



THE NEW PRESIDENT'S AGENDA

We all know that Donald Trump bested Hilary Clinton in this month's election and is now president elect. What we don't know with certainty is what this means for the shipping community at large. We will explore some of what we know about the direction he would like to drive the country and its impact on your supply chain.

On the road to making America great again, President Elect Trump promised to grow the economy by at least six percent, rebuild the country's infrastructure, reduce regulation on business and simplify the tax code. He promised to build up our military and get rid of Obama Care. He told us we can expect the EPA to disappear. How these campaign promises will align themselves in the real world is not known. However, we can take a look and determine the direction that his promises may take.



If President Elect Trump is able to grow the economy anywhere near the six percent he promised we can anticipate significant increases in transportation costs. This will be driven by several factors. The increased demand on a marketplace where there is not a lot of excess capacity will cause freight rates to rise. The demand for more workers in construction will take drivers from behind the wheel to banging nails. This will put pressure on driver wagers which will also lead to increased freight rates.

There is no doubt that we need to improve infrastructure. However the launch of large scale road works will initially slow down traffic causing longer transit time and again increased freight costs.

Reducing regulation from mandated mileage requirements to pollution standards would have a positive effect on carriers. Carriers may also see benefits from lower fuel costs if the Phase II Fuel Emission standards are eliminated and the administration drives for further oil and gas exploration. There will be opportunities to reduce carrier costs further by favorably resolving pending regulation which includes; Hours of Service, Speed Limiters, On-Board Computers, Truck Size and Weigh limitations. Tort Reform could result in reduced insurance costs which have been increasing at a hefty rate.

Based on early consensus it would appear that freight rates are headed north over the next few years and could be increasing by as much as double digits. Is this a good time to go to market for your business? Ask one of our Professional Services staff members or talk with Harold B. Friedman at 609.577.3756 or via e-mail at harold.friedman@data2Logistics.