

B. "MAKING YOUR OWN" TRANSPORTATION - PRIVATE CARRIAGE

The decision to "make" your own transportation rather than to "buy" it depends on several factors including:

1. the need for highly specialized equipment not generally or economically available from carriers or transportation intermediaries;
2. the objective of improving speed, quality and reliability of service to customers;
3. the possibility of reducing transportation costs; and,
4. the advertising value of having your own trucks on the road.

If you are not already operating your own fleet and are considering purchasing a truck (or trucks) for movements to the United States, you should undertake a cost-benefit analysis similar to that which would be necessary if you were considering purchasing a fleet for shipment from Atlantic Canada to other parts of Canada. Such an analysis should start by considering only major movements where conditions are conducive to a successful private trucking operation such as:

1. concentration of traffic in relatively few city pairs;
2. high traffic volume between those cities;
3. availability of return loads for many city pairs;
4. estimated empty mileage for the planned private carriage operation no greater than 30 per cent;
5. multiple pick-up and delivery movements with a substantial portion of "minimum charges"; and,
6. where there are multiple deliveries, perhaps combined with pick-ups of less than truckload lots in a territory where a truck can operate over a somewhat circular route finishing near the dispatch point.[1]

A detailed cost study will show you the relative economics of private trucking. However, it is fair to say that unless you are already in the business of transporting goods in your own vehicles within Canada, it is not likely that purchasing a truck for hauling goods to the U.S. would be economic under any circumstances. In fact, Atlantic Canada shippers and other knowledgeable transportation experts surveyed specifically for the preparation of this report indicate that operating a private fleet of trucks for U.S.

1. Canadian Institute of Traffic and Transportation, Canadian Traffic and Transportation Vol. 1, Toronto, Ontario, 1981.