pricing, routing, market entry and exit – as well as the right to enter into confidential service contracts. As a result, competition between Canadian and American carriers is increasingly severe. To survive in this environment, transportation companies must offer service at very competitive rates.

KNOWLEDGEABLE CARRIERS

Canada–U.S. trade is an important source of business for Canadian carriers. The Canadian for-hire trucking industry earns about one-fifth of its intercity revenues from transborder business. Several trucking companies specialize in this area. More than one-third of Canada's two major railways' revenues are derived from shipments with a U.S. origin or destination.

Since transborder business is a vital part of their operations, Canadian carriers have developed the skills required to get goods to the U.S. quickly and inexpensively.

STRONG SUPPORT SERVICES

Massive North American trade flows have spawned extensive support services for Canadian companies that ship to the U.S. and Mexico. Customs brokers take care of documentation requirements and handle the clearance process.

Equipped with increasingly automated systems, Canadian customs brokers provide fast and full professional services. They are familiar with all aspects of international shipping — from packaging and labelling requirements to the

relative cost-effectiveness of different routings to and from Canada. Brokers also provide advice on such aspects as export restrictions, letters of credit and insurance requirements. And they regularly review tariff classifications applied to their clients' shipments to ensure that they pay no more than the required duties or taxes.

Freight forwarders consolidate shipments from several sources to take advantage of volume discounts, and arrange and control all segments of a multimodal shipment. Forwarders assist in areas such as route planning and arranging insurance coverage. Specialists are readily available to help managers design an efficient and cost-effective distribution system.