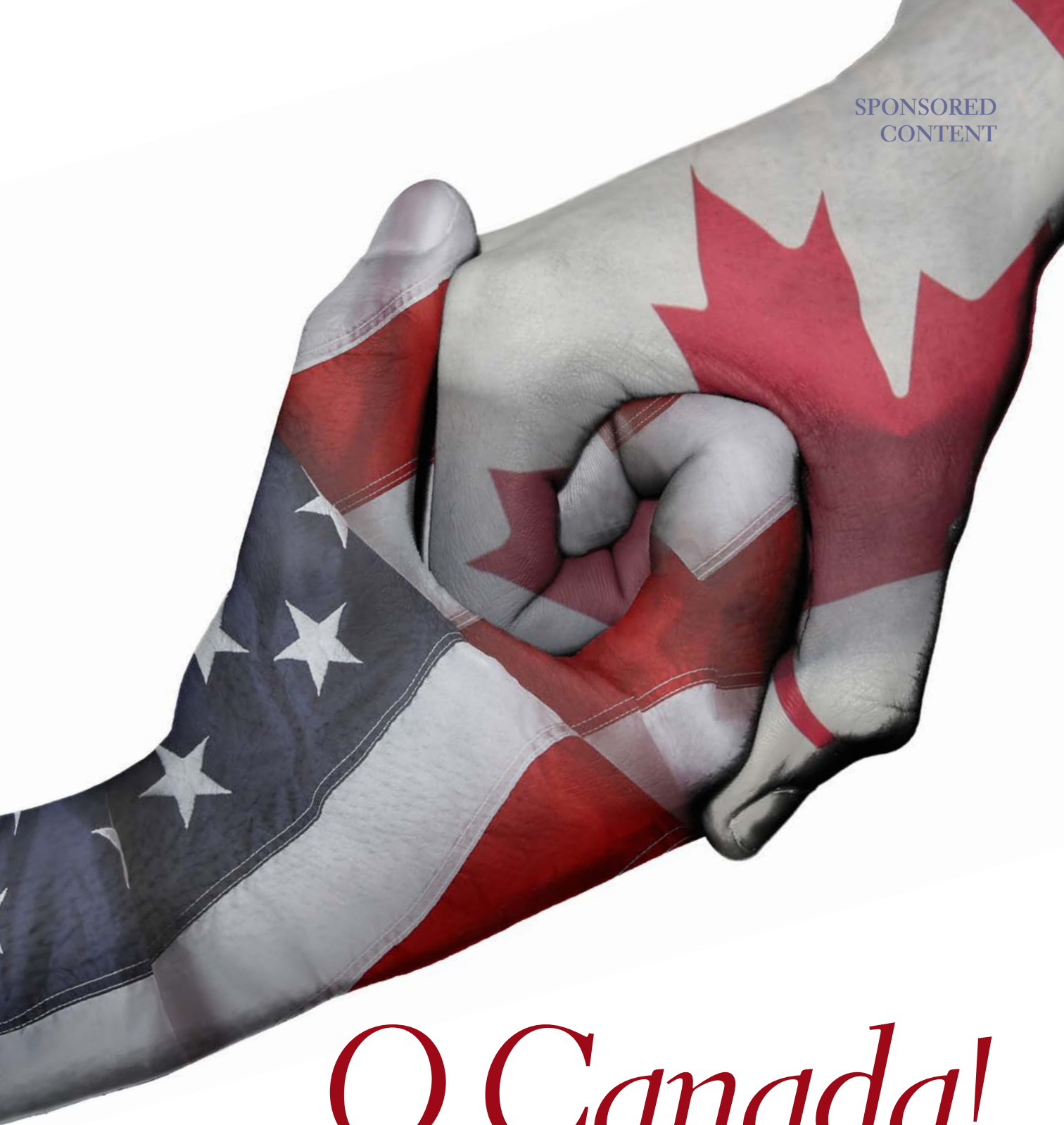


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O Canada!

In the logistics of trade, the relationship between Canada and the United States is friendly and advantageous on both sides of the border.

