-OUTSOURCE→

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THE SOURCE

Some Truckers Are Thriving as Companies Reset Supply Chains

By Jennifer Smith, WSJ, Feb. 15, 2021

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Cover Story:

Truckers thrive during Pandemic. Is your company?

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A slice of the trucking industry critical to retail and industrial supply chains is on a roll as the pandemic-driven boom in online shopping reshapes U.S. distribution maps. Companies including Old Dominion Freight Line Inc., ArcBest Corp. and Saia Inc. are expanding as businesses try to make their supply chains more nimble to catch up to rapidly shifting consumer demands. That is driving more freight into less-than-truckload operations, where trucking companies carry shipments from multiple customers on a single trailer, boosting revenues and pricing leverage for the carriers. Old Dominion, the second-largest operator in the sector after FedEx Corp.'s FedEx Freight unit, this month said it has added nine service centers to its U.S. network since the start of 2020 and plans several additions this year. That puts the Thomasville, N.C.-based operator among the businesses that are growing even as the coronavirus pandemic batters big parts of the U.S. economy.

Operators in the highly competitive sector are benefiting as businesses scramble to meet surging e-commerce demand from shoppers who are ordering everything from paper towels to furniture online. Companies that used to ship truckloads of merchandise to big, remote distribution centers are opening compact warehouses in cities and suburbs, where space constraints require smaller and more frequent shipments to keep goods in stock. "LTL gives retailers and e-commerce providers a lot more flexibility in their supply chain," said Tony Brooks, president of XPO Logistics Inc.'s less-than-truckload business. "They're holding more just-in-time inventory that requires shorter notice and lead times, so they're increasingly turning to LTL companies to ship products quickly." Adam Satterfield, chief financial officer at Old Dominion, said the acceleration of online shopping is the biggest pandemic-driven change to business at the trucker, where retail accounts for between 25% and 30% of revenue. As companies add smaller facilities closer to consumers, he said, "What could have been a truckload of goods now needs to be a few pallets of product brought in more frequently." The growing demand helped push Old Dominion's operating income to $254.3 million in the fourth quarter, up 35.1% from the same period in 2019. The company generated $1.07 billion in revenue in the quarter, up 6.4% year-over-year. "These e-commerce trends will continue to be a tailwind for the industry," said Mr. Satterfield.

Fort Smith, Ark.-based trucker ArcBest is also riding higher as homebound consumers have stepped up online purchases of oversize items like furniture and exercise equipment, boosting home-delivery business at the company's LTL segment, ABF Freight. At one point last year "we had a 48% increase in that business," ArcBest Chief Executive Judy McReynolds said in a Feb. 2 earnings call. "I do think that the addressable LTL market has grown. And it is because of e-commerce," which she said contributed to ABF Freight's fourth-quarter gain in revenue to $554.4 million, up 8% from the previous year. Saia, a Johns Creek, Ga., carrier focused on the Southeast, is raising its capital spending from $218.8 million last year to about $275 million this year after its net profit nearly doubled in the fourth quarter and revenue rose 7.5% to $476.5 million.

The upswing follows a volatile year for trucking companies, which saw shipping volumes plunge in April and May amid widespread lockdowns aimed at limiting the spread of Covid-19. The freight market picked up in the second half of 2020 as businesses rushed to restock inventories and retailers brought in holiday-season merchandise. The spring downturn took a toll on Overland Park, Kan.-based Yellow Corp. , another large LTL carrier, which operated as YRC Worldwide Inc. until changing its name earlier this month. The company, which has long struggled financially, took a hit during the Covid-19 shutdowns and last year took out a $700 million federal coronavirus-relief loan to shore up its finances.

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Front Page article continued

Some Truckers Are Thriving as Companies Reset Supply Chains

Now the company is bringing in new trucks to refresh its aging fleet and executives say shipping volumes have been improving since October. Yellow lost $18.7 million in the fourth quarter on revenue that was flat compared with the year before at $1.17 billion, but its adjusted earnings before interest, taxes, depreciation, and amortization rose 22.4% from the previous year, to $57.9 million for the quarter. "The large online retailers are opening warehouses weekly and those warehouses are getting closer and closer to the population centers," Yellow Chief Executive Darren Hawkins said. "And when they open it, we're stocking it."

