

Freight Forwarders – from page 1

transportation, helping with document preparation, procurement of the most appropriate form of transportation, and ensuring the expedient and safe arrival of the consignment at its destination.

The role of freight forwarder as principal includes determining the most favourable routes and modes of transport, simplifying and speeding up the flow of information and documentation and, if the shipper so wishes, procurement of payment (money transfer, exchange regulations, etc.). They can also give tariff information and help companies determine their Harmonized System (HS) codes.

One of the chief advantages of a freight forwarder for all but the largest and most frequent shippers, who may have internal transport services, is the ability to consolidate smaller shipments to secure favourable handling, delivery services and rates. This means incorporating a small shipment from a given company into others travelling in large sea-going containers or airline approved airline containers.

Volume business helps the freight forwarder establish new transportation routes, both uni- and multi-modal networks, and contacts at border entry points, warehouses and other storage facilities, and distribu-

tion centres, all of which becomes advantageous to shippers. As international shipping is more complex than domestic, the expertise these companies develop in everything from routing to insurance rates reduces the need of exporters to develop in-house expertise that is costly and time-consuming.

Ocean freight forwarders acting as principals issue the bill of lading to the carrier and are shown as the shippers. In this instance, the forwarder is responsible for the breaking up of cargo lots and distribution to consignees.

In air freight, the responsibility for forwarders as principals is similar to ocean arrangements. However, as agent in air freight transactions, the forwarder acts on behalf of the carriers, from whom it receives a commission (excluding Canada-U.S. trans-border flights). The carrier, not the forwarder, assumes liability for the shipment.

In the case of dangerous goods, the forwarder may act only as agent; the consignor must certify the shipment and appear as shipper on the bill of lading.

Exporters interested in securing the services of a freight forwarder with experience in the destinations to which they plan to ship should contact the Canadian International

Freight Forwarders' Association (CIIFFA). The Association recently adopted standard trading conditions and established minimum liability insurance coverage, including errors and omissions, as conditions of membership. Its standard trading conditions cover the forwarder's role and responsibility; the customer's role and responsibility; the forwarder as agent; the forwarder as principal; and limits of liability.

Exporters should evaluate their international transportation network within the context of their total marketing and distribution strategies. This means looking at cost and service trade-offs in light of market and service objectives, analysing how products are moved to customers and how, if necessary, to increase customer service levels. Input from your customers can be invaluable here, particularly internationally.

But if you find a freight forwarder who will provide you with reliable, speedy, cost- and time-efficient service, you will realize why freight forwarders are often thought of as the exporter's best friend. They can take products virtually from the end of your assembly line to the end-user.

Contact the Canadian International Freight Forwarders' Association at: P.O. Box 929, Streetsville, Ontario, L5M 2C5. Tel: (416) 567-4633. Fax: (416) 542-2716. Telex: 06-22282

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considered legally binding. Jaime Martin, a commercial counsellor at the Mexican Embassy in Ottawa, says that, in fact, it is difficult to go through the legal signing procedure without presentation of these papers. However, should a signing occur without the right papers, deals could be voided or not honoured, and the weight of Mexican law would prevent recourse.

A trilateral working group is currently being appointed to examine the whole issue of temporary entry.

Until the group reports, remember that when travelling to Mexico on business, consult consular officials and follow their directions.

Since the Canada-U.S. Free Trade Agreement, passage for business people into the United States has been as simple as that for tourists. Presentation at the border of a passport, birth certificate or other proof of Canadian citizenship is considered sufficient for anyone involved in activities such as trade shows, finding sales representatives or distribu-

tors, developing a partnership or after-sales service. B-1 visa status is normally granted, with no fee required; some proof as to the nature of the activity is occasionally requested, and should be carried.

Professionals who wish to work temporarily in their field must provide, in addition to evidence of citizenship, a letter from the U.S. employer and supporting documents showing the nature and length of the activity, arrangements for remuneration, and proof of education and professional credentials. TC-1 visa status will be granted upon payment of a U.S.\$50 processing fee.