In its official statement on the matter, the U.S. Embassy in Ottawa sums it up succinctly: “The United States and Canada share the world’s largest and most comprehensive trading relationship, which supports millions of jobs in each country.”

Furthermore, Canada and the United States enjoy one of the world’s largest investment relationships. The United States is Canada’s largest foreign investor, and Canada is the fifth-largest investor in the United States.

It is little wonder, then, that the relationship between the two countries is extraordinarily friendly and efficient on both sides of the border. First in line to shake hands where north meets south are logistics professionals who have forged a working relationship proving that cross-border cooperation can be a win-win situation.

ECONOMY IS KEY

Economic conditions play a major role in the climate for cross-border trade. Dollar for dollar, Canadian exporters have good reason to do business with their trusted neighbors to the south.

“The Canadian dollar is extremely favorable to the export market and the United States in particular,” says Jake Holzscheiter, CEO of A.N. Deringer Inc., the largest privately held customs broker in the United States. “Long term, it depends on the industry, but most analysts expect conditions to stay favorable at least through the end of 2015.”

While Holzscheiter views the cross-border landscape from the U.S. side, his overall perspective is both global and — from a logistics standpoint — comprehensive.

Headquartered in St. Albans, Vt., Deringer is a leading provider of international supply chain services including freight forwarding, warehousing and distribution, customs brokerage, logistics consulting, cargo insurance, duty drawback, and meat inspection. Deringer combines more than 30 U.S. offices with a global agency network to facilitate cargo movement throughout the world.

U.S. companies should view Canada in both economic and strategic terms. “For example,” Holzscheiter says, “if a vessel arrives in the Port of Vancouver or Montreal with goods from Asia destined



“We work to be the eyes and ears of our clients. We spend a lot of time helping clients prepare for Customs changes and manage data effectively.”

Jake Holzscheiter, CEO, A.N. Deringer

for the United States, they can avoid certain fees — such as harbor maintenance fees — because they didn’t come directly to the United States.”

Moreover, shippers can bypass the need to file an Importer Security Filing (ISF) when U.S.-bound shipments come through Canada. ISF filings, mandated by U.S. Customs and Border Protection, are designed to identify high-risk cargo for additional inspections as it moves.

As if these advantages were not enough, transit times are sometimes shorter. “Prince Rupert is the shortest route from Asia to North America,” Holzscheiter notes.

The prospects for growth in cross-border trade between the United States and Canada, “tells a positive story, when we look five years out,” says Jean-Jacques

Ruest, executive vice president and chief marketing officer for CN, “North America’s Railroad.”

His perspective is especially well informed. Ruest and his CN colleagues view the cross-border landscape from an ideal vantage point. CN, formerly owned by the Canadian government, was privatized in 1995 and went through one of the most profound transformations in Canadian business history: A remarkable journey from a state-owned company focused primarily on Canada, to a full-fledged, shareholder-owned North American railroad serving customers across the continent.

As Canada’s only transcontinental railway company, CN offers integrated transportation services including rail, intermodal, trucking, freight forwarding, and warehousing and distribution. Its rail network spans Canada and mid-America, serving all major Canadian cities and ports as well as the U.S. metropolitan areas of Duluth, Minn.; Superior, Wis.; New Orleans; Mobile, Ala.; Chicago; Memphis; Detroit; and Jackson, Miss., with connections to all points in North America. CN moves overseas container traffic to the U.S. Midwest from the Canadian ports of Vancouver and Prince Rupert, B.C.; and Montreal, Quebec.

“Cross-border trade will grow faster than the overall economy, which may experience setbacks,” Ruest says, adding that CN continually increases its U.S. presence with the objective of capitalizing on the Panama Canal expansion project to be completed in late 2016. With the canal expansion, CN sees a “third-coast” opportunity for container traffic entering the U.S. Midwest via the Gulf of Mexico ports of Mobile and New Orleans, and moving to destinations over CN’s rail network.

Among CN’s U.S. initiatives is a growing intermodal partnership with Arkansas-based J.B. Hunt Transport Services, one of the largest transportation logistics companies in North America. Through this affiliation, CN is working to follow the U.S. model of east-west rail services with similar services north-south.

