



## **The IWLA Government Affairs Update**

**October 22, 2024**

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### **Immediate Warehouse Issues**

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#### **IWLA and Elevate Government Affairs Hosts Pre-Election Webinar**

On Monday, Oct. 21, the IWLA Government Affairs Council hosted an exclusive pre-election webinar for all members, focusing on the upcoming 2024 election and its potential impact on the third-party logistics (3PL) industry. The session offered a detailed election outlook, examining key races and political shifts that could influence industry regulations and business operations. Led by Jeff Markey and Bret Manley from Elevate Government Affairs, IWLA's Washington representatives provided a thorough review of legislative developments in Washington and insights into how the election results might shape future policy. Following the presentation, attendees participated in a Q&A session, engaging directly with the Washington team on critical issues and gaining a deeper understanding of how the election could impact the industry. This timely webinar offered an invaluable perspective for IWLA members preparing for the post-election landscape. The recorded webinar is available for members who missed the live session. [Watch the Webinar Recording](#)

#### **IWLA California Chapter Hosts Webinar on 2024 Legislative Session and Election Outlook**

On Thursday, Oct. 17, the IWLA California Chapter, in partnership with the IWLA Government Affairs Council, hosted a webinar for members focusing on the 2024 California legislative session and upcoming state election. The session featured expert analysis from IWLA's California representatives, Courtney Jensen and Kirk Kimmelshue of Fernandez, Jenkins, Kimmelshue Government Affairs (FJK). During the webinar, the FJK team provided an in-depth review of key legislative developments from the 2024 session and offered insights into the potential impact of the upcoming state-level election. Following the presentation, attendees participated in a roundtable discussion, engaging with the experts and fellow members on important industry issues. This interactive session allowed members to connect with IWLA's California legislative team and gain valuable perspectives on how the election could influence the 3PL industry. The recorded webinar is available for members who missed the live session. [Watch the Webinar Recording](#)

#### **IWLA Ohio Chapter: "2024 Ohio Legislative Session & Election Outlook" Webinar**

The 2024 election will change the way Buckeye businesses work – no matter who wins. The IWLA Ohio Chapter, in partnership with the IWLA Government Affairs Council, invites Ohio members to a special webinar Wednesday, Oct. 30, at 2 p.m. Eastern. Hear a comprehensive review of recent legislative and regulatory developments affecting Ohio's 3PL industry, and better understand the implications of the upcoming state election – including the supreme court race. Featuring expert analysis from Tom Balzer, president & CEO of the Ohio Trucking Association, Victor Hipsley, president & CEO of Governmental Policy Group, Inc., and Michael Guastella, director of GPG Public Affairs, the webinar will cover key legislative updates from Columbus and their potential impact on the industry. After the presentation, there will be a Q&A and roundtable discussion, allowing participants to engage with IWLA's Ohio representatives on critical industry issues. Don't miss this opportunity—register today! [REGISTER HERE](#)

## **California Minimum Fuel Inventories Bill Signed into Law**

Gov. Gavin Newsom signed legislation last Monday that aims to prevent gas price spikes and save Californians money, but critics of the bill say it jeopardizes worker safety and will only lead to higher prices at the pump. The bill, ABX2-1, allows the state to require oil refiners to maintain a minimum inventory of fuel to avoid supply shortages that create higher prices. In addition, ABX2-1 authorizes the California Energy Commission to require refiners to plan for resupply during outages, the Governor's office stated. At a press conference on Monday, the Governor reiterated his stance on ABX2-1, calling the signing of the law "a big damn deal" and saying it targets big oil companies who "continue to lie...manipulate and take advantage of" California residents. Labor leaders, specifically those representing unionized workers in refineries, were in opposition to the bill and argued that the legislation would force oil companies to hold on to their supplies instead of releasing them, creating fuel shortages and prices increases. They also claim that the bill would jeopardize worker safety, and if storage requirements are untenable for refiners, that could lead to mass job cuts. Refiners were also in opposition to the bill, saying that the move would only raise prices and require the construction of new storage tanks, which could take "the better part of a decade" and cost "tens of millions of dollars." Reaction from the industry on the legislation's passing was swift; Chevron issued a letter to California legislative leaders on Tuesday urging them to reject the law, saying that it could create new costs and burden their California operations. The governors of Nevada and Arizona also sent letters to Newsom expressing concern that the proposal would increase gas prices in their states. Gov. Newsom noted that the price drops won't likely be seen until the summer of 2025 and that the legislation will be in effect until 2032 when lawmakers will decide to extend or nix the bill. [Read More](#) [Read Even More](#)

