



48th Meeting of the
IOWA FREIGHT ADVISORY COUNCIL

Friday, June 20, 2025; 10:00 AM to 2:00 PM

Courtyard by Marriot

2405 SE Creekview Dr, Ankeny, IA 50021

Meeting objectives:

1. Provide input on emerging trends, issues, and opportunities for the State Freight Plan update.
2. Discuss the impacts of H5N1 Avian Influenza on the transport of agricultural products.
3. Discuss the impacts of new federal policies on global trade and labor.

10:00 AM Safety Briefing

Caleb Whitehouse
Iowa DOT

Welcome & Introductions

Ice breaker: Early thoughts on the impact of tariffs so far to members and their firms.

Jillian Walsh
Travero

10:20 PM Iowa DOT Update

General updates from the department. Explanation of DOT position on truck size and weight.

Stu Anderson
Iowa DOT

11:00 AM State Freight Plan

Overview of the State Freight Plan update process and input exercise on freight trends, issues, opportunities. The next plan is due in August 2026.

Caleb Whitehouse
Iowa DOT

11:45 AM Break

Take a break, grab your boxed lunch, and return for a working lunch.

12:30 PM Tariffs: What they are and how they work

A brief presentation on how tariffs work, how they are levied, and what shippers/carriers can expect.

Henrik Sternberg, Ph.D.
Iowa State University

1:00 PM Panel: Tariffs and Trade

Panel discussion on announced tariffs with international trading partners and how that has impact Iowa farmers, businesses, and logistics.

- Mike Steenhoek, Soy Transportation Coalition
- Matt Leyser, John Deere
- Jeff Price, CN Railroad
- Dr. Chad Hart, Iowa State University

Jillian Walsh
Travero

2:00 PM Adjourn

Future meetings: September 19, December 19



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2. Discuss the impacts of new federal policies on global trade and labor.

Members

	Mike Steenhoek (Chair), Soy Transportation Coalition	X	Jillian Walsh (Vice Chair), Traverro
X	Dr. Henrik Sternberg for Dr. Haozhe Chen, ISU Supply Chain Management	X	Gabe Claypool, Des Moines Industrial
	Greg Dickinson, Ten D, Inc. Companies/Merchants Distribution Service	X	Jackson Doud, Iowa Farm Bureau
X	Jeff Price for Amy Homan, CN Railway		Frank Huseman, NEW Cooperative/Port of Blencoe
X	Matthew Leyser, John Deere Des Moines Works	X	Ryan Nonnemaker for Larry Lloyd, CPKC Railroad
	Doug Martin, Amazon DSM5	X	Joe McConnell, Perishable Distributors of Iowa
X	Bob Rafferty for Delia Moon-Meier, Iowa 80 Group		James Niffenegger, Landus Cooperative
	Kelli O'Brien, Union Pacific Railroad		Joe Parsons, Iowa Interstate Railroad
	Ty Rosburg, Rosburg Livestock		Peter Skosey, BNSF Railway
X	Jessica Sargent, Sukup Manufacturing	X	Marty Wadle, Ruan Transportation
X	Mark White, Smith Fertilizer and Grain		Ron White, Artco Fleeting Service

Ex-Officio

X	Mike Hadley, Keokuk County Board of Supervisors	X	Mike Harrington, Iowa Department of Agriculture and Land Stewardship
X	Heather Bishop for Tom Heinold, USACE Rock Island District		Sean Litteral, Federal Highway Administration, Iowa Division
X	Chuck McWilliams, USACE Omaha District	X	Scott Marler, Director, Iowa DOT
	Tim Marshall, Federal Highway Administration, Iowa Division	X	Jodi Stephenson, Federal Motor Carrier Safety Administration
	Mike Norris, Southeast Iowa Regional Planning Commission	X	Major Darren Reid, Iowa State Patrol
X	Andrea Smith, Iowa Economic Development Authority	X	Stephanie Weisenbach, Iowa Utilities Board

Iowa DOT

X	Ethan Aamodt, Iowa DOT Systems Planning Bureau	X	Stu Anderson, Iowa DOT Transportation Development Division
X	Mikel Derby, Iowa DOT Government and Community Relations	X	Jim Glaspie, Iowa DOT Modal Transportation Bureau
X	Sam Hiscocks, Iowa DOT Systems Planning Bureau	X	Maria Hobbs, Iowa DOT Modal Transportation Bureau
X	Garrett Pedersen, Iowa DOT Systems Planning Bureau	X	Charlie Purcell, Iowa DOT Transportation Development Division
X	Caleb Whitehouse, Iowa DOT Systems Planning Bureau		

Guests

X	Ray Gaesser, Iowa Transportation Commission	X	Dr. Chad Hart, ISU Economics
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10:00 AM Safety Briefing

Caleb Whitehouse
Iowa DOT

Welcome & Introductions

Ice breaker: Early thoughts on the impact of tariffs so far to members and their firms.

Jillian Walsh
Travero

Jillian Walsh: Said we will be talking about tariffs and their impacts. Suggested throwing out thoughts about tariffs from the group to see what people are thinking and to gather initial impressions.

- New equipment is seeing an impact for tractors—\$1,500 per trailer.
- Big push from retail to get ahead of the tariffs.
- Metals customers are experiencing volume issues.
- From the ag perspective: how to move the product to the customer?
- Imports of fertilizers and pesticides are being impacted.
- Companies around the state are feeling uncertainty about the stability of tariffs and are unable to plan for the future.
- Question: Is the increase in inbound tariffs being passed on to the customer?
 - Answer: Yes, the increase in production costs will impact prices for customers.

10:20 PM Iowa DOT Update

Stu Anderson
Iowa DOT

General updates from the department. Explanation of DOT position on truck size and weight.

Stu Anderson presenting.
Commission Updates:

2026–2030 Highway Program:

- \$4.3 billion in state and federal funding over five years.
- Financial situation: four of the five years fall beyond the life of the current infrastructure bill.
- Flat revenue and buying power challenges due to inflation and increased needs.
- Five projects have been delayed by one year.
- One project was removed from the program.
- Non-safety stewardship targets were reduced for FY28, FY29, and FY30.

Focus on Surface Transportation Reauthorization:

- The current infrastructure bill expires on September 30, 2026.
- Discussions for the next surface transportation authorization bill have begun in Congress.
- Iowa DOT has shared the following priorities with Congress:
 - Increase surface transportation funding levels.
 - Focus on core formula programs.
 - Reduce federal regulations and administrative requirements.
 - Support the state's ability to harness innovation and technology.
- The DOT emphasized putting more money into formula programs, which state DOTs can utilize effectively.
- Greater flexibility is needed for states to innovate.

FY2025 Status:

- Operating budget status: what remains of the Primary Road Fund is for construction.
- The department is aiming to be conservative with remaining funds.
- The program is currently \$98.9 million below the programmed amount—good news, as it allows flexibility for other projects.
- Revenue through April is \$0.1 million below forecast.
- The program is \$53.6 million under-programmed (down from \$45.2 million over-programmed after the August amendment).