From where Ruest sits, the horizon is crystal clear. “We believe there is further highway-to-rail conversion,” he says, adding that prospects for growth in cold chain and cross-border dry freight are particularly

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The LTL experts at Saia understand that exceeding our customers' expectations isn't possible without the right people on the job. That's why our team members use their knowledge and experience – backed by proprietary tools and technology – to find new and better ways to serve today's shippers. In fact, by equipping our Load Quality Inspectors with purpose-built handheld devices, we've achieved one of the industry's best claims-free ratios. So it's not just about touting the latest gadgets. It's about empowering our people to keep innovating – because in an industry that never stops moving, that makes all the difference.

The logo features the word "SAIA" in a stylized, white, serif font with a red outline, set against a red rectangular background.

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bright. Likewise, he does not see bureaucratic obstacles in the path of cross-border traffic. CN's customer service group helps shippers with the paperwork required to cross the border without difficulty. "We have been doing cross-border for so long, delays are not an issue," Ruest says. "The main reason CN is successful is fluidity. That is the CN advantage."

NEW INTERMODAL TERMINAL

CSX, meanwhile, is making it easier for shippers to move freight between the United States and Canada with the opening of a state-of-the-art intermodal terminal located in Salaberry-de-Valleyfield, Quebec, about 40 miles outside Montreal.

Together with its subsidiaries, CSX Corporation is one of the nation's leading transportation suppliers. The company's rail and intermodal businesses provide rail-based transportation services that include traditional rail, and intermodal container and trailer transport. Overall, the CSX Transportation (CSXT) network encompasses about 21,000 route miles of track in 23 states, the District of Columbia, and the Canadian provinces of Ontario and Quebec. The company is based in Jacksonville, Fla.

The newest CSX Intermodal Terminals facility, which opened in December 2014, is strategically positioned on the CSXT network to enable connectivity and efficiency for cross-border intermodal freight bound for locations across North America.

"The location of our facility meets the trend of distribution centers and industrial parks moving outside of city centers to take advantage of cost savings," says Ryan Houfek, assistant vice president-marketing for CSXT Intermodal.

"The Valleyfield facility is exciting because it is part of the Vaudreuil-Soulanges logistics pole established by the provincial government," he adds. A logistics pole is an area designed to act as a resource center for transportation services.

Houfek credits the city and the provincial government for helping to prime the pump for the project. "Without the public-private partnership, the Valleyfield terminal wouldn't have happened," he says.

The \$100-million, 89-acre facility at Valleyfield is fully functional and can handle 100,000 containers annually. "From



CN continues to invest in innovative temperature-controlled equipment and new technologies to better serve the cross-border market.

Valleyfield, shippers can access the full CSX network through the northwest Ohio intermodal hub," Houfek says. "From there, shippers are able to reach two-thirds of the U.S. population."

On the north side of the border, meanwhile, the terminal serves an area with a population of about four million. The rail terminal is in close proximity to Quebec's new Autoroute 30, a 100-mile highway connecting the U.S. border to the interior province.

"With the opening of the Valleyfield terminal, CSXT now provides shippers a far-reaching and seamless intermodal solution, connecting the United States, Canada, and Mexico," Houfek says.

HUB PLANNED

CN's growing intermodal business is evidenced by the company's recently announced plans to build a C\$250-million intermodal and logistics hub adjacent to the railroad's main line in Milton, Ontario, 30 miles west of Toronto. Milton offers ready access to major highways reaching key industrial and commercial areas in the greater Toronto and Hamilton area.

"The new hub will benefit our customers and the regional economy by improving central Canada's access to the key trans-border market, as well as the Pacific and Atlantic coast trade gateways we serve," says Claude Mongeau, CN president and chief executive officer.

CN's intermodal business — principally containerized international and domestic cargo moving in cooperation with trucks

and ocean-going ships — is one of the company's fastest-growing business segments and its largest single business unit with 2014 revenues of more than C\$2.7 billion.