Clorox plans to double wipe production by year's end as it struggles to fill retail inventories

Supply Chain Dive, By Matt Leonard, PUBLISHED Feb. 9, 2021

Dive Brief:

* The Clorox Company's supply of wipes and disinfecting spray is not enough to meet elevated demand. But Clorox is expanding manufacturing capacity and has seen improvement in retail inventory, CFO Kevin Jacobsen said on the company's earnings call last week.
* Clorox is adding capacity for a new line of wipes at a manufacturing facility in the Atlanta area, executives said. And it plans to double its wipe production capacity by the end of the year, compared to what it was producing at the beginning of the pandemic, Jacobsen said.
* "The recent investment we made to create a dedicated international supply chain for Clorox disinfecting wipes is starting to pay off, giving us the ability to not only meet ongoing elevated demand in existing markets, but also to expand to new countries," Vice President of Investor Relations Lisah Burhan said.

(Dive Summary: follow link for full article https://www.supplychaindive.com/news/clorox-wipe-production-manufacturing-supply-chain-disinfecting/594767/?mod=djemlogistics_h)

U.S. Postal Service swings to a profit as revenue rises, boosted by record holiday package deliveries

Published: Market Watch, By Tomi Kilgore, Feb. 9, 2021

The U.S. Postal Service reported Tuesday that it swung to a fiscal first-quarter profit while revenue rose 11%, as a record 1.1 billion packages were delivered during the holiday season. Net income for the quarter to Dec. 31 was $318 million, after a loss of $748 million in the year-ago period. Excluding items outside of management control, such as workers' compensation expenses, the Post Office swung to controllable income of $727 million from a loss of $387 million. Total revenue rose 11.1% to $21.50 billion from $19.35 billion, although volume fell 3.2% to 36.59 billion pieces. Within service categories, revenue for first-class mail fell 2.7% to $6.30 billion, marketing mail declined 5.6% to $4.17 billion and shipping and packages jumped 29.6% to $9.38 billion. Mail services sales continued to decline despite record political and election mail volumes. Postmaster General Louis DeJoy called for "comprehensive reforms" that will enable the post office to meet the "changing needs of business and residential customers" and to strengthen its ability to provide reliable package delivery. "While our positive financial results this quarter are certainly welcome, we continue to face systemic imbalances that make our current operating model unsustainable, and the economic impacts of the COVID-19 pandemic will continue to challenge the organization," DeJoy said

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LTL carriers bullish on demand, pricing dynamics for 2021

January 6, 2021 · By John D. Schulz, Supply Chain 24/7

Top less-than-truckload (LTL) executives and analysts are predicting a bullish year for the $46 billion sector in 2021. Despite disruptions from the coronavirus and resulting changes in demand levels from their customers, leading LTL companies are extracting rate increases in the mid-to-high single digits, according to carriers and analysts. "This is a positive freight environment," Chuck Hammel, president of Pitt Ohio, the nation's 18th-largest LTL carrier, told LM. "LTL companies are all raising rates." Likewise, Darren Hawkins, CEO of Yellow Transportation, called LTL pricing "strong," and said carriers were taking full advantage to recapitalize their fleets. In Yellow's case, it is helped by a $700 million influx of cash as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Satish Jindel, principal of SJ Consulting, which closely tracks the LTL sector, told LM, "It's a wonderful time to be in the LTL sector."

There are several reasons. One is pricing power. Unlike the splintered truckload sector where the leading carrier, Knight-Swift, barely controls 1 percent of the TL market, there is concentration atop the LTL marketplace. The top 25 LTL carriers account for nearly 90 percent of the marketplace. In fact, Yellow controls 10% all by itself—through long-haul carrier Yellow Freight and its three regional subsidiaries, New Penn, Holland, and Reddaway. The bigger question for LTL executives is will it last? In past boom cycles, one or two large LTL carriers would exhibit poor pricing discipline. In 2008, during the post-Great Recession downturn, a few large carriers sensed Yellow was on the brink of bankruptcy and initiated a pricing war with Yellow. Now, with Yellow on firmer financial footing thanks to the $700 million influx of cash, no one is holding their breath any longer. Yellow is using some of that $700 million to replace some of its older trucks. "They're only going to be replacing trucks, not adding to their fleet," Jindel explained. "They have such an outdated fleet. They have been driving around with older trucks than anyone. Why would they expand. Do they need to expand?"