- Federal Funding:
 - FFY2025 is funded at authorized levels.
 - Awarded \$57.3 million in federal discretionary funding for I-380/Wright Brothers Blvd in Cedar Rapids (Dec 2023).
 - Awarded \$68.7 million for the Southwest Mixmaster in Des Moines (Sep 2024).
 - However, access to the money wasn't granted until last month.
 - If it had been formula funding, it could have been used more quickly.

FY2026 Operations Budget:

- Status quo.
- ARTS modernization project underway (driver license system updates).

FY2026 Modal Appropriations (per table):

- All programs funded through the Rebuild Iowa Infrastructure Program.
- Requested \$8.9 million; received \$8.6 million.

2025 State Legislative Session:

- Four bills died.
- Oversize/Overweight Single Trip Permit Tonnage Fee Changes:
 - Focused on customer service.
 - Allows a tonnage fee to be paid when the single trip permit is issued.
 - Reduces administrative burden for out-of-state freight movers.
 - Applies to the All Systems Permit (all roads except the interstate).
 - Increases authorized gross weight.
 - Other 2025 Legislative Items:
 - Iowa 5 / US 65 minimum speed limit bill.
 - Resolution urging Congress to raise weight limits on the interstate system.
 - In Iowa, trucks with an extra axle can exceed the standard weight limit up to 96,000 pounds. On Non Interstate routes.

Questions & Discussion:

Weight Limit Resolution:

- Bob Rafferty asks: some studies suggest that raising weight limits could shift loads from the rail system to the highway system thus not reduce congestion. Does this factor into the policy review?
 - Stu Anderson: The DOT's perspective is that the impacts are not significant. The interstate system is built to the highest roadway standards, so allowing heavier loads only on state routes doesn't make sense.
 - Jillian Walsh: Added that higher truck weight limits shouldn't impact rail freight due to the inconsistent capacity of trucks to operate day and night and that many shippers require truck and rail freight regardless.

11:00 AM

State Freight Plan

Overview of the State Freight Plan update process and input exercise on freight trends, issues, opportunities. The next plan is due in August 2026.

Caleb Whitehouse

Iowa DOT

Caleb begins the State Freight Plan exercise.

He reviews the process for the 2026 plan and discusses getting input from the FAC on the SFP 2026. This is one of many long-range planning documents in the DOT's library.

Begin Input Exercise:

Group A:

- New connections
- Most intermodal facilities are owned by the railroad—expanding access is tricky
- Container availability issues during COVID
- Land use: requires large acreages and rail connections
- First mile/last mile issues, with truck volume feeding into trains

Group B:

- Supply chain: COVID had a significant impact
- Market access: noted the impact of both inbound and outbound tariffs
- Natural hazards and resiliency
- Cybersecurity: worsening every year
- Freight bottlenecks
- Traffic operations

Group C:

- Safety
- Labor: many places are struggling to find labor and a qualified workforce
- Regulatory alignment
- Trade negotiations and tariffs
- Emissions

Group D:

- Market access
- Labor/workforce
- Technology
- Customer expectations
- Land use
- Rural infrastructure
- Sourcing, offshoring, and nearshoring

Group E:

- Domestic production, including bio and renewables
- Bio and renewables: Iowa's freight is involved in both input and output
- Renewable energy: infrastructure for alternative energy systems, with a forward-looking approach
- Technology: concentration of energy demand, potential for AI to support freight flow
- Coal decline listed as priority number nine

Top 10 List (from group discussion):

1. Safety
 2. Market access
 3. Labor/workforce
 4. Regulatory alignment
 5. Technology and automation (AI is changing much faster than we give it credit for – Jillian)
 6. Supply chains
 7. Domestic production
 8. Natural hazards (*"Is it covered by safety?" from resiliency groups – improving critical spots*)
 9. Cybersecurity
 10. Trade and tariff negotiations
- Comment: Bottleneck issues encompass many of the topics above, but the DOT's focus is on infrastructure problems, not supply chain issues.
 - Additional comment: Regulatory alignment may not be as important—getting past tariffs is a bigger issue for agriculture. Should regulatory alignment include efforts to streamline tariffs to improve trade flow and stability?

11:45 AM

Break

Take a break, grab your boxed lunch, and return for a working lunch.

Henrick Sternberg presenting:

Henrick begins by showing the following two YouTube Videos:

Foreign Trade Zones Explained, The Port of Cincinnati

<https://www.youtube.com/watch?v=UQMdReKjkp4>

America's BROKEN China Tariffs and an Expert's Easy First Fix, Henrik Sternberg

<https://www.youtube.com/watch?v=5CK6Be5DztY&t=3s>

Begins Presentation:

- Large list of Harmonized System tariff codes.
- Classifications are made according to very specific definitions.
- Some countries calculate tariffs on the full cost of the product, while others use only the manufacturing cost.
- Substantial Transformation Principle:
 - A fundamental change in the form, appearance, nature, or character of a product.
 - This could include a rise in price, a different classification, or the overall loss of the item's previous identity through the manufacturing and production process.
 - The EU approaches this differently—goods must be “sufficiently transformed.”
 - Example of avoiding tariffs: Chinese parts assembled in Vietnam and then imported to Europe can avoid Chinese tariffs. This strategy does not work in the U.S., where the product would still incur the Chinese tariff.
 - The portion of the product that is tariffed is often less than the total value of the product.

Foreign Trade Zones (FTZs):

- Created to expedite the trading process.
- FTZs are dedicated geographic areas that simplify customs processes and reduce costs for customers.
- They allow the manufacturer to apply the duty based on their product, the manufacturing process, transportation, or the final product cost.
- Products can be exported duty-free from an FTZ. Duty is only collected when the product is sold to a U.S. customer or leaves the FTZ to be transported to a non FTZ in the US.
- There are some complex strategies to leverage FTZs.
 - Example: Import olive oil, bottle it in an FTZ, and pay duty only on the bottled product when it leaves the FTZ.
 - There are tools available to visualize supply chains, run scenarios, and analyze how to use FTZs to reduce overall costs.
- You need permission to establish an FTZ in a U.S. state.
- You can import a product into an FTZ, assemble it, and then export it out of the U.S. tariff-free.
- FTZs vary in size—from a single warehouse to seven square miles, or even just a portion of a warehouse.

Are FTZs used for domestic consumption?

- One participant noted their understanding was that FTZs were typically used for products entering and then leaving the U.S.
- Someone responded that there are at least two FTZs currently used for domestic consumption.
- When a product is brought into an FTZ, it is legally still considered to be in its country of origin—not in the U.S.—for customs and tariff purposes.

1:00 PM

Panel: Tariffs and Trade

Jillian Walsh

Panel discussion on announced tariffs with international trading partners and how that has impact Iowa farmers, businesses, and logistics.

Travero

- Mike Steenhoek, Soy Transportation Coalition
- Matt Leyser, John Deere
- Jeff Price, CN Railroad
- Dr. Chad Hart, Iowa State University

Jillian Walsh begins the panel.

Panelists:

- Matt Leyser – Des Moines, John Deere
- Chad Hart – Iowa State University
- Jeff Price – CN Railroad

Question: What have you experienced so far from tariffs?

