

In addition to acting as "for hire" transportation managers, most freight forwarders offer export documentation, customs house brokerage, insurance, and many other services for a fee. Before finalizing an arrangement with any forwarder, you should specify all services you will require, check to see if special insurance arrangements are necessary, and ask if there are any other services the forwarder offers which will be to your advantage. Once you and the forwarder have arrived at a mutual understanding of the services to be performed, obtain a firm all-inclusive rate quote.

Freight forwarders claiming to offer service between Central Canada and the Southern U.S. are legion. It is therefore wise to survey several of them to determine which have strengths (and therefore better rates and services) between certain city pairs. For example, some forwarders coordinate extensive regular movements between Central Canada and Caribbean/Latin American countries via free trade zones in Southern U.S. port cities and have available truck capacity to offer (often using independent backhaulers). Such firms may have better rates to offer than those which make use only of regular common carriers.

Some specific names
In order to contact several of the many freight forwarders offering service between Ontario, Quebec and the Southern U.S., refer to the yellow pages of your telephone directory or any of the general multimodal transportation guides on page 28.

Transportation Brokers

Some specific names
A transportation broker (not to be confused with a customs house broker) is a company that takes a shipper's freight and finds a carrier to haul it. A broker can act as a shipper, carrier, domestic and/or foreign custom broker/forwarder, member of a shippers' association and/or a co-broker. A dominant use of a broker's service is to find loads for owner-operators, independent or private truckers seeking backhauls from Canada to the Southern U.S. A transportation broker has been described as:

- a freight forwarder without cargo liability and without tariffs;
- a shippers' agent that handles more than just piggyback freight;
- a transportation consultant that secures the best transportation package available for shipper clients and lines up freight for carrier clients.

The recent easing or elimination of many regulatory restrictions on freight transportation in the U.S. has created new business opportunities for entrepreneurs holding themselves out as brokers. In some cases, broker subsidiaries of motor carriers and shippers have been established. Such licensed brokers help carriers and private fleet operators respectively, to obtain backhauls and to better utilize their equipment. A broker

can co-broker with other brokers to put together any required combination of carrier/shipper arrangements. Brokers are strictly an American entity although many of them in border cities such as Detroit and Buffalo offer transborder services. The use of a broker by a Central Canadian shipper would normally involve full load shipments to the U.S. However, consolidation services may be provided.

In the United States any applicant found by the Interstate Commerce Commission to be "fit, willing and able" qualifies for a broker's licence. Since all broker licences cover the transportation of general commodities throughout all 50 states, a contract carrier's (including private carriers and independent truckers) permit to serve a broker fits in under the broker's authority and enables such carriers to handle any traffic that a broker tenders to them. Under these generally unrestricted conditions, brokers are beginning to number in the thousands and shippers would do well to seek references before making any commitments.

An important distinction between transportation brokers and other intermediaries and carriers is that, at least at present, brokers bear no liability for damage to or loss of freight. Finally, because the broker is an intermediary, their speed of transportation is as good as the type of mode used (e.g. motor carrier — three to five days to Southern United States depending on the distance).

Some specific names
Further information on transportation brokers is available from the sources listed on page 31 of this report.

Shippers' Agents

Shippers' agents are another form of intermediary between shippers and carriers. Although shippers' agents will use any mode to satisfy a client's needs, their main area of activity is in intermodal transportation. Many are effectively retail extensions of the railroads, taking single trailer rates for shipping two trailers on a railway flatcar. Shippers' agents can obtain lower rates based on high traffic volumes through contracts with railways and pass these on to shippers.

Shippers' agent services include:

- arranging door-to-door service for TOFC customers;
- providing special equipment (e.g. refrigerated trailers);
- providing complete door-to-door service from major distribution/consolidation points to major distribution centres;
- paying the carrier involved directly and presenting one invoice to the shipper;
- contacting customs to verify the documents required for exporting goods; and,