transportation and distribution systems to help them penetrate these markets with ease.

The information provided herein is aimed at new Ontario and Quebec exporters who are interested in broadening their sales coverage to include exports to the Southern U.S. but who might not be employing fulltime traffic management staff knowledgeable of the supposed intricacies of exporting to the U.S. The report also should be of use to exporters who have had experience in selling to U.S. markets but who may be able to improve their competitive edge and increase their profit margins by exploring several economical transportation alternatives, thereby obtaining the most economical freight rates consistent with their particular needs.

Within the confines of a document such as this it is not possible to provide a complete course of instruction on how to perform all tasks in the transportation and distribution functions — especially in view of a changing transportation system which constantly offers new choices, services and prices. Rather, our aim is to equip Ontario and Quebec exporters with information which:

- 5) allows shippers to research the particulars related to their individual transportation needs.

- 1) allows them to understand the relative advantages and disadvantages of the various transportation alternatives so that the most appropriate method can be selected;
- 2) provides detail on the status of the alternatives so that shippers can better understand how to use a method of transportation to best advantage;
- 3) provides general guidance on the relative costs of each mode of transport;
- 4) explains some of the finer points about exporting such as documentation requirements, warehousing, and the use of free trade zones; and,