Mongeau also welcomes the Prince Rupert container terminal expansion. In March 2015, Maher Terminals announced that it will expand the capacity of the Port of Prince Rupert's Fairview Container Terminal to more than 1.3 million 20-foot equivalent units (TEUs) annually, from the current annual container-handling capacity of about 850,000 TEUs.

"This investment in terminal expansion to accommodate future growth in overseas container traffic is good news for CN's customers and the Pacific Gateway we serve," Mongeau says. "Fairview Container Terminal has become a major gateway success for trade between Asia, Canada, and the U.S. Midwest."

The expansion is expected to be complete in spring 2017. "This will be a significant asset," Ruest says, adding that the majority of in-out shipments will be handled by rail.

UNDERSTAND THE LANGUAGE

When shippers move product from Point A to Point B — especially when crossing the border — it is essential they understand the language of cross-border logistics.

To help shippers navigate cross-border logistics, CSXT has developed a variety of resources, including a glossary of terms and acronyms for decoding the industry-specific language associated with shipping freight between the United States and Canada.

FULL TRUCKLOAD CROSS-BORDER SHIPPING SIMPLIFIED

The new CSX Transportation-served, intermodal terminal in Salaberry-de-Valleyfield, Quebec, located 40 miles outside of Montreal, provides shippers a new capacity option when shipping freight between the U.S. and Eastern Canada.

**To learn more about the benefits of
cross-border intermodal rail shipping,
visit IntermodalCanada.com**



The logistics vocabulary guide, as well as customs checklists and other border-crossing resources, can be found in both French and English on IntermodalCanada.com.

Shippers can find additional intermodal information and insights at Intermodal.com, also operated by CSXT. The dual sites are part of the company's efforts to demystify highway-to-rail conversion.

Houfek characterizes crossing the border by rail as a "very straightforward" process. "CSXT is dedicated to providing shippers an effortless experience when shipping cross-border," he says. To assist shippers new to cross-border intermodal shipping, CSXT provides full onboarding and training to ensure shippers and their freight are ready for the customs process.

Intermodal rail transportation fits easily into a company's supply chain, Houfek says. It is not a case of trains replacing trucks, he explains, but rather trains as well as trucks working together to deliver goods with improved efficiency. Intermodal rail transportation can provide shippers increased access to capacity, deliver substantial cost savings, and offer significant environmental advantages, he adds.

As the world becomes more focused on responsible environmental stewardship for future generations, the focus on environmental issues in the logistics segment is becoming "less superficial and more meaningful," Houfek says. Coupled with capacity and economic advantages, the earth-friendly benefits of rail transportation make it increasingly attractive to shippers.

"Our mission is to help shippers understand how intermodal is an important part of a balanced supply chain portfolio," Houfek says. "Shippers are well served to introduce intermodal rail into their supply chain portfolio before capacity tightens to take advantage of short-term cost savings while securing longer-term capacity benefits."

INTERMODAL CONVERSION

CSXT's Highway to Rail (H2R) Optimizer tool helps shippers identify the over-the-road freight in their supply chain best suited for intermodal conversion. Based on the results of all shipper data the H2R Optimizer analyzed in 2014, CSXT discovered that 96 percent of shippers currently have freight moving over the road that would be a better fit for intermodal rail. Shippers can request a free analysis of their

supply chain by visiting Intermodal.com.