The answers are no and no. Expansion in truckload can be justified because the carrier only needs a driver and a truck. Carriers need three things to expand in LTL – drivers, trucks, and terminals. "The latter are not easy to come by," Jindel said, noting that environmental and zoning regulations often make terminal expansion and purchase a costly proposition. Such conditions effectively mean there is a cap on capacity in the LTL sector. "Pricing will be good to very good," Jindel predicted for 2021. "I expect a mid to high single digit rate increase."

So, even with declines in shipment volumes from COVID-related closures, carriers have adapted their networks to achieve maximum efficiencies. "Those closures are not as strict this year," Jindel said. "Shipment counts should stay fairly robust. That should mean good performance for carriers." That would be a continuation from last year. Some publicly held carriers enjoyed boom years in 2020, according to their stock prices. Saia's stock was up 90% last year. Similarly, Old Dominion Freight Line was up 55% and ArcBest, parent of ABF Freight System, rose 45%. FedEx, UPS, U.S. Postal Service, Amazon Logistics and regional carriers such as LaserShip, LSO and OnTrac collectively set an industry record of delivering over 3 billion parcels during the past peak season. For parcels scheduled for delivery between Dec. 20 and 26, according to ShipMatrix, FedEx was at 96.5%, UPS at 97.6% and USPS at 94.7%. While this performance was better than prior weeks, handling such huge spikes in volume with temporary methods (that includes deliveries made on Christmas Day) still resulted in over 2 million parcels not delivered by Christmas.

Such volume spikes have had a tangential benefit to the LTL carriers, Jindel said. But he said the bigger factor helping LTL carriers was shipments from Amazon's 155 fulfillment centers. "The more centers they have, less quantity they need on hand in inventory and that converts into more LTL shipments," Jindel said. "The LTLs are getting significant impact and opportunity to participate in the retail sector evolution—or revolution," Jindel said. "The LTLs used to ignore retail. They got rid of that old way of thinking. Retail is going to be a bigger sector of LTL. Those who don't pay attention will fight over smaller pieces of the LTL market. You can't operate in the retail sector with the same attitude as industrial freight." Retail shipments can be different. Often they are lighter and cube out before weighing out in 80,000-pound trucks. So LTL must raise rates to handle that. Most deliveries are not made to docks, but inside to retail stores. That's another adjustment for carriers. "Customers aren't going to change, you have to change," Jindel advised carriers.

Jindel said the only way the current pricing environment could lose momentum would be if "some large LTL carrier loses its mind and lowers price to gain more freight to lose more money. I can't see any of LTL carriers being that unwise." How long will this environment last? "I don't see any end in sight," Pitt Ohio's Hammel said.

Corporate Projects as Pandemic Recovery Continues

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TRIVIA QUESTIONS

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1) When was Valentine's Day first celebrated (approximate year)?
A. 1890 **B.** 500 A.D. **C.** 120 B.C. **D.** 1935

2) Which flower is the birth flower of February?
A. Violets **B.** Tulips **C.** Pansies **D.** Crocuses

3) What is the birthstone of February?
A. Emerald **B.** Garnet **C.** Opal **D.** Amethyst

4) In the Chinese calendar, 2021 is the year of the _______?
A. Snake **B.** Ox **C.** Goat **D.** Dragon

5) February comes from the latin word Februum which means _________?
A. Abolition **B.** Favorite **C.** Purification **D.** Substitute

6) February, March and which month (______) always start on the same day of the week except a leap year?
A. December **B.** July **C.** August **D.** November

Answers Later In The Newsletter

FUEL REPORT

U.S. On-Highway Diesel Fuel Prices* (dollars per gallon) http://www.eia.gov/petroleum/gasdiesel/

	02/01/21	02/08/21	02/15/21	Change from week ago	Change from year ago
U.S. National Average	$2.738	$2.801	$2.876	↑0.075	↓-0.014

.GM's BrightDrop to Make EV600s for Merchants Fleet

Transport Topics, February 3, 2021

DETROIT — Merchants Fleet, a fleet management company, plans to purchase commercial EV vans from General Motors Co.'s newly formed company BrightDrop. The companies said Feb. 2 that Merchants Fleet is working with BrightDrop to acquire 12,600 BrightDrop EV600s, an electric light commercial vehicle built for the delivery of goods and services over long ranges. The EV600 is powered by GM's new Ultium battery system. Merchants Fleet expects BrightDrop EV600s to enter its clients' fleets starting in early 2023. GM announced the formation of BrightDrop during CES last month. The startup plans to aid delivery and logistics companies with electric software, services and the EV600 delivery van.