Matt Leyser:

- John Deere was producing cotton pickers for export to China, but halted production when the 145% tariff was announced.
- Didn't want to risk building million-dollar equipment that would sit unsold in a port.
- Shifted focus to U.S. production – difficult because U.S. machines have different emissions and production standards.
- Deere stopped all China-export production.
- Prices are set annually for each model year and can't be adjusted easily. They try to be transparent with customers and reduce costs where possible.
- Inputs affected by rare earth mineral bans. Many electric components rely on them, and China has used that as leverage.

Chad Hart:

- Asks: Can we wean ourselves off rare earth minerals?

Matt Layser:

- Unsure – says he's not an engineer, but assumes alternatives are being explored.

Henrik Sternberg:

- Notes that you can import rare earths to a third country, manufacture there, and then export to the U.S.

Chad Hart:

- Clarifies that China doesn't control the supply but dominates processing due to low environmental standards and existing infrastructure.

Jillian Walsh: How do tariffs impact rail?

Jeff Price:

- CN is a north-south railroad connected to Canada on both coasts and the Port of New Orleans.
- Hard to forecast demand – railroads like knowing where volume is so they can allocate cars.
- With tariffs, that demand shifts constantly – now planning happens week to week instead of quarterly.
- If there's demand now, it might not be there in three months.
- Exports of Canadian forestry products to the U.S. are down despite strong U.S. demand.
- Steel exports out of Canada are also impacted.
- Ag demand is flat.
- CN is exploring ways to streamline routes when demand shifts.

Chad Hart:

- Iowa State's supply chain program focuses on logistical webs—getting products from point A to B is more complicated now.
- Farmers don't feel tariffs directly, but the impact on export prices affects them.
- Soybean export uncertainty affects price – farmers aren't flexible; they have to sell product quickly.

- Iowa is an export-heavy state.
- Farmers often don't know where their beans are going — they just grow them.
- Other countries' responses to U.S. tariffs affect Iowa farmers indirectly.

Jeff Price:

- Seeing more unconventional shipping requests — shippers trying to route through countries with lower tariffs.

Matt Leyser:

- Worried that if exports decline, farmers will hold off on purchasing new equipment like planters and sprayers.

Chad Hart:

- Farmer income is down despite high demand because production has outpaced need.
- This is a farmer-driven issue — over-planting leads to price drops.
- The U.S. used to be the top soybean exporter.
- During Trump's first term, trade war with China led to Brazil taking over as #1 exporter.
- China remains our biggest customer, but we sell less to them now.
- Brazil stepped in to fill the gap and is now the global leader in soybean exports.

Jillian Walsh: We've seen prices increase, but companies can't raise prices much without losing customers. Are companies rethinking sourcing strategies?

Jillian (to Ruan): Is there a shift in volume?

Marty Wadle:

- Early in the year, customers stockpiled goods to get ahead of tariffs.
- Now, volumes have leveled off.
- Noticed a drop in steel hauling and a slight increase in grocery movement.

Jillian Walsh (to larger group): What are you seeing or hearing about tariff responses?

Jessica Sargent: Stockpiling materials to get ahead.

- Exports to Canada are down.

Scott Marler: With federal policy shifts, what does success look like?

Chad Hart:

- Success depends on perspective.
- Trump's goal was to reduce trade deficits and address immigration and drug trafficking via trade policy.
- From Chad's view, focusing on trade balances ignores bigger issues like capital flows.
- Trade deficits often reflect capital coming into U.S. markets.
- For farmers, success is free and fair access to markets.
- Non-tariff barriers are also a big issue.

Scott Marler: Does Iowa still have a transportation advantage compared to Brazil?

Matt Leyser:

- John Deere has factories in Brazil, but unsure how costs compare.

Chad Hart:

- Yes, we still have an edge.
- Brazil grows soybeans inland and must move them to the coast, which is hard due to poor transport infrastructure.
- In the U.S., we can grow and ship more easily.
- There's a difference between production and manufacturing — Brazil's geography creates logistics challenges.

Ray Gaesser:

- Brazil lacks strong rail infrastructure and relies heavily on trucking.
- We helped Brazil adopt advanced ag production, but they don't have the transport systems to match.

Jeff Price:

- U.S. still has the best infrastructure.
- We can get goods to coasts efficiently via road and rail.

- Once goods leave the U.S., transport gets more complicated in other countries.

Ray Gesser: Tariffs are aimed at increasing U.S. dollar value (Trump's position).

Chad Hart: Then why support cryptocurrency, which undermines the dollar?

Caleb Whitehouse: Is there a point where tariffs become unsustainable?

Henrik Sternberg:

- Yes, for some products.
- Luxury goods or discretionary items may see reduced demand.
- Phones, however, will still come from China.
- Apple is shifting to India and Thailand, but high-tech items still come from China and will for a while.

Chad Hart:

- Trade finds a way.
- Even with 60% tariffs, products still move.
- There are always market-driven workarounds.

Jillian Walsh (To the panel): One piece of advice for navigating tariffs?

Matt Leyser:

- We just want one clear number. Tariff levels keep changing — we need predictability to plan effectively.

Chad Hart:

- Don't overreact to every number.
- It's a fluid situation.
- When tariff policy pauses, so do business decisions. Stay flexible.

Jeff Price:

- The real challenge is uncertainty.
- One day's good news can flip to bad.
- Make your decisions and be ready to pivot.

Jillian Walsh:

- Leverage relationships within your network.
- Tariffs are just another challenge in the supply chain.
- Ask questions. Explore options like trucking instead of rail.
- Find new solutions through collaboration.

2:00 PM

Adjourn

Future meetings: September 19, December 19



Iowa DOT Update

Iowa Freight Advisory Council – June 20, 2025



Stuart Anderson



Agenda

Commission Updates

**2026-2030 Highway
Program**

**Surface Transportation
Reauthorization**

FY 2025 Status

2025 Legislative Session



Commission Update

- Iowa Transportation Commission
 - **Sally Stutsman (Riverside), Chair – Reappointed and new term begins July 1**
 - Ray Gaesser (Corning), Vice-Chair
 - Bill Anderson (Cherokee)
 - Rich Arnold (Russell)
 - Linda Juckette (Cumming)
 - Mary Mulgrew Gronen (Dubuque)
 - **Brian Quirk (New Hampton) – Term begins July 1**
- Commission Tours – CY 2025
 - ✓ April: Sioux Center
 - ✓ June: Des Moines
 - August: Corning
 - October: Clinton
- Washington, D.C. Trip - September

2026-2030 Highway Program

- Approved June 10, 2025
- \$4.3 billion of state/federal funding over five years
- Financial situation
 - Four of the five years are beyond the life of the Infrastructure Bill
 - Flat revenue (state and federal)
 - Buying power challenges – volume of work
 - Increasing needs
- Delayed five projects by one year
- Removed one project from the Program
- Reduced non-safety stewardship targets in FY 28, 29, and 30

Surface Transportation Reauthorization

- Infrastructure Bill
 - Current authorization bill (FFY 2022 – FFY 2026)
 - Expires Sept. 30, 2026
- Next Surface Transportation Authorization Bill
 - Discussions beginning in Congress
 - Iowa DOT Priorities – shared with Iowa's delegation
 - Increase surface transportation funding levels from those currently authorized
 - Focus on core formula programs
 - Reduce federal regulations and program administration requirements
 - Support state's ability to harness innovation and technology

