

NEW ADMINISTRATION, NEW PRIORITIES

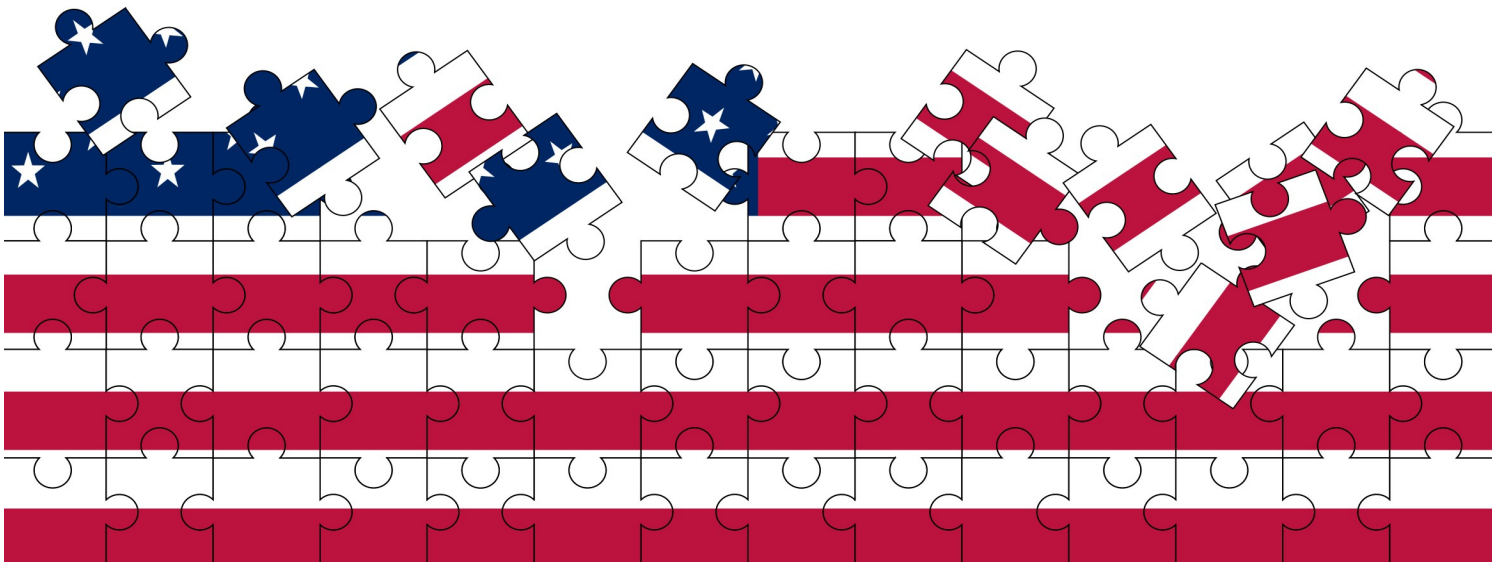


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Experts Predict Major Regulatory Rollbacks

By June Allan Corrigan

A new administration is just around the corner, which will undoubtedly usher in significant regulatory changes that will impact the transportation and logistics industry.

Policy shifts are anticipated at the Department of Transportation, the Department of Labor and the Environmental Protection Agency.

As this is the second go-round for Donald Trump, there is some sense of what lies in store.

Reducing regulatory burden was a theme of his first term in office and that is likely to resume when he is sworn in once again in January 2025. “There was a rule in Trump 45 [his first administration] that for every new regulation

proposed, two regulations had to be removed,” says transactional and regulatory lawyer Jonathan Todd, who is vice-chair of the Transportation & Logistics Practice Group at Benesch Law.

That general approach is consistent with everything Trump said on the campaign trail and is expected to recommence as his unwinding of Biden administration policies begins. A less stringent regulatory environment could ease certain requirements for employers and restore more flexibility in hiring and classification practices.

For workers, this could mean a possible reversal of previous standards, especially around overtime and independent contractor status, which might impact eligibility for some benefits and protections.

There is also the possibility of a rollback of vehicle emission standards set by previous administrations. “Reductions in fuel efficiency requirements could ease compliance costs for freight and trucking companies, significantly reducing operational expenses,” opines Robert Khachatryan, CEO and founder of Freight Right Global Logistics.

EV May Go QT

Shifting standards could impact the equipment that motor carriers buy, how they manage those fleets, what equipment may become obsolete and where they can actually use equipment across the country.

Motor carriers who are considering adopting electric vehicles can certainly continue with their plans, but there is likely to be less urgency under the Trump administration.

“We will likely see an EPA that is less focused on greenhouse gas emissions for vehicles and less willing to work with aggressive states like California in enacting their own policies and their own aggressive mandates,” says Todd.

“The incoming administration may prioritize infrastructure spending, addressing long standing logistical bottlenecks,” says Khachatryan. A proposed \$1 trillion

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—*Robert Khachatryan*

infrastructure investment could improve road, rail and port conditions, reducing delays and potentially increasing freight efficiency across the United States. Trump promised a \$550 billion — later raised to \$1 trillion — infrastructure package but failed to secure a deal during his first term as president.

He’ll have a chance to oversee the completion of many high-profile projects jumpstarted by the current Congress’ 2021 infrastructure bill ... or he could undermine it by veering off in a different direction.

Trump’s plan to impose stiff new tariffs on foreign goods entering the U.S. on his first day will definitely impact the transportation and logistics industry. Renegotiation of the United States-Mexico-Canada Agreement — which replaced NAFTA in 2020 — lies ahead as well.

If there were to be across-the-board tariffs, it will primarily affect the customers of motor carriers, although it can have a very real impact on whether cross border traffic is more valuable throughout North America with Canada and Mexico. It can also impact the degree to which drayage operators have volumes to serve.

“There is usually an inflationary effect,” says Todd. “So, as customers of motor carriers have potentially less spend on transportation, as consumers potentially have less spend for last-mile deliveries and for products that we all buy, then that can impact the client base as well.” 📱