



## **The IWLA Government Affairs Update**

**November 12, 2024**

---

### **Immediate Warehouse Issues**

---

#### **Federal Reserve Cuts Interest Rates for the Second Time This Year**

The Federal Reserve cut interest rates by 0.25 percentage points Thursday, the second consecutive cut after a two-year rate-hike run to curb postpandemic inflation. The Federal Open Market Committee (FOMC), the panel of Fed officials responsible for setting interest rates, dropped its baseline borrowing cost range down to a range of 4.5 to 4.75 percent. The rate cut, which was widely expected by economists and Fed watchers, is the central bank's second of the year. The Fed hiked rates rapidly in the face of high inflation, then left them at elevated levels to snuff out rapid price growth. While inflation has come down drastically, the sticker shock of higher prices was ultimately too much for Americans who elected President-elect Trump to a second term, threatening to shake up an economy that has only recently righted itself. Trump has promised to implement massive tariffs on imports to the U.S. and, if Republicans manage to take the House as they have the Senate and White House, further slash the corporate tax rate and extend 2017 tax cuts. Economists surveyed last month by The Wall Street Journal expected higher inflation, deficits, and interest rates under Trump's proposed policies. Trump has panned those criticisms, insisting those experts are wrong and have consistently misjudged his economic agenda. [Read More](#)

#### **Dual Canada Port Lockouts Put Pressure on Trudeau Government Again**

Business groups are urging Justin Trudeau's government to put an end to labor strife at Canada's largest ports, as it did with railways in August, to avoid chaos in the country's supply chains. Hundreds of dock foremen at British Columbia ports have been locked out for a week. Montreal port employers did the same on November 10, locking out 1,200 unionized employees after those workers rejected a contract offer that included pay increases of about 20 percent over six years. Together, the work disruptions are affecting ports that handle some C\$1.2 billion (\$860 million) of goods a day, businesses say. They want Labor Minister Steven MacKinnon to force the matter to the Canada Industrial Relations Board, which can order the sides to arbitration to resolve the dispute. "Nearly C\$6 billion worth of goods are expected to arrive at the port over the next two weeks," Michel Leblanc, chief executive officer of the Chamber of Commerce of Metropolitan Montreal, said in a statement. "The urgency is real." [Read More](#) [Read Even More on BC Strike](#) [Read Even More on Montreal Strike](#)

#### **Bank of Canada Cuts Key Interest Rate by Half-Point for 1<sup>st</sup> Time Since Pandemic**

The Bank of Canada has lowered its key interest rate to 3.75 percent, making a 50-basis-point cut for the first time since the COVID-19 pandemic. Before the Oct. 23 decision, the rate stood at 4.25 percent. Economists were expecting the central bank to go with a larger than usual cut, compared to the 25-basis-point downgrades made in June, July, and September. The last time the bank made a cut this size was on March 27, 2020. As concerns over inflation have subsided — out-of-control price growth, the catalyst for the central bank's initial rate-hike campaign, is now back within the target range — the bank has focused on cutting to keep inflation stable and support economic growth, which has been sluggish under the pressure of high rates. Avery Shenfeld, chief

economist of CIBC World Markets, wrote in a note to clients that "it would take a significant turn of events to stand in the way of another cut of that magnitude in December." "That said, as has been its practice of late, the bank has kept its options open by not signaling anything specific about the size of individual rate cuts ahead," Shenfeld wrote. Meanwhile, economist Tu Nguyen of RSM Canada said the financial institution is forecasting that the bank will return to a smaller, 25-basis-point cut during its next meeting on Dec. 11 so as not to deviate too far from U.S. rates. [Read More](#)

## **CPKC, CSX Receive Approval to Create Mexico-Southeast U.S. Link**

A new CSX and Canadian Pacific Kansas City interchange will connect shippers to Mexico, Texas, and the Southeast U.S., according to an Oct. 17 press release. The two railroads received approval from the Surface Transportation Board (STB) for their acquisition of rail lines operated by Genesee & Wyoming's Meridian & Bigbee Railroad, also known as MNBR, resulting in the new direct interchange connection in Alabama. CPKC will acquire a segment and operate between Meridian, Mississippi, and Myrtlewood, Alabama, while CSX will operate the lines east of Myrtlewood currently operated by MBNR, according to a STB release. "As a result, CPKC and CSX will establish a direct Class I-to-Class I interchange at or near Myrtlewood and connect shippers in Mexico, Texas, and the Southeast U.S. MNBR will continue to provide local service to customers between Meridian and Myrtlewood," the release said. The agreement, originally announced in June 2023, builds on CSX and CPKC's goal to compete for U.S.-Mexico intermodal service. [Read More](#) [Read STB Press Release](#)

## **US Grants \$2.4B for Rail Infrastructure Upgrades**

The federal government is handing out \$2.4 billion in railroad grants to help pay for 122 projects nationwide, with more than half of the money going to smaller railroads. The grants announced Oct. 29 by the Federal Railroad Administration will go to projects across 41 states and Washington, D.C. Most of the money will go to track and bridge upgrades, but some of the grants will be used to bolster training and explore cleaner-burning alternatives to the diesel railroads have long relied on. Some small railroads also will get help upgrading to more efficient locomotives. Much of the money comes from the 2021 infrastructure law that President Joe Biden championed. Last year, the administration handed out \$1.4 billion in these rail grants. Some of the grants will also help address rail safety concerns that have become prevalent since a Norfolk Southern train derailed in East Palestine, Ohio, in February 2023 and spilled a cocktail of hazardous chemicals that caught fire. [Read More](#)