FY 2025 Status

- Operating Budget Status
 - Through May: Five percent below planned budget
- Highway Funding Status
 - State Funding
 - FY 2025 lettings through May: \$98.9 m below programmed amounts
 - FY 2025 revenue through April: \$0.1 m below forecast
 - Overall balance: \$53.6 m under programmed (started at \$45.2 m over programmed – After August amendment)
 - Federal Funding
 - FFY 2025: Full-year continuing resolution but at authorized levels.
 - Awarded a \$57.3 million federal discretionary grant for I-380/Wright Brothers Blvd project in Cedar Rapids (December 2023)
 - Awarded a \$68.7 million federal discretionary grant for the southwest mixmaster in Des Moines (September 2024)

FY 2026 Operations Budget

- Status quo for positions
- Increased funding for vehicle replacement and vehicle safety improvements
- Waterloo garage replacement
- ARTS Modernization

FY 2026 Modal Appropriations

Program	FY 2023 Appropriation	FY 2024 Appropriation	FY 2025 Appropriation	FY 2026 DOT Request	FY 2026 Governor Request	FY 2026 Appropriation
Commercial Service Vertical Infrastructure	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900
General Aviation Vertical Infrastructure	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
State Recreational Trails	\$2,500	\$2,500	\$3,500	\$3,500	\$2,500	\$2,500
Public Transit Infrastructure	\$1,500	\$1,000	\$1,500	\$1,500	\$1,500	\$1,200
Railroad Revolving Loan and Grant Program	\$2,000	\$500	\$2,000	\$2,000	\$2,000	\$2,000
Commercial Service Airport Terminals		\$10,000				
Total	\$8,900	\$16,900	\$9,900	\$9,900	\$8,900	\$8,600

2025 Legislative Session

- DOT legislative requests
 - ~~Automatic Traffic Camera Systems Bill Clean Up~~
 - ~~Drainage District Reclassification for DOT Lands~~
 - ~~Fluid Milk Products Annual Permit Expansion~~
 - ~~International Fuel Tax Agreement Decal Fee Alignment~~
 - Oversize/Overweight Single-Trip Permit Tonnage Fee Changes
 - Provides customers the option of paying a tonnage fee as part of a single-trip permit instead of separately registering the vehicle. Reduces administrative burden, particularly for out-of-state customers.
 - Includes All-Systems Permit amendment
 - All roads, except Interstate, are designated as valid for movement under the permit unless designated as not valid by the applicable local authority.
 - Increases gross weight authorized allowance from 12 percent to 12.5 percent to be consistent with the harvest proclamation allowances.

2025 Legislative Session

- Other Bills of Interest
 - Iowa 5/US 65 Minimum Speed Limit Bill
 - Exempts minimum speed limit requirement if designated Interstate
 - Requires Iowa DOT to collaborate with Des Moines MPO on alternative route study (not in legislation but Iowa DOT will split study cost 50/50)
 - Resolution Urging Congress to Raise Weight Limits on Interstate
 - Nonbinding resolution urging Congress to increase maximum gross weight on the Interstate
 - Refers to Iowa allowing 96,000 pounds with seven axles on the non-Interstate primary system

Thank you!

Questions?



stuart.anderson@iowadot.us



515-239-1661

An aerial photograph of a wide river, likely the Mississippi, featuring a large dam with multiple concrete piers. A long barge is moving through the water. The foreground shows a residential area with houses and trees. The sky is a mix of blue and pink, suggesting dawn or dusk.

Iowa State Freight Plan

2026 Update



Caleb Whitehouse
Freight Planning Coordinator

June 20th, 2025

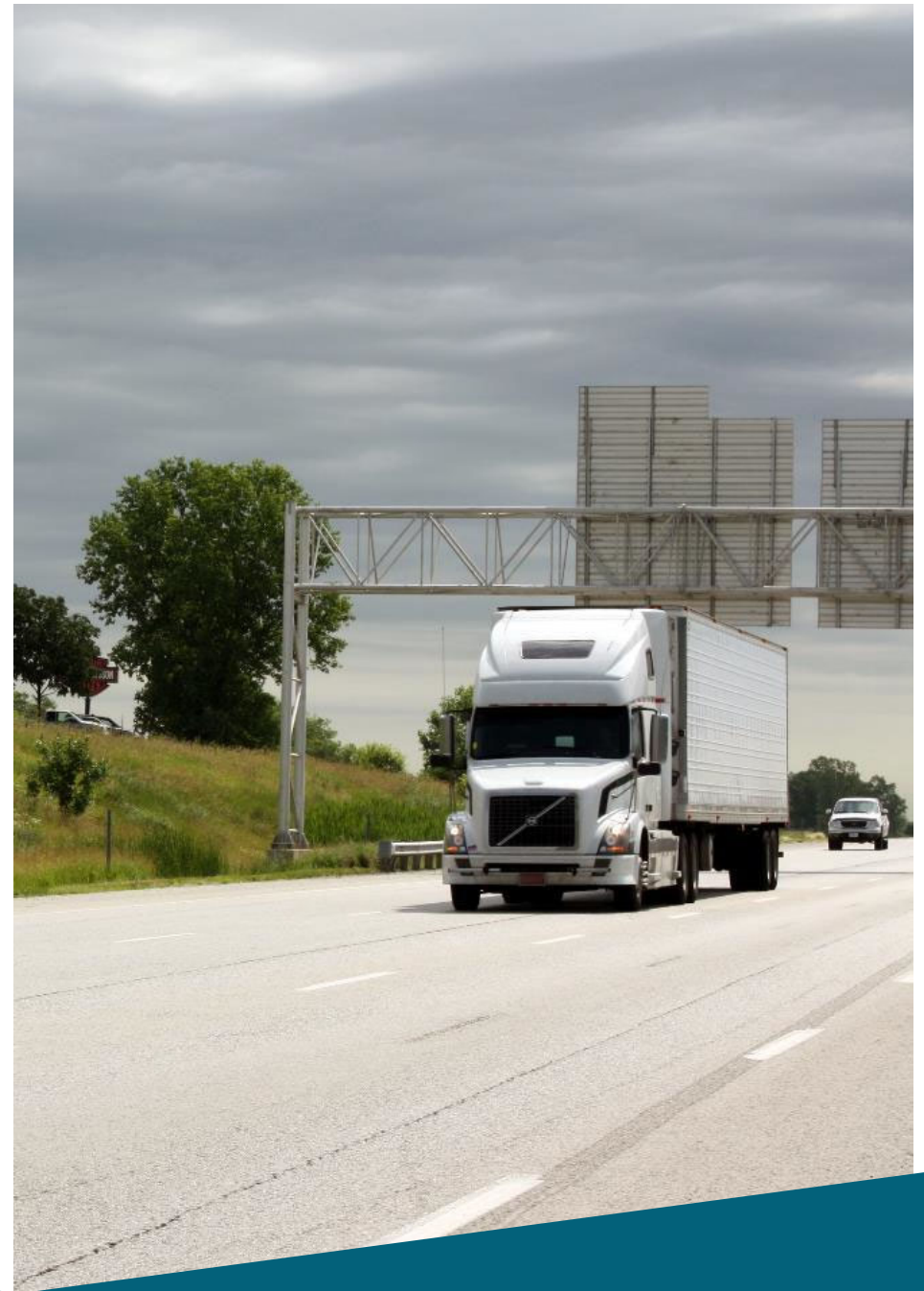


Agenda

2022 State Freight Plan

2026 SFP Development Schedule

Input Exercise



2022 State Freight Plan

- Freight planning activities and investments
- Created with input from the Freight Advisory Council
- Compliant with the Infrastructure Investments and Jobs Act (IIJA)

