

# U.S. Tariff Impact on the Transportation & Logistics Sector

JUNE 11, 2025

Authors: [Jonathan R. Todd](#)

Supply chain services have never been more important than they are today, even when compared to prior supply chain crises. The transportation and logistics sector, particularly trucking, stands at the epicenter of those all-important services that keep product moving and store shelves stocked. This time of uncertainty has challenged the sector just as it has commercial users of those services. As with historic crises, it also presents a moment for knowledgeable service providers to prove their value by taking a consultative approach to relationships and the services they deliver. For some, this moment also opens new opportunities for niche service lines.

The Trump Administration introduced major tariff actions through the first and second quarters of 2025. Key actions taken by the White House include reciprocal tariffs on trading partners, increased duty rates on Chinese imports, elimination of the duty-free *de minimis* treatment for Chinese low-value imports, and revised auto part duties. Recent announcements suggest that trade deals are on the horizon for the United States and its largest trading partners, at least as of this writing. These developments have calmed nerves a great deal for now. The reasons for those actions range from the fentanyl and border crisis to the declared emergency over the trade deficit to national security investigations into specific commodities and industry sectors.

All industries that trade in tangible goods must move those goods for production or sale. In the United States many of those goods are imported or are produced in part with imported raw materials or inputs. Importers and their customers bear the burden of those duties unless favorable costs can be negotiated with foreign suppliers. The economic impact to the transportation and logistics industry servicing those companies is more complex than it may appear, as are the ways that these supply chain service providers can be part of the solution. Supply chain providers must focus on operational efficiency, cost control, and high-quality service in today's volatile international trade environment. Niche services like bonded carriage are in demand, and helping shippers manage cash flow is increasingly valuable. Strong customer relationships and consultative support will set top providers apart from the competition.

## Supply Chain Uncertainty for Customers

Importers and companies using imported goods are accustomed to supply chain challenges. Many supply chain professionals vividly remember the challenges of Section 301 tariffs during the Trump 45 administration followed by the global pandemic and its constraint on capacity alongside high consumer demand. The difficulty for many in 2025 is that despite those lessons learned, the magnitude of cost impacts have been substantial. The strategies of the past, such as diversifying suppliers across geographies, are ineffective when facing baseline universal tariffs.

The automotive industry is a perfect representative example of how these actions strain businesses and the transportation and logistics providers that haul their parts, raw materials, and finished goods. This industry sector has experienced a universal tariff on Canada and Mexico imports despite 30 years of building a NAFTA- and then USMCA-supported supply chain. This development was followed by carve-outs for USMCA traffic, restoring much of the status quo. Next an automotive and auto parts- specific tariff was announced. This was followed by additional rules providing relief to the auto industry.

The toolbox available to importers holds a number of options for confirming impact, negotiating near-term costs, and managing longer-term supply chain strategies. Compliance with U.S. Customs and Border Protection regulations is front and center in this environment. Importers are reassessing the validity of HTS codes, country of origin determinations, dutiable value shown on commercial invoices, and applicability of current and historic tariff actions. Managing higher landed costs is receiving equal focus. Many importers are looking to update or amend contract terms with suppliers and with customers to rebalance cost and volume expectations. Notices about higher cost impacts, and in some cases force majeure notices, are being sent and received across industry sectors.

Strategic supply chain options for importers include a number of tools relevant to the transportation and logistics sectors. Service providers with customs broker operations are front and center in assisting importer customers, but many other business lines can rise to the occasion. One time-tested option is the use of customs bonded warehouses (CBWs) and foreign trade zones (FTZs). These tools help delay duty payments, improve cash flow, and avoid duties on goods that are later exported. Bonded carriage by motor carriers and rail lines are also seeing increased demand for movements to and from bonded areas or through the United States for North American traffic. Advancing inventories directly to Canada or Mexico for storage and fulfillment is proving to be another helpful strategy for some with customers outside the United States. Shippers are using these and other strategies to manage costs and maintain flexibility. Longer term, the potential for reshoring and continued friendshoring may yield new traffic lanes and other needs for shippers.

### **Knock-On Uncertainty for Service Providers**

Traffic volumes are an immediate victim of tariff uncertainty. Many companies advanced inventories in the fourth quarter of 2024 and also in early 2025. This means that lower import volumes may be required to meet customer demand as we move through 2025. It is widely reported that transpacific containership volumes are dramatically lower than in prior weeks due to inventory carrying and also due to the period of extraordinarily high tariffs on Chinese origin goods. Dray and intermodal container carriers are not the only services that may experience lower volumes. Adding to the strain are retaliatory tariffs from Canada and potentially Mexico. These are our largest and second-largest trading partners. Lower cross-border North America trade would have similar serious impacts on volumes.

A possible reduction in overall freight volumes in turn may lower demand for transportation and logistics services. Underutilization of fleet assets and of workforce are possible at least in the near term. Rate pressures are another potential victim of uncertainty, although early indications are somewhat promising. Customers are scaling back earnings forecasts for 2025 and delaying investments. Lower levels of enterprise spend typically yields pressure on service provider rates. If

there is a decline in freight volumes concurrent with these pressures then the economic environment is far more challenging.

Operating costs for asset-based transportation providers are another possible pain point. Truck tractor power units, dry van trailers, and tanks are especially vulnerable in this climate. Those may well be costlier in the future due to numerous tariff actions. The potential for increased insurance costs in this environment is also on the horizon. Lower oil prices are favorable, and diesel costs in some regions have edged downward. Many service providers are expecting tax relief at some point this year, but the near-term challenge of watching costs and utilization remains critical.

### **Transportation and Logistics Industry Response and Adaptation**

Among supply chain service providers the best response in this unpredictable tariff environment will be to focus on delivering high-quality service and maintaining strong operational discipline. This is a classic sales and operations management challenge. The transportation business, especially trucking, is a historically slim-margin business. Staying sharp on controls for both fixed and variable costs and driving efficiency is a must. Still, some service providers are finding that niche business lines are in demand. We are seeing daily indicators of capacity constraints among those with CBW, bonded carriage, and similar operations. Helping shippers strategically manage cash flow for these higher duties is highly sought after.

What cannot be overlooked is how service providers are experts to their customers. Now is the time to focus on relationships and building value by being consultative. The best of the best among industry providers are far more expert about available solutions and real-time cost drivers than many of their shipper customers. Creative contract structures, pricing models, and unique service offerings may make the difference between helping a longtime customer weather this storm and being viewed as a mere commodity service.

**Jonathan Todd is Vice Chair of Benesch's Transportation & Logistics Practice. He may be reached at 216.363.4658 and [jtodd@beneschlaw.com](mailto:jtodd@beneschlaw.com).**

**Ashley Corbin Rice is an associate in Benesch's Transportation & Logistics Practice Group. She may be reached at 216.363.4528 and [arice@beneschlaw.com](mailto:arice@beneschlaw.com).**