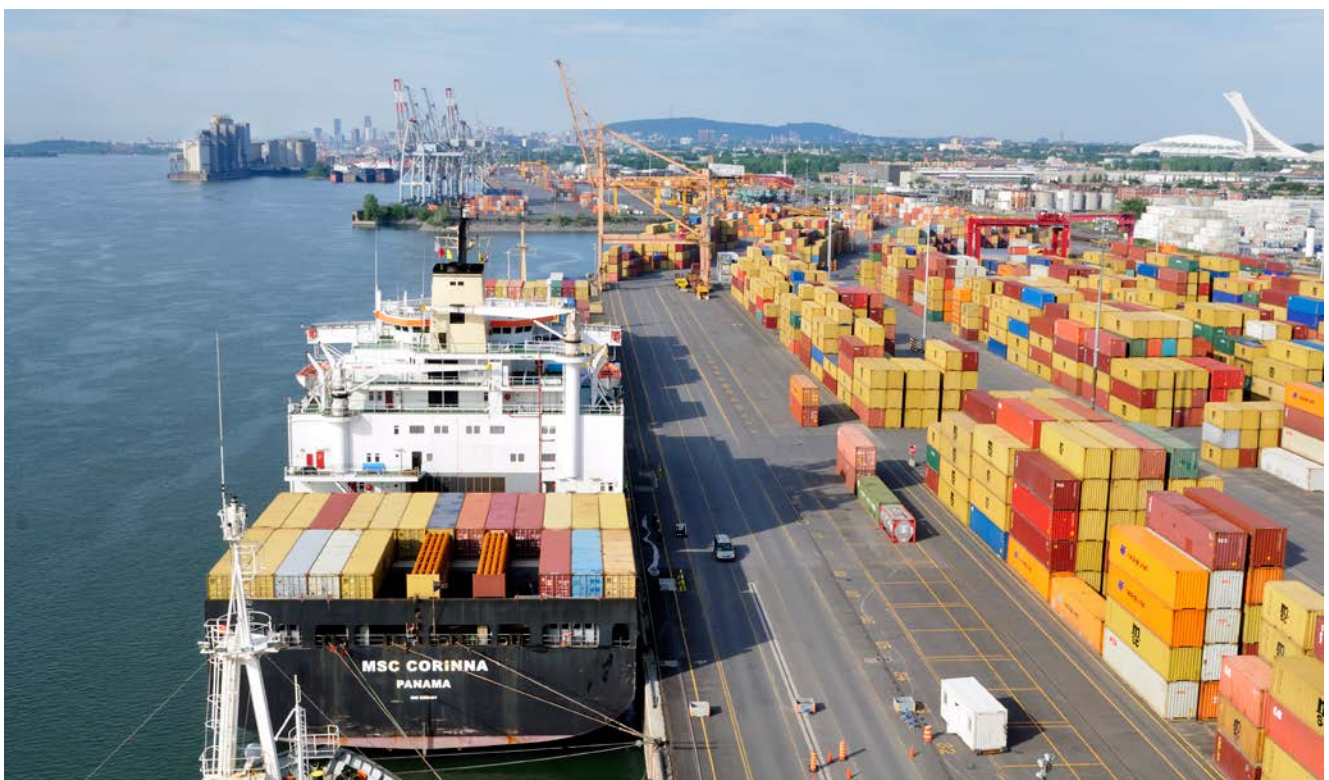
"Understanding the tax and regulation requirements before you ship is critical," says A.N. Deringer's Holzscheiter. "Sometimes companies don't realize that until the last minute. Some shippers run into trouble right at the border because they didn't do their homework."

Deringer stands ready to assist U.S. companies moving cargo into Canada, Holzscheiter says. That assistance is vital so that companies fully understand and ideally minimize the costs and regulations they encounter along the way.

While the border once was considered "casual," Holzscheiter says, it is decidedly less so since the Sept. 11, 2001, terrorist attacks. "It is not casual at all now," he says. "Both the U.S. and Canadian governments are continually ramping up."

One significant example is the increasing demand for data collection. "As a U.S. broker, our focus is on the United States, but we continue to see both governments collecting more data," Holzscheiter says. "Many shippers are not prepared for that."

On the Canadian side, the Canada Border Services Agency (CBSA) is utilizing the Advance Commercial Information



Deringer's long-standing relationships with premier Canadian customs brokers enables fast and efficient Customs clearances coast-to-coast at all ports in Canada, including the Port of Montreal's Maisonneuve Terminal.



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The efficient movement and management of information is as critical to your company's success as the timely delivery of goods to your customers. Deringer's eShipPartner® suite of online tools provides you with complete control of your supply chain.

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(ACI) program to modernize and improve cross-border commercial processes. When fully implemented, ACI will require all carriers and importers to send advance commercial information about their shipments to the CBSA. The ACI system will make Canada's border processes more consistent with U.S. standards.

