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Subject: Submission of Manuscript: 'International Transport costs: New Findings from modeling additive costs'

Dear editors,

May we put to your consideration our manuscript entitled 'International Transport costs: New Findings from modeling additive costs' for publication in the *Journal of International Economics*.

The contribution of the paper is to show and to quantify the importance of the additive (per-unit) component of international transportation costs.

We investigate the pattern of international transport costs over time, using information contained in the US imports flows from 1974 to 2013.

First, we document the importance of the per-unit (additive) component of transport costs. We find that additive costs are quantitatively sizable, representing between one-third and one-half of overall transport costs. Second, we identify the respective roles of the reduction in "pure" transport costs and trade composition effects in the downward trend of international transport costs, in the same spirit as Hummels (2007). Unlike him, we find that trade composition effects do not matter much and, when they do, they tend to amplify (rather than reduce) the decrease in pure transport costs. Importantly, this difference of results can be attributed to the new method of modeling the per-unit component of transport costs we offer.

In both aspects, our results point to the importance of the additive component in accounting for international transport costs.

We look forward to hearing from you.

Yours faithfully,

Lise Patureau

Guillaume Daudin

Jérôme Héricourt