



The IWLA Government Affairs Update

February 18, 2025

Legislation, Tariffs & Advocacy – Oh My! It’s a busy time for the 3PL industry, and IWLA is here to help you navigate it all! We’re gearing up for the *IWLA Legislative Fly-In* (April 1–2), where you can take your advocacy straight to Capitol Hill – because nothing says “fun spring getaway” like shaping national policy! Meanwhile, tomorrow’s *First 100 Days of the Trump Administration* webinar (Feb. 19) will decode what’s next for trade, labor, and supply chain regulations – bring your coffee and your questions. Plus, tariffs are back in the spotlight, Canada is cutting interest rates, and Georgia is tackling nuclear verdicts. With so much happening, it’s clear: warehouse logistics isn’t for the faint of heart – but it *is* for the well-informed. Read on and stay ahead!

Immediate Warehouse Issues

2025 IWLA Legislative Fly-In April 1-2 – Registration Now Open

Join us April 1–2 in Washington, D.C., for the IWLA Legislative Fly-In – your opportunity to advocate for the warehouse logistics industry at the highest levels. This premier event offers direct engagement with Members of Congress and key committees, giving you the chance to shape policies that impact your business. Connect with fellow industry leaders over networking lunches, speaker sessions, and a special IWLA-PAC reception featuring House Transportation & Infrastructure Republicans. Then, head to Capitol Hill for scheduled meetings with legislative staff and individual Congressional offices. Wrap up with a celebratory dinner and a fun outing – because advocacy should be both impactful and enjoyable! Register now to secure your spot and make your voice heard. [Register Here](#) [Listen to the IWLA Podcast on Why You Should Attend the Fly-In](#)

IWLA Government Affairs Council Hosting “First 100 Days of the Trump Administration” Webinar Feb. 19

Confused about what the new administration means for the 3PL industry? You’re not alone! That’s why the IWLA Government Affairs Council is hosting a timely webinar, *The First 100 Days of the Trump Administration*, this Wednesday, Feb. 19, at 11am Central. Join policy expert Jeff Markey of

Elevate Government Affairs as he breaks down the latest developments in tax policy, trade and tariffs, supply chain legislation, environmental law, labor issues, and the rollback of Biden-era regulations. This session will provide critical insights into the shifting legislative and regulatory landscape and what it means for your business. A Q&A will follow the presentation, giving you the chance to get answers to your most pressing questions. Don't miss this opportunity to stay informed and see how IWLA is fighting for the 3PL industry. [Register Here](#)

Trump Orders Reciprocal Tariffs on All Countries

President Trump on Thursday signed a presidential memorandum proposing reciprocal tariffs that he maintains will crack down on unfair and discriminatory tariffs from both adversaries and allies. The reciprocal tariffs will be customized for each foreign trading partner, based on five different areas: tariffs the nation imposes on U.S. products, unfair taxes imposed, cost to U.S. businesses and consumers from another country's policies, exchange rates, and any other practices the trade representative's office determines is unfair. The tariffs will not be immediately imposed but the signing of the memo allows his administration to begin a review process to get them started. White House officials said that Trump wants to move rapidly on imposing the tariffs, suggesting it would be "weeks" and no longer than "a few months" until they are in place. Commerce secretary nominee Howard Lutnick on Thursday predicted the new tariffs would be imposed on April 2. [Read More](#) [Read Even More](#)

Trump Tags Steel, Aluminum Imports with 25% Tariffs

President Donald Trump signed executive orders Feb. 10 implementing 25 percent tariffs on all steel and aluminum imports into the U.S. The orders return steel tariffs to the level Trump set during his first term while increasing existing 10 percent aluminum tariffs he enacted in 2018. It also removes all exemptions and production exclusions. "It's 25 percent without exceptions or exemptions, and that's all countries, no matter where it comes from," Trump told reporters during an executive order signing ceremony at the White House. The U.S. imported over 26 million metric tons of steel products in 2024, according to the U.S. Census Bureau, including just over 9.1 million tons from Canada and Mexico combined. Meanwhile, more than 5 million metric tons of aluminum were imported into the U.S. in 2024, with more than half coming from Canada alone, per the International Trade Administration. New duties on steel and aluminum imports could put a strain on U.S. manufacturing, particularly the U.S. automotive sector. [Read More](#) [Read Even More](#)