BrightDrop's first product to market will be the EP1, an electric pallet that GM says can move product over short distances. The EP1 will be available in early 2021 and the EV600 will be on roads in late 2021 — with FedEx Express already ordering 500 of them. It will be available to more customers in 2022. The van will be built at GM's CAMI Assembly Plant in Ontario, Canada.

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Hapag-Lloyd expects Q1 operating profit to more than triple

By Reuters Staff, February 16 , 2021

BERLIN, (Reuters) - Germany's Hapag-Lloyd sees its first-quarter operating profit more than tripling to at least 1.5 billion euros ($1.81 billion) thanks to strong demand for container transportation amid the coronavirus pandemic, it said on Tuesday. The company expects demand for seaborne shipments normalizing over the course of the year. "We are still seeing slower container turn times, significant congestion in ports around the globe, capacity constraints in rail and truck, and the risks of the coronavirus pandemic remain," Chief Executive Rolf Habben said. Earnings before interest, tax, depreciation and amortization (EBITDA) for the year as a whole should nonetheless "clearly surpass" the 2020 level, which stood around 2.7 billion euros.

Maersk Plans to Put Carbon-Neutral Container Ship In Operation in Two Years

By Costas Paris, WSJ, Feb. 17, 2021

Shipping giant A.P. Moller Maersk A/S is fast-tracking efforts to transition to carbon-neutral ship operations with plans to add in two years what would be the first container ship running on biofuel. The Danish company's Maersk Line is the world's biggest container line by capacity, according to maritime data provider Alphaliner, and the switch could accelerate efforts by energy providers to come up with substantial volumes of nonfossil fuels capable of powering oceangoing vessels. The Maersk ship will be a small vessel known as a feeder that can move up to 2,000 boxes and will be added to its network in 2023, seven years ahead of an earlier announced timeline, the company said Wednesday. The ship also will be able to burn conventional bunker fuel, and Maersk said this dual-propulsion capability will be a feature in all of its future ship orders.

Maersk is working with maritime engine makers to develop the dual-propulsion system. The ability to handle different forms of propulsion already is being applied to many new vessels being launched by other companies, mostly with new ships that can run on conventional bunker fuel as well as natural gas. Maersk's new ship will run on biomethanol, which can be sourced from paper-mill waste and other byproducts, or by mixing hydrogen with carbon dioxide trapped from industrial exhaust systems. "We have not decided on which route it will sail in. It will depend on where we can get the fuel," said Morten Bo Christiansen, Maersk's head of decarbonization. Maersk chose biomethanol because it is available for use now, but the company is studying other fuels such as ammonia for the future.

Several big shipping players have been experimenting with biofuels. Singapore-based, Japanese-owned Ocean Network Express Pte. Ltd. sent a boxship across the Atlantic earlier this month that used a mixture of cooking oil and bunker fuel. Norwegian operators have been using small ferries and cargo vessels powered by batteries for short sailings. Oceangoing vessels collectively contribute around 2.5% of the world's greenhouse-gas emissions, according to the International Maritime Organization, the United Nations body regulating maritime affairs. The amount is comparable to the emissions of some of the largest European Union countries. IMO member-nations have agreed on a plan to boost the fuel efficiency of some 60,000 oceangoing vessels by 40% over the next decade and cut overall greenhouse-gas emissions from ship exhausts by half in 2050, compared with 2008 levels. Some of the world's biggest ship financiers have pledged to extend loans for ships built with lower emissions systems.

Maersk says its goal is to have an entirely carbon-neutral fleet by 2050. A major concern for shipping companies is to find enough fuel capable of powering today's ultra-large cargo ships, with a capacity for more than 20,000 containers across thousands of miles. "We are working to build bigger engines that can move bigger vessels. We are going to replenish our fleet going forward and we need engineering solutions for larger vessels," Mr. Christiansen said.