Part of Iowa DOTs Long Range Plans which include:

- Resilience Improvement Plan
- Aviation Plan
- Bicycle and Pedestrian Plan
- Public Transit Plan
- Rail Plan
- **State Long Range Transportation Plan**

How the plan is used

- Long range planning objectives
- Multimodal perspective
- Emerging trends
- National Highway Freight Program investment



Timeline

2025 – Input Gathering and Development

Freight Advisory Council, Rail Advisory Council, MPO/RPA Quarterly Meetings

Q1 2026

Public Comment Period

August 18th, 2026

Due date



Working Groups

1. Multimodal/Intermodal
2. Resiliency
3. Regulation and Policy
4. Industry
5. Energy



T Questions?

Caleb Whitehouse

Caleb.whitehouse@iowadot.us

iowadot.gov

IOWA STATE UNIVERSITY

Debbie and Jerry Ivy College of Business

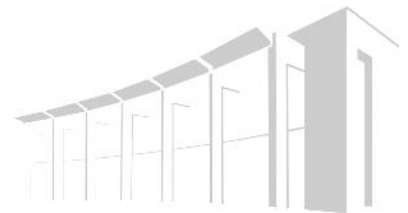


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Tariffs

Dr. Henrik Sternberg



IOWA STATE UNIVERSITY

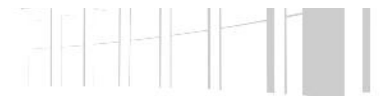
Debbie and Jerry Ivy College of Business

Business

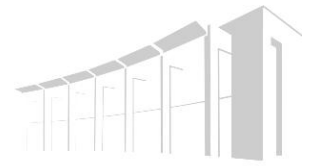
The strange case of Ford's attempt to avoid the 'chicken tax'



Ford Motor Co.'s Transit Connect vans move along the production line at the Ford Otosan plant in Golcuk, Turkey, in 2013. (Kerem Uzel/Bloomberg News)



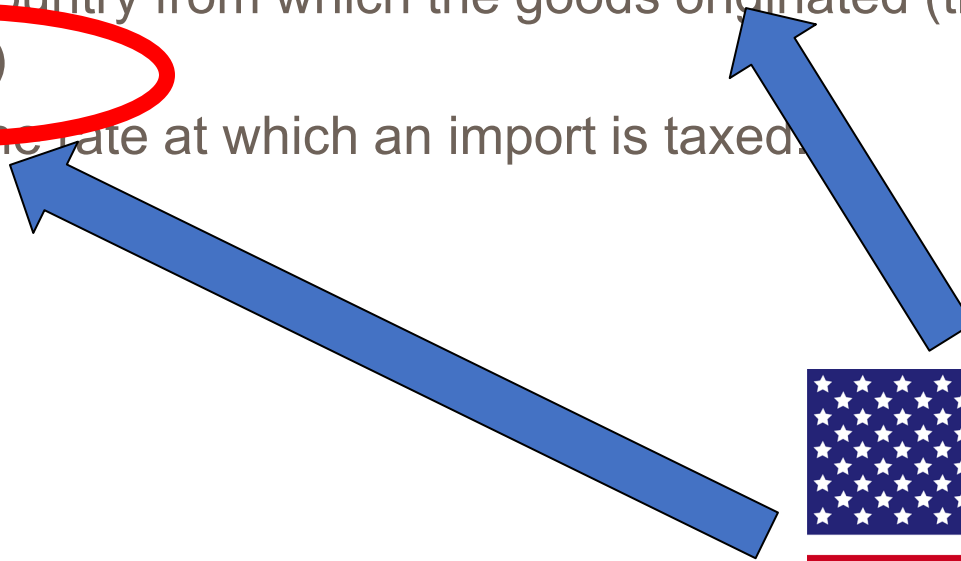
Duty Determination



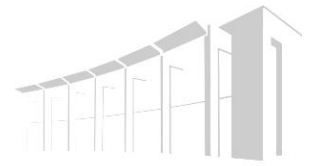
Duty is the amount of tax paid on an imported good. The amount of duty that an importer has to pay is determined by three factors:

- The type of goods (their classification)
- The value of the goods (their valuation)
- The country from which the goods originated (the rules of origin)

The tariff is the rate at which an import is taxed.



Classification



For almost all countries, the classification of goods follows the Harmonized System (HS) of Classification. Every product has an international 6-digit code which is used to determine the product's tariff rate. Countries can add up to 4 additional digits.

Here are the classification numbers for golf shoes in the U.S.:

6402.19.05	Golf Shoes
30	For Men
60	For Women
90	For Other People

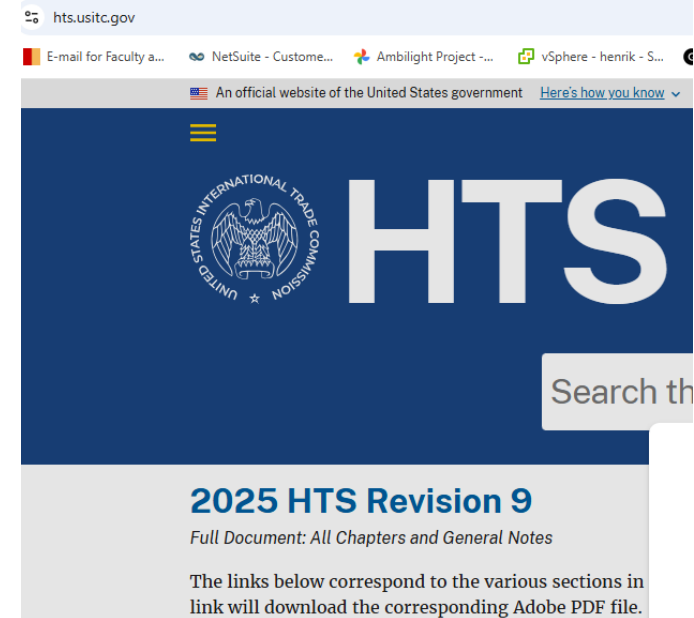
The first six digits represent the “root” of the international coding. The last four digits are “country- specific.”

Classification

The Harmonized System is a very large list, comprised of:

- 21 sections, divided by product or material
- 97 chapters (the first 2 digits of the HS number)
- Each chapter is then divided into headings (the first 4 digits of the HS number)
- Each heading is then divided into subheadings (6 digits).