Trump Delays Suspension of Duty-Free Exception on Chinese Goods

President Donald Trump said Feb. 7 he would maintain the duty-free exception for low-value packages coming from China until "adequate systems are in place to fully and expediently process and collect tariff revenue," formalizing a temporary reprieve to online retailers like Shein and Temu. The move came after the United States Postal Service earlier this week paused – and then a day later resumed – shipments from China and Hong Kong as officials grappled with how to implement Trump's new tariffs. As part of a new 10 percent tariff on China, on Feb. 3 Trump revoked a "de minimis" rule that previously allowed small packages under \$800 to enter the U.S. duty free. But the quick action immediately raised questions on how tariffs would be collected. Under the new order, the U.S. will maintain the de minimis exception until the secretary of Commerce notifies Trump that a system to impose the taxes are in place. [Read More](#) [Read Even More](#)

Bank of Canada Lowers Rates as Tariff Concerns Grow

Bank of Canada officials acknowledged that the economic uncertainty created by a potential trade battle supported their decision to cut interest rates last month. The central bank's governing council agreed that cutting the policy interest rate to 3 percent "would be helpful" for growth and lead to a better balance of inflation risks. But policymakers also spent considerable time discussing the possible impact of U.S. President Donald Trump's tariffs during the meetings that led to their Jan. 29 rate decision. At the time, Trump had threatened to put large duties on most Canadian goods. On Feb. 1, he signed an order for 25 percent tariffs on a majority of items from Canada with 10 percent on some natural resources such as oil. That action that has since been put on hold until early March. "The threat of tariffs had increased uncertainty, and this would weigh on business confidence and investment intentions, as well as consumer sentiment," the bank said in a summary of deliberations released Feb. 12, adding that officials were already seeing signs of companies "re-evaluating their investment plans." The meeting summary reinforces the central bank's preoccupation with the trade dispute, underscoring the fact that Canada's economy is likely to be hurt by policy uncertainty — even if Trump decides not to proceed with tariffs next month. [Read More](#)

Two Tort Reform Bills in Georgia Could Curb Nuclear Verdicts

Georgia Gov. Brian Kemp announced a sweeping overhaul of the state's legal system in two bills introduced Jan. 30 in the General Assembly, as state trucking officials and others looked on. The reform package comes as Georgia's trucking companies face mounting pressure from nuclear verdicts and rising insurance costs. The governor's office cited a five-year increase of 25 percent in insurance claims across industries, with an increasing number of large claim awards over \$1 million. In one part of the tort reform that Kemp called common sense, the legislation allows a jury to know if a party bringing a lawsuit for an auto accident was wearing a seat belt at the time of the incident. This provision could impact trucking accident cases, where seat belt use often affects injury severity. Financial damages are another area to revamp. The bill requires truthful calculation of medical damages in personal injury cases to thwart the practice of "phantom damages." Kemp noted this change will allow residents to be "made whole" in successful litigation that also protects consumers being on the receiving end of inflated passed-on costs. [Read More](#)

Panama Refutes U.S. Claim of Deal to Cut Canal Fees

Panama's President José Raúl Mulino is denying a claim from the U.S. State Department that the Latin American country had agreed to allow U.S. naval vessels free passage through the Panama Canal. After meeting with U.S. Secretary of State Marco Rubio on Feb. 2, Mulino announced that he would be pulling Panama out of China's Belt and Road initiative, and appeared willing to reconsider the concession allowing Hong Kong-owned CK Hutchison Holdings to operate a pair of ports at either end of the Panama Canal. Three days after that meeting, the U.S. State Department claimed on social media that Panama had also agreed to allow U.S. government vessels to move through the canal without having to pay any fees, "saving the U.S. government millions of dollars." According to ABC News, Mulino then countered in a press conference on Feb. 6, where he said that he had actually told the U.S. that he can't exempt anyone from the canal's transit fees. The Panama Canal Authority issued a statement as well, saying that it has not made any adjustments to its fees. Panama operates the canal under a neutrality treaty that took effect in 1999, which requires equal treatment of all countries transiting the waterway. Despite that, President Donald Trump has asserted that U.S. navy ships should be allowed to move freely through the canal as part of its obligations to protect the region in times of conflict. [Read More](#)

