



Rollin' On [®]



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FALL, INTEREST RATES, POLITICOS, LABOR UNREST, & TRANSPORTATION PERKS

Fall is in the air, as is transportation and related items.

Tighten your seat belts as we head into the fall. The radar screen shows some bumps up ahead for the transportation industry.

Interest rates. First, with the years of surplus behind us, the new deficits will add to the nation's borrowing, which will push up the interest rates. That will affect the transportation industry which is required to invest in expensive capital goods. Although Pres. Bush likes to emulate Pres. Reagan, hopefully he'll refrain from the temptation when it comes to deficits, where Reagan heretofore has been the undisputed king, as he incurred deficits in amounts that were several multiples more than had ever occurred before. Without even getting to the discussion about whether our children should pay for the debt, the fact remains that the deficits will increase borrowing costs.

Elections. Meanwhile, the mid-term elections are about 1 1/2 months off and our elected officials are trying to wrap up business so that they can come home and press the flesh and run TV ads and put their hands out, as much for the \$\$ as for the handshake. Each party needs to walk a fine line, as both have a chance at winning or losing either or both houses. Several races are very tight. The Iraq thing will help the Republicans if the timing works. Absolutely coincidentally, the oil companies will also come out ahead with favorable consequences in Iraq.

Layoffs/new regulations. Meanwhile, back on planet earth, trucking companies continue to fall by the

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wayside. On the manufacturing side, more problems are looming as the new emission standards take effect Oct. 1. Some engine makers, like Caterpillar (whose stock just broke through a 52 week low like it was soft butter) and Detroit Diesel are laying off hundreds of workers. Part of the reason is that a federal judge recently denied their request for a delayed effective date for the new emission regulations. Something about making a deal with the government four years ago, continuing to invest and make money on the same old engine and then asking for the extension.

Picking on politicians. Clinton and the Democrats got their criticism when they were at the controls, and now it's Pres. Bush and the Republicans' turn. It just comes with the territory since the politics of the party in power has a direct influence on the industry. Maybe positive things should be noted once in awhile, e.g. Bush gave one heck of a speech at the U. N. last week. In fact, he may have made strides in making that group less irrelevant by getting some response from some of the members. However, you have to be careful what you wish for: Iraq has eased the tension, if only temporarily, by supposedly allowing the inspectors back in the country, and now there could be more focus on the faltering economy during the election season.

Tough calls. In the legal trade, there's a saying that hard cases make bad law. Sometimes there are tough calls with only downsides whichever way you go. The same can be true

with politics, except that the impact may be felt on a much larger scale.

Strikes, walkouts, Labor Day and living together.

With the dismal employment situation these days, you see fewer strikes. Boeing workers just voted not to strike, although more than 50 % voted to strike (a higher % was required). Thousands of former CF employees are on the streets (while thousands of shipments that were in the pipeline on Labor Day cannot be found). All has been quiet on the waterfront lately, as the longshore talks continue. No strike or walkout as of this time. *Just in:* Some rumblings.

Regardless of the outcome, the parties need to co-exist after any labor action of whatever sort (unless you're CF and you blow off the employees on Labor Day, an irony certainly not lost on either management or the union). As in other facets of life, although you want to win the battle, it is more important to win the war.

Transportation and WD 40: Perks of the Industry

You hear complaints that it's tough to make a living in the transportation industry these days. But there are important nonmonetary perks which must be added to the equation. For example, I ran across the WD 40 fan club. Were it not for the industry, I may have never known about this devoted group. These intangibles must be considered when weighing the pros and cons of this or any other industry.

Switch to email

Just email me your company name and fax number where **Rollin' On** is currently being received, and you'll be switched over.

That's all for now. Until next time, keep the cargo *rollin'!*

Short Bio

Admitted to the state bars of Oregon, Alaska, Florida and Massachusetts. Practicing law for over 25 years and emphasizing transportation law, business law and related litigation.

The Obligatory Disclaimer

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