Electronic data collection also will grow on the U.S. side. "In November 2015, U.S. Customs will mandate migration to the Automated Commercial Environment (ACE) computer system," Holzscheiter says. "Customs is changing the process to help manage risk and monitor compliance. It's easier to analyze data on spreadsheets than sort through a box full of paperwork."

Holzscheiter says ACE already is "part of Deringer's culture. We transmit close to 90 percent of our business through ACE."

In addition, he says, all Participating Government Agencies (PGAs), including the Food and Drug Administration, U.S. Department of Agriculture, Department of Transportation, and Consumer Product and Safety Commission have undertaken new data-collection initiatives, which is a major change.

"We work to be the eyes and ears of our clients," Holzscheiter says. "We spend a lot of time helping clients prepare for Customs changes and manage data effectively. We put a lot of emphasis on technology and efficient compliance management, and help clients use the data to their best advantage."

RELATIONSHIPS HELP

Just as good information and connections are essential components of successful logistics, so are good relationships along the way. When product moves across the border, it helps to have a partner on both sides to maximize the opportunities for trade.

"The U.S.-Canada border is one of the largest trade borders in the world," says Jon Routledge, vice president, sales and marketing for Purolator International. "The United States is a big country, but geographically, Canada is even bigger. Some 80 percent of Canadian consumers live within about 100 miles of the U.S. border, but that means 20 percent live far out."

Logistically, he says, reaching all 34 million Canadians efficiently and cost-effectively requires multiple strategies



By partnering with Concord in Canada, Saia LTL Freight enables shippers to move freight to any postal code in the country. Saia LTL Freight's scheduled daily departures provide the flexibility shippers need in today's just-in-time market.

designed to optimize access to those both near and far. As a subsidiary of Purolator Inc., Canada's leading integrated freight, parcel, and logistics solutions provider, Purolator International has access to Canada's most extensive transportation and logistics networks to do just that.

Purolator International — based in Jericho, N.Y., about 25 miles from New York City — helps U.S. companies manage their cross-border business with Canada. Purolator International operates about 30 branches in cities across the United States. "Our job is to represent Purolator outside of Canada," Routledge says.

Purolator's slogan, "We deliver Canada," is designed to send a message to both sides of the border. "U.S. businesses depend on us," Routledge says, "and we have responded by building hubs in the United States to expand our capacity and capability while creating custom shipping and supply chain solutions."

Through Purolator Logistics, the company offers a single, customized solution for the entire portfolio of supply chain management, including warehousing, fulfillment, and returns processing, to maximize the speed of getting products to diverse markets across Canada.

Routledge is enthusiastic about the prospects for future growth in the trade relationship between North America's friendly neighbors. "The retail segment in particular is accelerating," he notes.

To that end, Purolator has developed PuroPost™, a hybrid of Purolator International and Canada Post, which provides guaranteed service to residential locations in Canada within two to eight days. PuroPost provides B2C shipping services to all Canadian postal codes, which translates into nationwide coverage, faster speed across the border, and zone pricing. All packages are pre-approved for clearance, and arrive on the consumer's doorstep from their familiar Canada Post uniformed delivery person.

Partnerships enable Saia Inc., which maintains 147 terminals covering 34 U.S. states, to extend its reach not only to the balance of the United States, Puerto Rico, and Mexico, but also to Canada. With three operating service groups — Saia LTL Freight, Saia Logistics Services, and LinkEx — Saia provides complete transportation and logistics solutions. The company is based in the Atlanta, Ga., suburb of Johns Creek.

Saia's Canadian partner is Concord Transportation, which specializes in



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Canada is closer than you think because we know all the shortcuts. As the only company that focuses exclusively on shipping to Canada, Purolator has unmatched expertise in crossing the border. And we deliver to more Canadian businesses and customers than any other shipping company

in the world. So if you're considering expanding your business into Canada, then you should be considering Purolator to help get you there. Because Canada shouldn't feel like a world away. **Call us to find out what makes Purolator a smarter, faster, and easier way to ship to Canada.**

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the expedited cross-border transportation of high-value and time-sensitive commodities. Concord is a Canadian-owned-and-operated company with more than three decades of experience in the premium transport of LTL and truckload freight throughout North America.

