

THE TRANSPORT ADVISOR



The New Year – 2017

A peek at the past gives us clues as to what we can expect in this New Year. A decade ago in 2007, the iPhone was introduced and Netflix started streaming movies and shows. The next year saw the development of the Blockchain concept with better encryption and the removal of the middleman from financial transactions. Uber was created in 2009, leaving the taxi and limo services scrambling ever since. In 2010, the iPad debuted.

Change, as these few short years confirm, is as inevitable as death and taxes, and just as impactful. However, the real clue is the speed in which these changes are occurring. It is breathtaking and mind numbing to witness the pace of these shifts and advances.

So what's ahead in the Transportation Sector?

In 2017 there will be drone delivery allowed in seven countries: China, Australia, New Zealand, Japan, UK, Ireland, and Canada. Is this the dismantling of the transportation infrastructure, as we know it? Not necessarily, but it could be indicative of some very large changes to come.

Along with drone delivery, Amazon has filed and obtained their NVOCC license. It doesn't take a large leap to tie these together and expect that in short order local dray could be easily affected. *(Continued on Page 2)*

FYI – HELPFUL HINTS

The United States International Trade Commission (USITC) is responsible for publishing the Harmonized Tariff Annotated Version for the United States. To that end, recent changes to the Harmonized Tariff can be found at the following web page: <https://www.usitc.gov/tata/hts/index.htm>.

If you were ever curious about the difference between the harmonized code and Schedule B used by U.S. Customs and Border Protection, one is just more specific than the other. The Harmonized Code is a six-digit code, while Schedule B is a 10-digit code that further refines the Harmonized Code with the use of four additional digits.



SPOT MARKET TRENDS

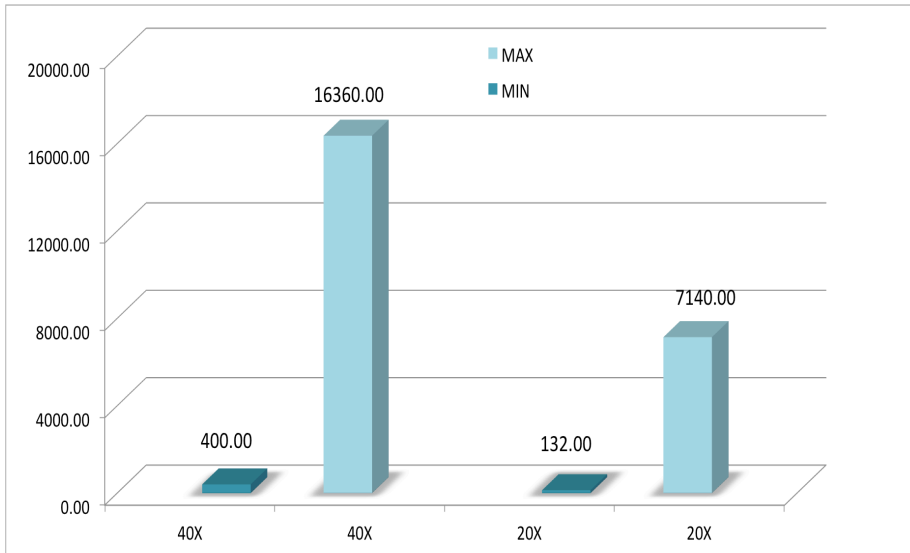
The spot market chart, on page 2 reflects the highest and lowest rates filed in December 2016 and reflects the volatility in levels and variance in the different trade lanes in regard to the competitiveness of rate levels.

As is customary in this section, the rates that are reflected are bottom line calculations.

In the 40' Container section, the lowest rate filed in December was for a total of \$400. and was filed in the New York / Hong Kong Trade. Conversely the highest rate in 40's filed in December was \$16,360. traveling from Bruguiere via Fos Sur Mer, France, to Saint Cloud, Minn, via New York.

In the 20' Container category the lowest rate filed was \$132. from Port of Spain, Trinidad to Miami, Fla. The highest rate filed was \$7,140. from Burbank, Wash., to Hamilton, Bermuda.

We appreciate your feedback. Please let us know if this information is useful to you and your business.



What’s Next?

Later on this year we expect to begin the introduction of Artificial Intelligence into several areas of the BOTE program, including calculations and search protocols.



Additionally, we have been cooperatively working with some customers in an effort to increase the flexibility and productivity of the Bote Quotes module. We plan to have those improvements completed within the first Quarter of 2017.

Ongoing we are tweaking the responsive design aspects of each of our BOTE applications to improve how it performs and how it interacts with the users. We have made significant inroads and are near completion.

2017 - continued

The final mile was one of three areas in the transportation sector that were lucrative in the last year. The others were project cargo and airfreight. The eyes of innovators will always turn to areas such as these where money can be made and innovation can separate a product from the rest.

Will driverless trucks play a part in this scenario? The experiments have already begun. In October 2016, Otto with its driverless trucks teamed up with Budweiser to complete a 120-mile delivery of 50,000 plus cans of beer in Colorado. And Singapore has just launched a three-year driverless truck trial.

Experimentation is even extending beyond just the delivery of product. Amazon has patented 3D printing trucks, which in concept would allow trucks to print products en route so that virtually no warehousing would be required.

Is this all-just pie in the sky? Dominoes is introducing drone delivery of pizza’s in New Zealand this year. So yes, it is pie in the sky, and so much more. Will your company change and keep pace this year?

Sources

Drone delivery - <https://www.quora.com/>

Otto - <https://www.trucks.com/>

Singapore - <http://www.todayonline.com/>

3D printing - <https://3dprint.com/>

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