## **FHWA Releases \$134M for Hurricane Helene Road Repairs**

The Federal Highway Administration authorized \$134 million in quick-release emergency funds to state transportation departments in North Carolina, South Carolina and Tennessee to restore infrastructure damaged by Hurricane Helene just days before Hurricane Milton threatened to inflict similar damage across Florida. Authorized by Congress, these Highway Trust Fund-sourced grants will help states repair or rebuild federal-aid highways and roads on federal lands damaged by natural disasters or catastrophic failures. The emergency funding aims to expedite recovery in the three affected states, which are grappling with widespread destruction left by Hurricane Helene. The storm claimed more than 200 lives and ravaged infrastructure across the region. North Carolina, still reeling from extensive damage after Hurricane Helene struck the Gulf Coast on Sept. 26 and moved over the South, is among the worst-hit areas. The state is receiving the largest grant of \$100 million in FHWA Emergency Relief Program funds. Tennessee will receive the second-highest FHWA grant of \$32 million. Damage to many roads and bridges has made travel hazardous throughout the state. Travel conditions have been so bad in mountainous areas of North Carolina and Tennessee that volunteer mule trains have been the only way to deliver vital necessities to isolated communities. [Read More](#)

## **Norfolk Southern Line into Asheville to be Closed at Least 3 Months**

Norfolk Southern says its line between Asheville, North Carolina, and Newport, Tennessee — heavily damaged by Hurricane Helene — will be out of service until at least late January, while assessment of the route between Asheville and Old Fort, North Carolina, is ongoing. In the area hardest hit in late September, on the line between Salisbury, North Carolina, and Morristown, Tennessee, assessments have determined that approximately 21,500 feet of track have been washed out, with more than 50,000 feet damaged by scour and an additional 15,000 feet of fill failure and slides. Multiple bridges have also been damaged. The segments between Morristown and Newport, and between Salisbury and Old Fort, have been reopened even though public roadways remained unavailable in some areas. The remoteness and mountain topography, coupled with conditions following the storm and resulting flooding, have made it difficult to assess damage in the areas around Asheville and over Black Mountain, the railroad says. "We know firsthand at Norfolk Southern the critical role rail plays in connecting communities, and we continue to support ongoing recovery efforts," Ed Boyle, Norfolk Southern vice president of engineering, said in a press release. The engineering team cleared more than 15,000 trees, repaired multiple washouts and over 50 damaged slide fences, and deployed more than 400 generators to safely operate in more than 1,000 locations without commercial power, the railroad says. All core routes were reopened within 72 hours of the hurricane making landfall. [Read More](#)  
[Read NS Press Release](#)

## **Biden Administration Pledges \$2B to Reinforce Electric Grid**

The Biden administration is awarding nearly \$2 billion in funding to help steel the U.S. power grid against extreme weather and to expand transmission projects. The funding for 32 projects is being made available through the Energy Department and will span 42 states, the administration said in a statement Oct. 18. Investments will include utilities that were wrecked by hurricanes Helene and Milton. Some funds will go toward constructing more than 300 miles of new electric transmission lines and upgrading more than 650 miles of existing transmission lines. "The

devastating and deadly hurricanes, Helene and Milton, have put on stark display how extreme weather events continue to stress the nation's aging electric systems," Energy Secretary Jennifer Granholm said in the statement. [Read More](#) [Read Full DOE Statement](#)

## **Tariffs 'A Tax on Consumers,' Says NRF Chief**

While U.S. ports handle record-setting volume, retailers fear higher tariffs on foreign-made goods proposed by former President Donald Trump could blunt soaring consumer spending. The Republican presidential nominee has made tariffs a central issue during his campaign, saying he would use them as an economic weapon to protect U.S. industry from lesser-priced goods chiefly made in China. At the same time, Trump claims that the U.S. would bank billions of dollars in revenue from exporting countries paying those tariffs — a fundamental misunderstanding of how they work, say analysts and importers. "Tariffs are paid by the importer and not the producing country, and that is passed on to the consumer. It's a tax paid by the consumer," said Matt Shay, chief executive of the Washington-based National Retail Federation, the largest U.S. retail trade group. "Tariffs can be a useful temporary tool during trade negotiations, when used strategically and sparingly, to get benefits in a trade relationship." Shay quoted estimates by the Peterson Institute for International Economics and others that found existing import tariffs cost an estimated \$1,500-\$3,000 per household, but that that number would rise to an average of more than \$4,000 under a second Trump administration. [Read More](#)

