

SECTION I - EASE OF TRANSPORTATION TO THE WESTERN UNITED STATES

Of all the world markets for Canadian exports, the continental United States is the most easily accessible and penetrable. The proximity of Canada and the United States and our long-standing trade relationship present many unique advantages to Canadian companies interested in exporting. For example, from a product acceptance point of view, certain similarities between our two nations facilitate Canadian firms' understanding of American market requirements.

From a transportation point of view, no other country offers Canada similar advantages in terms of:

1. the multitude of carriers offering service;
2. the frequency of direct and indirect service options between many Canadian and American city pairs;
3. the relatively lower costs of transporting goods to such a close export market;
4. the ease and relative inexpensiveness of communications which allow for good relationships between Canadian sellers and American buyers in important aspects such as rapid order processing and shipment tracing;
5. the simplicity of export documentation and trade formalities; and,
6. commonality of business practices and attitudes.

In particular, the 13 western states - Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oklahoma, Oregon, Texas, Utah, Washington and Wyoming - plus Alaska and Hawaii present excellent market opportunities for manufacturers in British Columbia and Alberta. The total population of these 15 states has been growing at a rate of 2.4 per cent per year from approximately 49 million in 1970 to 60.5 million in 1980.

If you have already made some forays across the border, you will find that most of the decision-making principles and rules you would keep in mind in shipping to the nearby states of Washington, Idaho or Montana apply in the case of transporting goods to Texas, Arizona, Southern California, etc. except that these latter markets are more distant and generally more expensive to reach than the border states. Shippers exporting to Hawaii and Alaska will face a different but understandable set of decision-making parameters.

Therefore, to quote competitive and profitable delivered prices, you will need to evaluate more critically your transportation options to the more distant of these U.S. markets. Such evaluations should reveal to you that there are several actions you can take to export goods at a lower total distribution cost than might have been expected at first glance.

For example, if you are making several shipments in the same day or week to the same customer, you could consolidate goods into a single shipment and realize important savings. This is because carriers' rates have a minimum handling charge