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Trucking Bankruptcies Surged in 2020 as Pandemic Hits Small Carriers

By Dan Ronan | Associate News Editor | February 16, 2021

The COVID-19 pandemic forced more than 3,000 trucking companies out of business in 2020 — a significant leap from about 1,000 the year prior — as the early months of the global health crisis proved too difficult for some in the industry to withstand. A total of 3,140 trucking companies ceased operations last year, according to a report from transportation industry data firm Broughton Capital, up from 1,100 in 2019. And of those that closed last year, slightly more than half — or 1,580 companies — shuttered during the months of April, May and June, when freight volumes plunged amid the widespread economic disruption that pushed businesses to close and put millions of people on unemployment. In May alone, 760 trucking companies closed their doors. "Initially when quarantines were imposed, there was a surge in trucking demand, especially for dry van and reefer, because we had to restock shelves," managing partner Donald Broughton told Transport Topics. "That kept everybody hoping. But that also faded, and when demand faded, so did spot rates. That plummet in spot rates was so low, no one could operate and turn a profit." Smaller trucking companies were particularly hard hit; Broughton's data found companies that closed last year owned an average of 16 trucks. That's about 40% smaller than the average carrier that closed in 2019 — the year that Celadon Group Inc., which owned about 3,300 trucks, closed its doors.

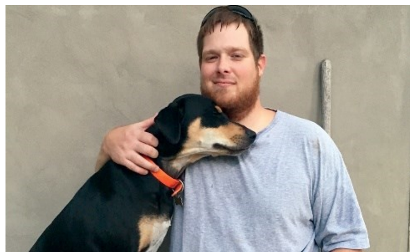
Broughton noted that larger trucking operations and more well-capitalized firms were able to weather the economic fallout from the pandemic better than smaller trucking companies, which felt more pressure, especially during the second quarter. Data from DAT's Truckload Volume Index, a measure of dry van, refrigerated and flatbed loads moved by truckload carriers, fell 19% in March when measured against 2019 and 8% in April compared with 2019. Spot rates for vans dropped 23 cents per mile in March, reefer rates fell 25 cents and flatbed rates were down 26 cents a mile — the lowest since January 2017. "The first quarter we had another 10,700 trucks pulled from the road, which normally would be enough to cause an influx in rates, but it wasn't, because the demand collapsed," Broughton said. "May was actually the peak of trucking failures and 16,000 trucks were pulled from the road. May was actually pretty weak, but then demand started to rebound." Broughton said smaller trucking companies tend to rely more on spot freight than larger carriers, which makes them vulnerable during an economic downturn. He noted that the last-minute nature of the spot market means shipments and pricing tend to be more volatile than when working in contractual arrangements with steady, larger customers. "Spot rates got to a point where they were lower than what anybody could operate and turn a profit," Broughton said. "I don't care how low your costs are. Trucking is not that complicated, it's getting paid an adequate amount per mile and running enough miles. That's the business."

According to American Trucking Associations, small trucking companies and independent owner-operators make up the majority of the nation's freight carriers; 91% of fleets operate with six or fewer trucks and 97% operate with 20 or fewer. Broughton noted that the spot rates improved during the second half of the year, as the closures and large number of parked trucks tightened capacity and drove up demand. "You had 17% of the spot capacity from the road in the first half of the year, and demand started to pick up," Broughton said. "Have some of those trucks returned to the road? I'm sure they have, but at a pace that's much slower than demand has rebounded."

Both Broughton and ATA Chief Economist Bob Costello see trucking capacity remaining very tight the remainder of 2021 and well into 2022. "We're going to have an economic rebound that is stronger than anyone is willing to believe — the economy is going to outperform everyone's expectations for the next couple of years," Broughton projected, stressing that the economy will be stronger because of consumer demand and improved technology — much of it brought on by the pandemic. Costello is forecasting a gross domestic product growth rate exceeding 4% for 2021 as the economy picks up steam, which means trucking will have more freight to haul. "There are parts of our economy that are not only busy, they are going full out," Costello said. "E-commerce is very busy. Temperature controlled freight, especially around grocery stores. Flatbed freight is very strong, especially around single-family home construction, as well as remodeling. There are some pockets of weakness, but that's because the economy is not all growing at the same pace."

U.S. Xpress Partners With Program to Link Veterans With Service Dogs

Transport Topics February 16, 2021



U.S. Xpress Enterprises Inc. partnered with Warrior Freedom Service Dogs, which connects combat veterans suffering with post-traumatic stress to trained service dogs rescued from area animal shelters.