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## **Updated Warehouse Issues**

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### **Nashville's M&W Logistics Wins 2024 Frontline Heroes Award**

IWLA member [M&W Logistics Group](#) has long believed in supporting its local Nashville community, so when the call came for help building a shelter for at-risk women, it stepped up. The years-long effort by the Nashville Rescue Mission culminated in January with the opening of the facility, but M&W's participation throughout the project was just one example of its year-round commitment to helping those in need in its hometown. Founded in 1973, Nashville-based M&W is a family-owned warehouse and distribution company. For its longstanding commitment to helping those in need across its local community, M&W Logistics is being recognized as a 2024 Transport Topics Trucking's Frontline Heroes Award recipient. "M&W has felt the importance of partnering with the great works our association is involved with across the state," the company said. "Since the inception of the Tennessee Trucking Foundation, M&W has played a part in helping raise over \$2.4 million for various children's charities such as the Ronald McDonald House and Vanderbilt Children's Hospital through support of the TTA's annual golf tournament." [Read More](#)

### **FDA Outlines New Drug Supply Chain Security Act Exemptions**

The Food and Drug Administration is issuing exemptions from the Drug Supply Chain Security Act's current final implementation deadline for some drug manufacturers and distributors, according to an Oct. 9 regulatory guidance. The exemptions apply to any partners who have completed or made documented compliance efforts but still face data exchange challenges. The FDA said it is granting additional time to avoid supply chain disruptions that may impact patients' access to needed medications. The duration of the deadline extension differs across eligible trading partners. If exemptions are used, the trading partners do not need to notify the FDA. Drug makers and distributors have been wary about their ability to comply with the Drug Supply Chain Security Act — a law that requires complete end-to-end supply chain visibility for pharmaceutical products — since its passage in November 2013. The implementation deadline, which has been delayed multiple times, is currently Nov. 27, 2024. If a pharmaceutical manufacturer can't provide unit-level serialized products to its distributors by that date, the product cannot be legally moved to the next step in the supply chain. This has raised several pharmaceutical supply chains data concerns as the traceability law approaches its looming deadline, despite companies having more than 10 years to comply. [Read More](#) [Read FDA Guidance](#)

### **GM Invests \$625M in Lithium Production Capacity**

General Motors is investing \$625 million in Thacker Pass mine in Humboldt County, Nevada, as it looks to control more of its electric vehicle and battery end-to-end supply chain, the company announced last Wednesday. As part of the investment deal, GM will form a joint venture with critical mineral company Lithium Americas to fund, develop, construct and operate the mine. The deal replaces a January 2023 agreement between the two companies. GM already invested \$320 million in the mine in the first of what would have been two tranches of the original \$650 million agreement. GM is one of many automakers aiming to source lithium domestically in order to comply with

the Inflation Reduction Act and qualify for EV tax credits. The Lithium Americas deal is meant to help GM ensure domestic access to supply of the critical mineral for the next several decades. GM committed to purchasing up to 100 percent of production volumes during the mine's initial phase for up to 20 years. The automaker will also buy up to 38 percent of volumes for another 20 years during phase two of the mine, according to the announcement. GM will also take a 38 percent ownership stake in the Thacker Pass mine, which the two companies call the largest known lithium deposit in North America. [Read More](#)

## **More US-Based Companies to Shift Supply Chain Operations into Americas: Report**

Over the next two years, the percentage of U.S.-serving supply chains located in North and South America will rise to 69 percent from 59 percent, according to the findings of a KPMG survey of 250 U.S.-based executives from companies with annual revenues of \$1 billion or more. Exactly what countries house the lion's share of those operations are expected to shift over the next three years, with the U.S. expected to see its share drop to 44 percent from 62 percent while Canada's is expected to dip to 30 percent from 39 percent. Mexico tops the countries poised to enjoy gains, with its share poised to rise to 36 percent from 27 percent, replacing Canada as the second-most popular country for nearshoring in the Americas. Companies have been shifting away from "globalized" sourcing of goods toward "localized" supply chains that reduce the distance between production and customer after recent crises — including the COVID-19 pandemic and the Panama Canal drought — exposed the vulnerabilities of the longer trade routes, according to a report on the survey's findings published this month. [Read More](#) [Read Full Report](#)