The correct classification of an imported good is generally made by the importer and then verified by the Customs Office.



Classification—Rules of Interpretation

Classifications are made according to very specific rules of interpretation:

- The section, chapter, and heading only serve as guides
- The classification of an incomplete or unfinished product is that of the finished product
- When in doubt between two classifications, the one with the most specific description is the correct one. However, if the product is made up of several parts, each of which would lead to a different classification, then the classification that lends it its “essential character” is the correct one.
- When there is no category under which a specific product can be classified, then the classification that should be used is that of a product that would be most like it.



Valuation



Customs terminology is that duty is collected *ad valorem*.

Valuation generally the amount billed by the exporter (invoice).

Most countries, the dutiable amount, the amount on which duty is calculated, is the “landed value” of the goods (CIF/CIP/CFR/CPT)

The United States uses a **different standard** for dutiable amount.

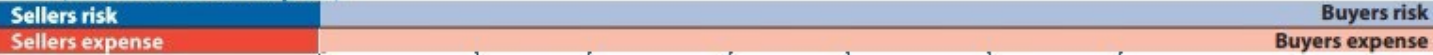
Goods imported in the United States are valued on an FAS or FCA basis, or the value of the goods as they were leaving the exporting country.



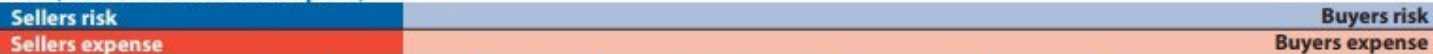
INCOTERMS® 2020



EXW (EX WORKS named place)



FCA (FREE CARRIER named place)



CPT (CARRIAGE PAID TO named place of destination)



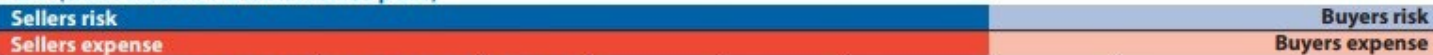
CIP (CARRIAGE AND INSURANCE PAID TOnamed place)



DPU (DELIVERED AT PLACE UNLOADED named place)



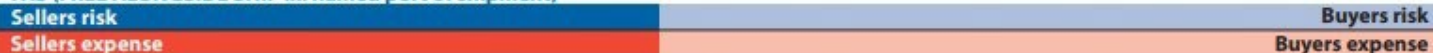
DAP (DELIVERED AT PLACE named place)



DDP (DELIVERED DUTY PAID named place of destination)



FAS (FREE ALONGSIDE SHIP named port of shipment)



FOB (FREE ON BOARD named port of shipment)



CFR (COST AND FREIGHT named port of destination)



CIF (COST, INSURANCE AND FREIGHT named port of destination)



: Sellers risk
 : Sellers expense
 : Compulsory insurance by the seller

: Buyers risk
 : Buyers expense

: Specially Sea- and barge freight

<https://www.maritimecyprus.com/wp-content/uploads/2020/02/incoterms-2020.jpg>

Harmonized Tariff Schedule of the United States

Annotated for Statistical Reporting Purposes

XVIII
91-34

Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				General	1 Special	2
9114		Other clock or watch parts:				
9114.10		Springs, including hairsprings:				
9114.10.40	00	For watches.....	No.....	7.3%	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, R, SG)	65%
9114.10.80	00	Other.....	No.....	4.2%	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	65%
9114.30		Dials:				
9114.30.40	00	Not exceeding 50 mm in width.....	No.....	0.4¢ each + 7.2%	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, R, SG)	5¢ each + 45%
9114.30.80	00	Exceeding 50 mm in width.....	No.....	4.4%	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, R, SG)	50%
9114.40		Plates and bridges:				
9114.40.20	00	Watch movement bottom or pillar plates or their equivalent.....	No.....	12¢ each	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, R, SG)	75¢ each
9114.40.40	00	Any plate, or set of plates, suitable for assembling thereon a clock movement.....	No.....	10¢ each	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	38¢ each
9114.40.60	00	Other: For watches.....	X.....	7.3%	Free (A+, AU, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, R, SG)	65%
9114.40.80	00	Other.....	X.....	4.2%	Free (A+, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	65%

Legend:

A+: Generalized System of Preference

AU: United States – Australia Free Trade Agreement

B: Automotive Product Trade Act

BH: Bahrain Free Trade Agreement

CA: NAFTA Agreement with Canada

CO: United States – Colombia Free Trade Agreement

CL: United States Chile Free Trade Agreement

D: African Growth and Opportunity Act

E: Caribbean Basin Economic Recovery Act

IL: United States – Israel Free Trade Area

J: Andean Trade Preference Act

J+: Andean Drug Eradication Act

JO: United States – Jordan Free Trade Area Implementation Act

KR: United States – Korea Free Trade Agreement

MA: United States- Morocco Free Trade Agreement

MX: NAFTA Agreement with Mexico

OM: Oman Free Trade Agreement

P: Dominican Republic – Central America US Free Trade Agreement

PE: Peru Free Trade Agreement

R: United States - Caribbean Basin trade Partnership Act

SG: United States – Singapore Free Trade Agreement

A watch dial (35mm in diameter) is classified as 9114.30.4000 by the United States.

For a dial whose country of origin is Switzerland, the duty rate would be a compound rate; the importer would be charged 7.2 percent of the invoice value (FCA) and 0.4 cents for each dial.

For a dial whose country of origin is Australia (AU code), there would be no duty, because of the U.S. – Australia Free Trade Agreement.

For a dial whose country of origin is Libya, the duty rate would be 45 percent of the invoice value (FCA) and 5 cents for each dial.

Substantial Transformation Principle



- “fundamental change in form, appearance, nature, or character.”
 1. Rise in value
 2. A different classification
 3. Overall loss of the item’s previous identity through manufacturing and production processes



EN

Access2Markets

Home Goods Services Investment Procurement Markets Toolbox Contact

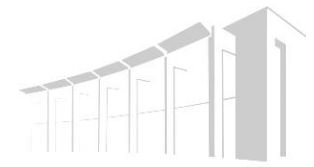
Home > Goods > Goods - main concepts > Rules of origin > Goods sufficiently transformed