For northbound shippers, Concord's network allows it to deliver freight to every postal code in Canada. For southbound shippers, carriers such as Saia allow the company to reach every point in the United States.

EXPERIENCED PARTNER

"Concord has 16 terminals and three gateway cities — Chicago, Los Angeles, and Seattle — that put the entire country within easy reach," says Ray Ramu, Saia's chief customer officer. "The carrier has more than 30 years of experience in the industry and is considered a cross-border specialist. It possesses fully approved status with all Customs security programs."

That type of expertise translates into streamlined movement of goods into and out of Canada. "With this strategic partnership, Saia offers hassle-free shipping to and from Canada, including all the advantages and accountability of partnering with a single carrier," Ramu says. "Customers have one direct point of contact, receive one invoice, access transit times to Canada via the Saia website, and track and report on shipments through Saia's web portals."

U.S. customers can also leverage the advantages of Concord's Pre-Arrival Review System (PARS). Developed by Canadian Customs, PARS allows for information to be reviewed and processed before goods arrive at the border.

"We image all the necessary documentation and forward it to Concord," Ramu says. "A PARS bar-code control number is applied to both the documents and the freight at the point Concord takes possession. They then electronically submit all the documentation with the PARS control number to the Customs Commercial System (CCS), and notify the customs broker of the PARS number and the estimated date the shipment will arrive at the border."

"The broker reviews all the information for completeness and accuracy, and presents the PARS info to Canadian Customs," he says. Customs then designates the shipment either for "release" so it can cross the border or "referral" for further inspection.

Meanwhile, Saia took steps to enhance the customer experience on both sides of the border by launching a mobile-friendly version of its website. "The future of the Internet is mobile as the public's preference for accessing and receiving information on the go grows," says Ramu. "Through our mobile site, customers can easily manage their supply chains from wherever they may be."

Content on the new mobile site is organized under five main tabs — Shipment

Tracking, Customer Shipping Center, Saia Secure, Shipping Services, and Resource Center. Additional contact information is provided as well.

Purolator's Routledge believes fluctuations in the exchange rate give less cause for concern when viewed through the prism of time. "We always keep a careful eye on the currency," he says. "The exchange rate over the past five years has been stable."

And while he points out the need to understand the nuances of different exporting and importing regulations — including regulations that may vary from province to province — Routledge says U.S. companies are wise to concentrate on the opportunities rather than the challenges of doing business with their northern neighbors. "As long as you are in compliance, the Canadian market represents a huge opportunity," he says.

Among the economic advantages companies may overlook is the ability to achieve the Non-Resident Importer (NRI) designation. "Establishing yourself as a NRI offers huge benefits," Routledge says. "Many companies don't understand that, so they view Canada as a greater challenge than it truly is. In reality, there aren't huge barriers."

CHALLENGES, NOT OBSTACLES

Routledge and his colleagues at Purolator International work to disabuse U.S. companies of the notion that small challenges are obstacles. With a laser focus on the Canadian market, they are in an excellent position to guide customers through the process.

"We are Canada," Routledge says. "That's what we do. It may be only five to 10 percent of your volume, but it is 100 percent of our focus. We provide guidance and expertise on handling the Canadian market, and then we provide access to three phenomenal networks — Purolator Courier, Purolator Freight, and The Canada Post Corporation."

Finding the right logistics resource — or combination of resources — erases challenges and creates opportunities. "The U.S.-Canadian border is a huge opportunity," Routledge says. "The Canadian market is far from saturated. And both economies are conducive to growth." ■



Saia LTL Freight offers extended cross-border services that let shippers track their freight with one pro number, access transit time information, and expedite customs processing.



Working Together^{for} Future Growth

CN looks forward to the opening of the new intermodal rail facility at the Port of Mobile in 2016, allowing for new opportunities to help our customers stay competitive in their end markets.



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