

SECTION II - U.S. EXPORT TRANSPORTATION OPTIONS AVAILABLE TO SHIPPERS IN ATLANTIC CANADA

A. DECIDING WHETHER TO USE INTERNAL OR EXTERNAL RESOURCES TO MANAGE U.S. EXPORT TRANSPORTATION

There is no immediate obvious rule of thumb to follow in choosing the "right" mode by which to ship your goods without investigating options available and shipping constraints in your own province. (See Sections III to VI.) However, a few examples of how exporters might evaluate alternative shipping opportunities and constraints follow.

- Shippers of low value, high density bulk products with annual volumes in the millions of pounds will find rail services and rates attractive, and if sales to certain markets are large enough, such shippers sometimes can fully or partly load an ocean vessel.
- Exporters of finished products again with annual volumes in the millions of pounds, may compare the cost and speed of motor carriers, ocean liner container services or railways or, intermodal (Trailer-on-Flat Car) services from shippers' agents.
- Medium sized shippers of finished products will find that motor carriers offer the best rates (compared to the very large volume modes) plus the flexibility of door-to-door service.
- Shippers of extremely high value and/or very perishable and/or urgently required goods who have ready access to a well served airport may find air transport best meets their needs, although because of circuitous air routings, for shipments to the Northeastern United States motor carriers may be just as fast and cheaper.
- The typical manufacturer of finished products usually will find that motor carriers offer the best rates and services.
- For companies unfamiliar with new territories, or those who simply do not have the internal resources to manage export transportation, the services of intermediaries can be invaluable.

Which mode or means of transport should you use?

When sourcing materials to manufacture your products, you can either purchase them directly from primary suppliers, or obtain them through a middleman or broker, or make them yourself. Purchasing transportation services is much the same in that you can either make arrangements directly with the carriers in each mode (air, motor carrier, rail and marine), or you can farm out your transportation arrangements making use of the bargaining power of intermediaries (freight forwarders, transportation brokers and shippers' agents), or you can transport the goods yourself in your own private fleet of trucks.