

SUMMARY

A large number of feasible and economic alternatives exist for Ontario and Quebec companies of all sizes and types exporting their products to growing markets in the Southern United States. For companies with small urgent shipments of high value and/or delicate products, many Central Canada/Southern U.S. city pairs are well served by air transportation. Small shippers in less of a hurry, can obtain lower rates from licensed motor carriers. A number of intermediaries such as freight forwarders, transportation brokers, shippers' agents and shippers' associations offer small shippers lower rates by consolidating numerous small shipments of all kinds into full load lots. Some of these firms also offer export documentation, transportation and distribution advice and other services which can be very valuable to the first-time exporter and to companies that are not adequately staffed to coordinate and control transportation movements related to occasional export opportunities.

Companies whose Southern U.S. export sales are somewhat larger and which can ship in full load lots (truckload, carload, trailerload), as compared to small shipments, will find transportation rates to the South economical. Because rates offered by motor common carriers and railways are similar for the infrequent full load shipper, the choice of these will depend more on speed and quality of service considerations; motor carrier movements are faster and less susceptible to damage than rail (carload and intermodal) movements. Again, intermediaries can offer good rates on occasional full load shipments because of their bargaining power in acting on behalf of many shippers, and because they are often involved in the coordination of return loads, or backhauls for independent truckers and private carriers. Rather than make the return journey empty, these truckers will make it known to the intermediaries that their services are available at advantageous rates.

Central Canadian shippers whose export movements are voluminous and regular, and smaller exporters whose success allows their freight volumes to grow substantially will be able to negotiate volume discount rates with motor common carriers and railways. Alternatively, exporters of large volumes to the Southern United States may find themselves reaching a point where transporting goods in their own trucks is feasible. However, shippers of this size will likely be involved in many Southern U.S. markets and will make use of several suitable alternatives depending on their individual circumstances, in order to minimize overall transportation and distribution costs.

Section I of this report discusses the relative attractiveness and simplicity of shipping to markets in the Southern United States and discusses

elements which an exporter trades off in deciding how to transport his products. The different alternatives which are available to you in accessing Southern U.S. markets are discussed in Section II. The possibilities of dealing with carriers directly, using knowledgeable intermediaries, or transporting goods privately are presented and important characteristics of the transportation modes are provided to help you determine which one(s) is (are) most closely suited to your requirements. Section III illustrates the magnitude of costs that are involved.

Apart from transportation considerations, new exporters should be aware that the Canadian and American governments require certain documents to be completed; the principal ones are highlighted in Section IV. Ways in which companies can reduce their overall transportation costs by using public warehousing in major U.S. centres, and bonded warehouses in free trade zones for off-shore re-export, are the subject of Section V.

Although this report is aimed at simplifying your transportation to the Southern United States by making you aware of options that are available, it is not intended as a substitute for common sense or your own personal research. In this regard, a selected listing of transportation organizations serving Southern U.S. markets, and a number of additional sources of information are listed in Sections VI and VII respectively. In order to help you organize your evaluation of alternatives now and for future shipments, we have provided a check list of points you should keep in mind in the various stages of the transportation selection decision-making process. A glossary defining transportation terms concludes the document.