"From our drivers to shop teams to our office staff, military veterans make up a significant portion of our workforce," said Eric Fuller, CEO of U.S. Xpress, which is based in Chattanooga, Tenn., and ranks No. 24 on the Transport Topics Top 100 list of the largest for-hire carriers in North America. "Warrior Freedom Service Dogs is doing amazing work in

Warrior Freedom Service Dogs pairing veterans struggling with the debilitating effects of post-traumatic stress with a canine specially trained to provide comfort and support." In addition to a monetary donation toward dog training, U.S. Xpress is providing a range of in-kind multimedia and communications services, including the development of virtual training content to reach more veterans. The goal is to help train and match more dogs and veterans, identify fundraising and awareness opportunities with company team members, and even help with raising puppies and weekend fostering.

U.S. Xpress is annually ranked as a military-¬friendly company by organizations such as Viq¬tory and Diversity¬Comm, as well as the Military Times and U.S. Veterans ¬magazines. Approximately 11% of U.S. Xpress drivers and 5% of the company's office workforce are veterans.

You can't say 'I love you' without blooming logistics

by AJOT Administrator Feb 12, 2021

IAG Cargo has transported nearly 450 tonnes of cut flowers across its network in time for Valentine's Day

IAG Cargo, part of the IAG group, today announces its work to help the lovestruck keep the magic alive this Valentine's Day, reporting the transportation of nearly 450 (438) tonnes of flowers across its network, or approximately 18 million stems, with popular blooms including fresh cuts of roses, chrysanthemums and carnations.

Over the past few weeks IAG Cargo has been running flights across its network, including four flights a week from Nairobi, Kenya into London Heathrow and flights from Nairobi into the US, to ensure those in love can spoil their loved ones this Valentine's Day. It's a busy time of year for flowering farms, cargo operators, freight forwarders and distributors who have all been working hard to ensure consumers worldwide can enjoy floral delights for Valentine's Day.

Valentine's Day flowers rely on a complex supply chain, with air freight offering a fast and reliable service. The process sees flowers hit shelves within 72 hours of being cut, with temperatures between 0 – 2°C maintained from the farm to shop. IAG Cargo specialises in the required cold chain management via its Constant Fresh offering.

Bob Andersen, CEO at The Elgon Collection based in Kenya, currently grows roses on 43 hectares, commented: "During all the challenges of COVID-19, buying flowers for a loved one is a small way of making someone feel special. We believe the secret to our success is in growing top quality roses whilst genuinely caring for our community and environment. With the success of our flower farm we have been able to build three schools, a hospital, a vocational training centre, a children's home and a training centre. We hope our flowers will brighten up your Valentine's Day this year."

Freddie Overton, Regional Commercial Manager for Europe & Africa at IAG Cargo commented: "Flowers are the quintessential gift on Valentine's Day and we're pleased to see that despite the ongoing difficulties caused by COVID-19, there are many people in the world who are romantics at heart, even during a pandemic! We have some of the best floral facilities in the world to help get Valentine's flowers to market, looking as fresh as the day they were cut, for consumers to enjoy during a unique Valentine's Day this year."

Answers to Trivia

Quotable

"Our supply chain has been crazier than crazy."

— Arnold Kamler, CEO of bicycle manufacturer Kent International

Number of the Day

1.91 million

Number of containers forecast to be imported into major U.S. ports this month, up 26.3% from February 2020, according to the Global Port Tracker Report

Quotable

"In automotive, a $1 part can prevent a $40,000 car from shipping. In industrial, a $1 part could prevent a $19.99 power drill from shipping. So the hurt factor is quite different."

— Steve Sanghi of automotive semiconductor supplier Microchip Technology

Number of the Day

$2.876

Average U.S. national average diesel price the week ending Feb. 15, the highest level since the week of Feb. 24, 2020, according to the Energy Information Administration.

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Peter Friedmann's View from Washington DC for February 2021

OurManInDC@FederalRelations.com (www.federalrelations.com)

Sometimes it's best to let the dust settle, and boy, there has been plenty of dust around Washington DC for the last couple months. Now we're able to see more clearly what is going to be different under the Biden Administration with his new Democratic - Majority Senate. Some things will be very different, but others will not.