Senate Confirms Sean Duffy for DOT Secretary

Former Rep. Sean Duffy (R-Wis.) on Jan. 28 was easily confirmed by the Senate to lead the U.S. Department of Transportation. By a vote of 77-22, Duffy ascended to the top post of a federal

department tasked with overseeing commercial and commuter transportation operations nationwide. DOT is central to the implementation of the \$1.2 trillion Infrastructure Investment and Jobs Act of 2021. Addressing senators last week, the nominee pledged to proceed with the Biden-era bipartisan infrastructure law's implementation. Responding to questions from Democrats on the panel, he also affirmed, "If confirmed as secretary, I will continue to seek the best possible information to ensuring truck transportation is as safe and efficient as possible across U.S. roadways." The Senate vote followed the Commerce Committee's swift approval of President Donald Trump's pick to lead transportation policy. "Duffy will take the helm of a department with more than 55,000 employees, leading the administration's efforts to make it easier and faster for families, commuters, truckers, and flyers to get around without running into traffic, potholes, or delays," committee Chairman Ted Cruz (R-Texas) said last week. [Read More](#) [Read Even More](#)

Updated Warehouse Issues

IWLA Members Take Advocacy Message to Sacramento During 2025 IWLA California Lobby Days

On Feb. 4-5, 2025, IWLA and the IWLA California Chapter hosted its annual California Lobby Days in Sacramento. This year, more than a dozen members of the IWLA California Chapter attended this one-of-a-kind, two-day event. Attendees got to take their message directly to the lawmakers and advocate on behalf of the 3PL industry. With the support of FJK Government Affairs, IWLA's California lobbying team, attendees met directly with 20 lawmakers from the State Assembly and Senate to share the industry's priorities and build meaningful connections. The event was highlighted by a Tuesday evening dinner reception with special guests Asm. Lori Wilson (D – Transportation Committee Chair) and Asm. Josh Hoover (R – Transportation Committee member). We hope you can join us next year for the 2026 California Lobby Days event or, if you can't wait that long to scratch that advocacy itch, come join IWLA in Washington D.C. for the [2025 IWLA Legislative Fly-In](#) on April 1-2.

Wholesale Prices Rose 0.4% in January, Hotter Than Expected

U.S. wholesale prices came in hotter than expected last month at a time when progress against inflation appears to have stalled, undercutting expectations for lower interest rates this year. The Labor Department reported Feb. 13 that its producer price index – which tracks inflation before it reaches consumers – rose 0.4 percent from December and 3.5 percent from January 2024. Forecasters had expected a 0.2 percent change month over month and 3.2 percent year over year. The wholesale price report arrived a day after the Labor Department delivered some bad news about inflation at the consumer level. Its consumer price index rose 3 percent in January from a year ago, up from a 2.9 percent year-over-year increase in December. Wholesale prices can offer an early look at where consumer inflation might be headed. Economists also watch it because some of its components, notably health care and financial services, flow into the Federal Reserve's preferred inflation gauge – the personal consumption expenditures, or PCE, index. [Read More](#)

Senate Panel Advances Supply Chain Resiliency Bill

The Senate committee on freight policy recently advanced legislation designed to enhance supply chain connectivity around the country. The Promoting Resilient Supply Chains Act, reintroduced by Sens. Maria Cantwell (D-Wash.) and Marsha Blackburn (R-Tenn.), gained bipartisan approval from the Commerce Committee on Feb. 5. The bill, which awaits a vote on the floor of the Senate, would

establish a resiliency program at the Commerce Department tasked with monitoring and tracking critical industries and emerging technologies. Specifically, the legislation would seek to identify areas of potential growth for the manufacturing sector in order to reduce costs for consumers. It would establish a Supply Chain Resilience Working Group tasked with evaluating best practices within the freight industry to help avert connectivity disruptions. The group's studies and recommendations will be required to be presented to Congress for review. [Read More](#) [Read Commerce Committee Press Release](#)

ILA to Vote on Contract Feb. 25

The International Longshoremen's Association members will vote on a new master contract covering East and Gulf Coast ports on Feb. 25, according to a statement from the union. The ILA said its wage scale committee on Feb. 7 unanimously approved the tentative six-year agreement the union reached with the United States Maritime Alliance in early January, enabling a move toward a ratification vote. In a video, union officials explained general details of the tentative ILA-USMX contract, which will be available for local union chapters to view prior to the ratification vote. The ILA and the USMX reached the new contract agreement months after a three-day strike disrupted port operations in October. The strike ended when the parties agreed to a tentative deal that extended the expiration date of their previous master contract agreement to Jan. 15. The new agreement and all of its benefits are retroactive to Oct. 1, 2024, and, if ratified by ILA members, will be in effect until Sept. 30, 2030. [Read More](#) [Read ILA Statement](#)