Home

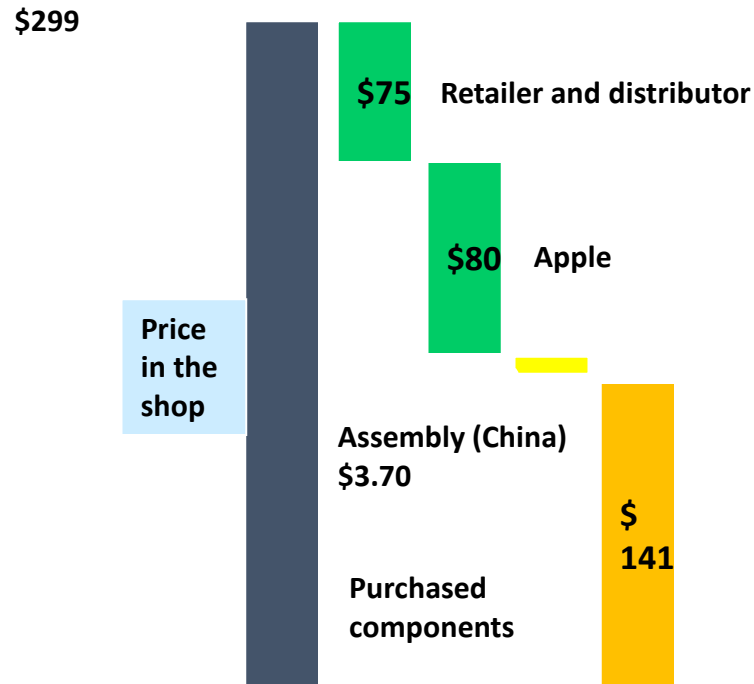
Goods ^

Goods sufficiently transformed

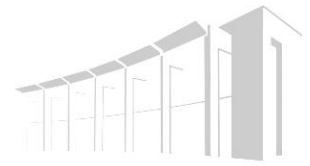
[Torres Trade Law: Application of the Substantial Transformation Principle in the Context of U.S. Sanctions](#)



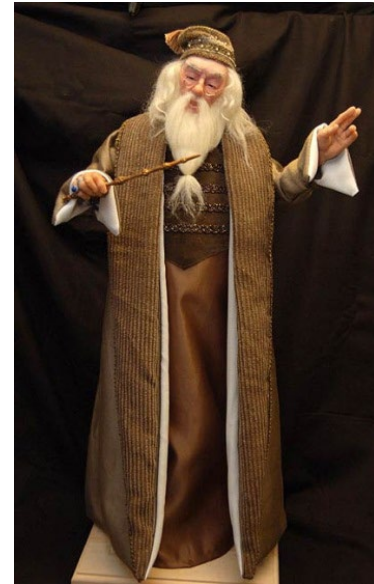
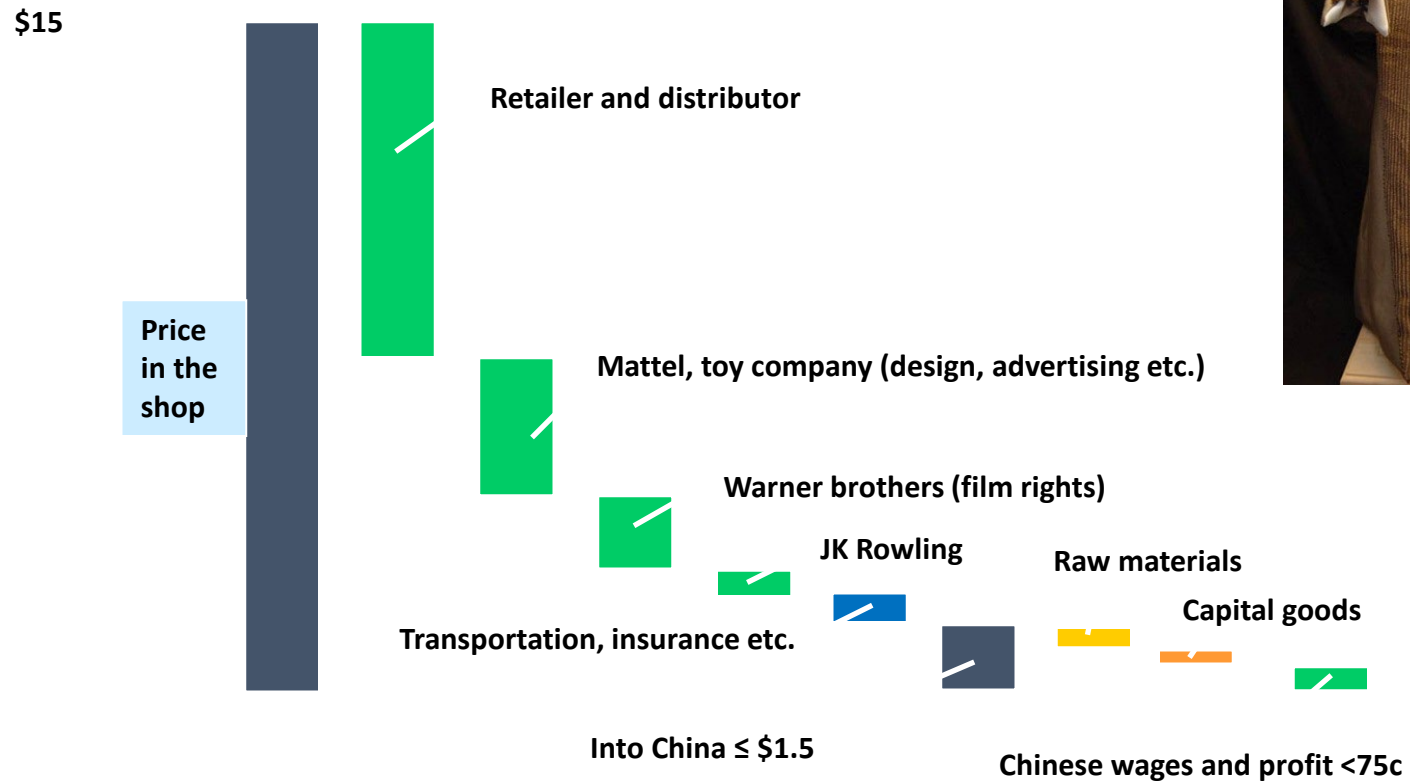
Where does the money go?



Adapted from Linden, G., Kraemer, K.L., Dedrick, J. "Who Captures Value in a Global Innovation System? The case of Apple's iPod", Working paper



Where does the money go?