As this is written, the Impeachment trial is underway in the Senate. While this is probably the number one topic on media, it is not really changing the real work of Congress, nor the work of government relations professionals here in DC. The bottom line is that most of the Democratic and Republican Senate leadership would like this Impeachment trial over, as soon as possible. Few are saying that for public consumption, but it's a fact. Obviously Republican senators do not want this trial; on the Democratic side, the President and Senate leadership are eager to pursue the priorities they campaigned upon: COVID response, immigration reform, environmental about-face from the Trump Administration, foreign relations, new labor policies, health care. They realize how powerful, yet fleeting is the opportunity when both the White House and the Senate Majority are the same party: the nomination and confirmation process for senior government officials, cabinet secretaries and federal judges can move forward quickly. There is no filibuster to slow them down. President Trump and Republican-Majority Senate took advantage of this power, to confirm an unprecedented number of Federal judges. Now it is the Democrats' turn, to pursue their agenda. The Impeachment trial delays this.

So let's look ahead. International trade is fertile ground for a President to quickly achieve some policy objectives, because Executive Orders can be implemented quickly. But trade also shows the limits of the changes that we can expect under a new Administration. Tariffs on imports from China, Europe and elsewhere were imposed by President Trump by Executive Order; they a were at the center of our very contentious relationship with trading partners, and personal animosity between President Trump and leaders of China, the European Union. President Biden has publicly committed to a better relationship with China and its leader; already the rhetoric has toned down.

But will there be real change? President Biden could rescind the Trump tariffs by Executive Order, but he has not; they will likely remain in place and continue to burden our trade relationship. After all, during the past three years, not one Democratic or Republican in the House or Senate introduced any bill or amendment to rescind the tariffs. In fact, there was and remains bipartisan support for those tariffs; they will remain. The AFL-CIO, with significant clout in the Biden White House, has already demanded the tariffs vs China remain in place, and new tariffs be imposed on Vietnam.

Under President Biden, the tone may be friendlier, but the actual tariffs and trade barriers that existed under President Trump, remain in place, at least for now. Trade is complex – untangling trade disputes is neither easy or quick, and the domestic interests (for example, our steel and aluminum industries) who worked so hard to gain protective trade measures, continue to believe they need them, regardless who is in the Oval Office.

As further evidence of this complexity: President Biden is very eager to reduce carbon emissions, nationally and globally; it was a major component of his platform, specifically to shift to electric vehicles and manufacturing. He also campaigned on improved relationship with the European Union. Already we've rejoined the World Trade Organization, and the Paris Climate Accord, while President Biden has reached out to establish friendly relations with some European leaders.

Nonetheless, the European Union is still threatening a tough tax on US digital leaders (Google, Microsoft, Facebook, etc.), and a US-EU dispute over trade in batteries may be emerging. Without those batteries, the President's promised emission reduction objectives could be stymied or delayed. This will play out in coming months or years. But it demonstrates that intentions of better relations do not necessarily translate into sought-after policy changes.

One area of change we are already seeing implemented: this Administration will vigorously pursue global environmental, human rights, labor, and governance/democracy change. Restrictions on imports of products from China manufactured with forced labor, begun under President Trump, are already being pursued even more vigorously under President Biden. Just this week he announced, by Executive Order, new restrictions on imports from Myanmar as a response to the coup against the just-deposed democratically-elected leader.

Perhaps a most important difference between the Biden Administration and his predecessor is one that is hardly visible to the American public and is being missed by the media -- but it is very evident to those of us who work with the federal agencies and the White House. Donald Trump approached the WH as a self-proclaimed outsider, new to Washington, DC, openly skeptical of the establishment and bureaucracy. No surprise then that with the exception of Federal judges, the Trump administration was quite slow filling the approximately 4,000 positions available to a President. By comparison, Joe Biden is the ultimate Washington DC insider, with his White House operation up and running even before Inauguration day. He has drawn heavily from the 4,000 familiar names who served in the Obama-Biden Administration just four years ago. Most agencies have their full complement of appointees already either in place or identified. This means that, combined with the Democratic majority he enjoys in both House and Senate, President Biden's agenda can be implemented quickly – by Executive Order, and possibly through legislation. Whether this is a good thing or not, depends on how you like that agenda. But there is no doubt it will be an efficient operation.

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