## **Cargo Theft Experts Warn of Peak Season Fraud**

The trucking industry expects an uptick in cargo theft activity, related to peak shipping season, on top of already elevated conditions, experts warned. Overhaul reported that cargo theft incidents saw an increase that coincided with the onset of the peak shipping season August. The supply chain risk management and intelligence company added that the peak season typically brings heightened security risks anyway and that the results led the company to conclude that this trend will continue. "So far, this has been a record-breaking year on all fronts for supply chain security and cargo thefts," said Danny Ramon, director of intelligence and LE connect at Overhaul. "I expect to see that continue into the fourth quarter. I expect this is going to be a record-breaking fourth quarter for cargo thefts. I think we're going to see a record number of strategic thefts committed as the supply chain shifts into overdrive." Ramon pointed out that security tends to lessen when the supply chain is moving too rapidly. He noted that it's one of the corners that companies may cut to gain efficiencies when they're trying to move goods off the docket and realize revenue. [Read More](#)

## **Market for Warehouse Automation Expected to Grow to \$55B by 2030**

The market for warehouse automation is expected to grow to \$55 billion by 2030, alongside an ever-expanding e-commerce boom that has created new, complex challenges for businesses. According to a report from supply chain research firm LogisticsIQ, the expansion of automation has been a direct result of the rapid rise of online shopping, with e-commerce having transformed into a \$5 trillion logistics industry worldwide. Between 2024 and 2030, the firm estimates that the warehouse automation market will expand at a compound annual growth rate of 15 percent. And with online retail calling for massive volumes of picking, packing and shipping services, automated warehouses are rapidly becoming more of a necessity. "This surge in online retail, coupled with the increasing need for faster delivery times, is putting immense pressure on logistics providers to automate," LogisticsIQ's report reads. In recent years, new technologies have also begun to surface, including automated systems for picking, cold storage, and robotic arms. LogisticsIQ says that there are now more than 700 companies developing and offering automated technologies for retailers, spread across warehouse management systems, micro-fulfillment, robotic components, and material handling. [Read More](#)

## **Boeing to Cut Workforce by 10% as Strike Eats Into Reserves**

Boeing Co. plans to slash its global workforce by about 10 percent, and announced \$5 billion in charges across its commercial airplanes and defense businesses, underscoring the depths of the planemaker's financial woes, which include a crippling labor strike. The cuts translate to roughly 17,000 positions, and will include executives, managers, and employees, chief executive officer Kelly Ortberg told employees in a memo on Oct. 11. The company also plans to delay the introduction of its first 777X jetliner, and separately announced that it expects third-quarter sales to come in well below Wall Street estimates. The announcements highlight the massive undertaking that Ortberg faces as he tries to turn around the troubled aerospace and defense manufacturer. Boeing unveiled the latest cost-cutting measures and preliminary financial results as it seeks to break a stalemate with the International Association of Machinists and Aerospace Workers. Talks collapsed on Oct. 8, with no clear path as to when and how

they might resume. Boeing has made two offers for higher wages, both of which have been rebuffed by the union representing hourly factory workers across the west coast. About 33,000 employees have been on strike for over a month now, devastating production and draining Boeing's reserves. [Read More](#)

## **Roaring Volume Has Port of Los Angeles Eyeing \$1 Trillion in Imports**

The busiest U.S. ocean container gateway could soon be handling \$1 trillion worth of imports in a single quarter amid a roaring economy and resilient consumer spending. Record volume of 954,706 TEUs in September, up 27 percent year-over-year, helped drive all-time high volume of 2,854,904 million TEUs in the third quarter, according to data released today by the Port of Los Angeles. Imports totaled 497,803 TEUs in September, ahead 26 percent as shippers got an earlier-than-usual start bringing in end-of-year holiday merchandise. A front-loaded peak season came as retailers sought to avoid a host of issues threatening to snarl the global supply chain, from congestion in Asia ports to attacks on shipping in the Red Sea to a brief strike by union longshore workers at East and Gulf Coast ports. Import value was \$990 billion in the quarter compared to \$955 billion a year ago. "We're looking at a trillion dollars in imports before long," said Port Executive Director Gene Seroka in a video call with reporters. [Read More](#)

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**Questions?** Contact [Bruce Linderman](#) or call 847.813.4698

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*The IWLA 3PL Matters Update is designed to inform you on legislative and regulatory issues that directly impact and affect your warehouse and how you conduct business. The 3PL Matters Update is disseminated every three weeks and provides a look at recent developments and activities from the prior three weeks, as well as a look at what to expect in the upcoming weeks.*

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