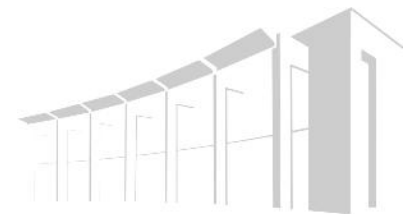


IOWA STATE UNIVERSITY

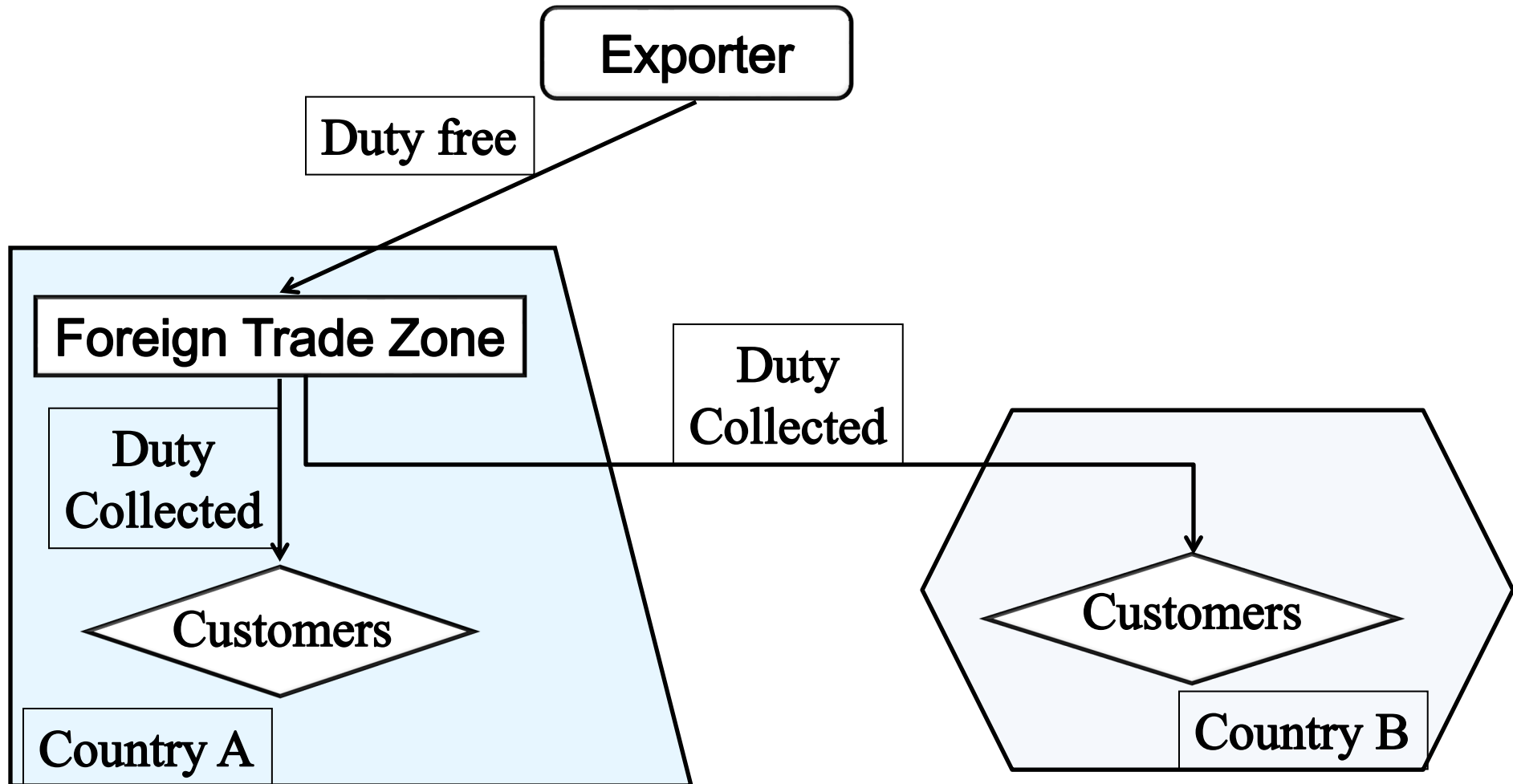
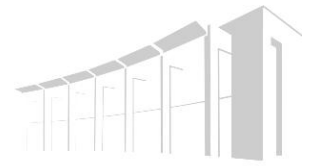
Debbie and Jerry Ivy College of Business

What should IOWA firms do
now?

RECOMMENDATIONS

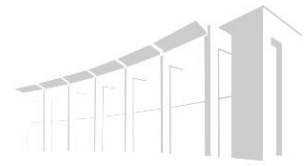


Foreign Trade Zones

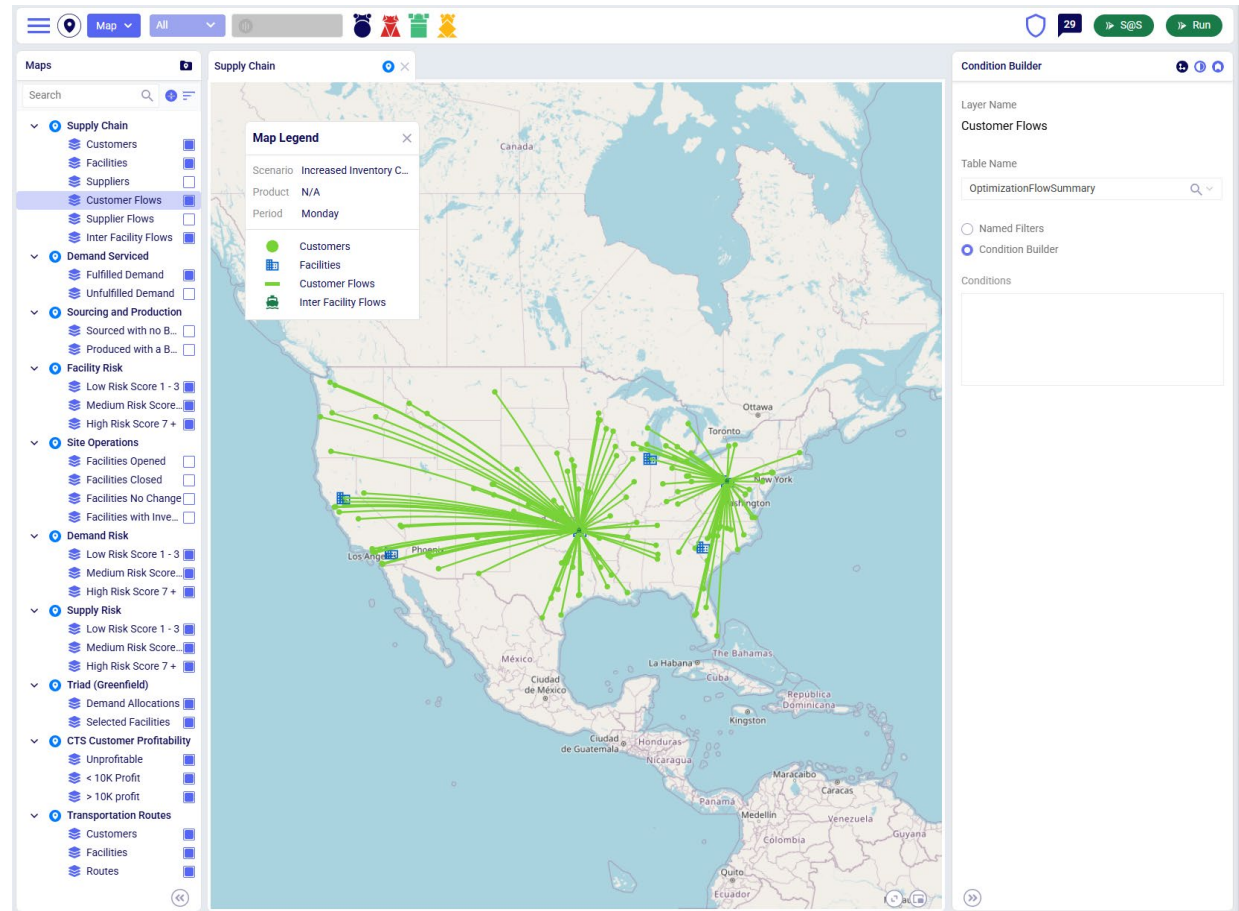


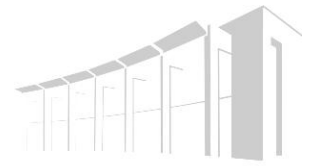


Tools



- Kinaxis
- Supply Chain Guru (Coupa)
- Cosmic Frog





Questions?

henrik@iastate.edu