Norfolk Southern Agrees to \$22M Settlement with East Palestine

Norfolk Southern has agreed to a \$22 million settlement with East Palestine, Ohio, to resolve all claims from the town stemming from a fiery train derailment in 2023. The settlement recognizes that Norfolk Southern has already made \$13.5 million in payments to East Palestine since the derailment to fund vehicles and equipment for police and firefighters, upgrades to the town's water treatment plant, and renovations to its train depot. The railroad also reaffirmed its commitment to devote \$25 million to improvements to East Palestine City Park. The railroad has agreed to several other hefty payouts over the last two years, including \$600 million for a class-action settlement in April 2024, \$310 million to settle other claims and investigations in May 2024, and an additional \$780 million for environmental response efforts. A handful of other individual businesses and government agencies have pending lawsuits against Norfolk Southern as well. [Read More](#)

CN Rail Reaches Last-Minute Deal to Avert Strike

Canadian National and the International Brotherhood of Electrical Workers of Canada have reached a tentative agreement on a new four-year contract, averting a strike that was slated to begin Jan. 29. The union represents approximately 750 signals and communications employees across Canada. They have been working without a contract since Dec. 31, 2024. Montreal-based CN said in a release that terms of the agreement would not be disclosed until the contract is ratified. The union had issued a 72-hour strike notice on Jan. 26. The sides had begun negotiations on Sept. 24, 2024. A work stoppage would have threatened more than a third of CN's revenue tied to U.S. trade. [Read More](#) [Read CN Press Release](#)

Chinese Ports See Record Traffic Ahead of U.S. Tariffs, Lunar New Year

China's busiest port processed a record amount of goods in January, as companies rushed to get their products onto ships before U.S. tariffs kicked in and ahead of a long local holiday. Shanghai's port processed a record 5 million containers in January, according to data released on Feb. 10, well above any previous month according to data going back to 2007. Last year, the port was the first globally to process over 50 million containers in one year, as rising global demand, falling Chinese prices, and the threat of tariffs combined to push the value of exports to a record. Since that record in January, the U.S. has imposed new tariffs on all goods from China, making such shipments more expensive. China has retaliated with its own tariffs coming into effect from Feb. 10, although they were only imposed on a small fraction of imports from the U.S. The tariffs imposed by the Trump administration may not be the final U.S. action, with Trump calling for a review of whether Beijing has complied with a trade deal signed during his first term. A report due April 1 could lead to fresh punitive measures from Washington. Bloomberg Economics estimates an additional 10 percent levy could knock out 40 percent of Chinese goods sent to the U.S., jeopardizing 0.9 percent of China's gross domestic product. [Read More](#)

Jaxport Completes Vehicle Berth Expansion

The Jacksonville Port Authority said it has completed a yearlong construction project to expand vehicle Berth 22 at the Blount Island Marine Terminal. The berth is the first of two vehicle berth projects in a \$60 million initiative to increase efficiencies and accommodate additional vehicle vessel calls. The expansion will enable Berth 22 to accommodate larger vehicle vessels 750 feet in overall length. Construction is also underway on a new vehicle berth at Blount Island, to be completed in early 2027. "Maintaining congestion-free vessel facilities as cargo volumes grow is an important part of our short and long-term planning processes," said Jaxport Chief Executive Eric Green, in a release. "These upgrades allow us to serve our auto customers more efficiently while providing additional capacity for future growth, so we can continue to build on our position as one of the nation's top vehicle-handling ports." The Florida Department of Transportation provided 75 percent of the project's funds with a 25 percent match by the port. [Read More](#)

Near-Shoring Drives Mexican Warehouse Space to Historic Lows

Warehouse vacancy rates in Mexico have sunk to historic lows in the wake of the near-shoring trend and, although the threat of tariffs has created uncertainty, the flow of foreign investment is expected to continue. Warehouse occupancy in the central Bajio region jumped 51 percent last year, outpacing absorption of capacity in the rest of the country, despite strong growth in large cities and primary logistics hubs. This drove the vacancy rate in Bajio down to 3.6 percent, and with record low vacancy rates in most of the country, rents have been on an upward trajectory. In 2023, they were 10-15 percent above 2022 levels. The rising demand for warehouse space is part of a broader scramble for industrial real estate, which has been widely attributed to near-shoring. This has produced an unprecedented boom in the industrial real estate market, primarily in major cities. [Read More](#)

Questions? Contact [Bruce Linderman](#) or call 847.813.4698

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The IWLA 3PL Matters Update is designed to inform you on legislative and regulatory issues that directly impact and affect your warehouse and how you conduct business. The 3PL Matters Update is disseminated every three weeks and provides a look at recent developments and activities from the prior three weeks, as well as a look at what to expect in the upcoming weeks.