## **IWLA Ohio Chapter Hosts 2024 Election & Legislative Outlook Webinar**

On Oct. 30, the IWLA Ohio Chapter, in collaboration with the IWLA Government Affairs Council, hosted a highly informative webinar on Ohio's 2024 election and legislative landscape, emphasizing developments critical to the third-party logistics (3PL) industry. This exclusive session featured leading Ohio industry experts, Tom Balzer, president & CEO of the Ohio Trucking Association, and Michael Guastella, director of GPG Public Affairs, who offered attendees a comprehensive overview of recent legislative changes in Columbus. They also provided expert analysis on the upcoming Ohio Supreme Court race and the potential implications these election outcomes may hold for Ohio businesses, especially in the 3PL sector. For those who were unable to attend, a recording of the session is now available. This is an invaluable opportunity to gain insights and stay updated on the pressing issues and legislative shifts impacting Ohio's 3PL industry. [Watch the Webinar Recording](#)

## **EPA Grants 4 States \$248.9M for I-95 EV Truck Charging Sites**

The U.S. Environmental Protection Agency is paying \$248.9 million to develop 24 electric truck charging sites for medium- and heavy-duty vehicles along the Interstate 95 freight corridor in four East Coast states. Lisa Garcia, EPA administrator for Region 2, called the federal grant "a pivotal investment" to lower emissions "along one of the nation's busiest freight corridors, create jobs, and deliver health benefits to communities along this key transportation route." The corridor was selected for its large population centers, major ports, and key freight facilities. The federal government has targeted areas within a 100-mile radius of the nation's largest ports as initial priority zones for transportation decarbonization, due to their surrounding freight ecosystems. The I-95 corridor handles much of the freight from 15 of the nation's largest ports. The funding will create EV charging infrastructure along I-95 in Connecticut, Delaware, Maryland, and New Jersey. The 24 sites will offer three charging options: 138 ultra-fast charging ports (1 megawatt), 164 fast-charging ports (350 kilowatt) and 148 overnight ports (150 kW). [Read More](#) [Read EPA Press Release](#)

## **Report: Proposed CA Privacy Regulations Will Hurt Business, Consumers**

Businesses, consumers, and governments in California will suffer net losses from proposed rules pending before the state privacy agency, according to a report released this week by the California Chamber of Commerce. The report by Capitol Matrix Consulting (CMC) concludes that the proposed regulations to implement the California Consumer Privacy Act (CCPA) of 2018 will result in a substantial net economic loss to business, consumers, and governments in the state, both in the near term and the long term, translating into reduced jobs and tax revenues. The California Privacy Protection Agency (CPPA) incorrectly concluded that savings from the proposed rules eventually will exceed its costs by understating the costs and overstating the savings, the CMC report found. The CMC report concludes that the regulations would result in direct costs to California businesses of \$3.5 billion in the first full year and average annual costs to businesses over the first 10 years of \$1.08 billion, as well as employment losses peaking at 126,000 in 2030. Although the CPPA claims long-term benefits will exceed these costs, the report reveals that the purported benefits are based on an arithmetical error and speculative assumptions. [Read More](#) [Read Full Report](#)

## **New Arizona-Mexico Commercial Port Gets \$275M Contract**

The U.S. General Services Administration in October awarded a \$275 million contract to create a large commercial border crossing in Arizona to facilitate bilateral trade with copper mines in Mexico. The goal of the project is to improve the flow of truck traffic passing through the Douglas, Ariz., gateway to a major copper mining region in Mexico, GSA spokesperson Christi Chidester Votisek said. Construction of the new Douglas facility is scheduled to start next fall, with completion expected by the fall of 2028. “By creating a new dedicated commercial land port of entry in Douglas and by relocating commercial operations there, GSA will be enhancing the capacity for oversized mining equipment that is too large to cross through the existing RHC crossing, along with the transport of essential supplies for the automotive, aerospace, farming equipment, electrical equipment, construction materials, refined copper wiring, and medical industries,” Votisek said. Because improving the movement of commercial traffic there is critical, the federal government allocated \$180.3 million in infrastructure funds and \$92.2 million from the Inflation Reduction Act to the venture. The project also calls for modernizing and enlarging the existing RHC crossing for personal vehicles and pedestrians. [Read More](#)

## **CSX Debuts Double-Stack Rail Service at the Port of Baltimore**

CSX locomotives last week began pulling train cars loaded with double-stacked shipping containers from the Port of Baltimore — a sight state, port, and railroad leaders have envisioned for decades. CSX President and CEO Joe Hinrichs described the debut of double-stacking as “a significant milestone,” and Maryland Gov. Wes Moore proclaimed Oct. 28 a “great day for the Port of Baltimore.” But the work isn’t over yet. The final, and largest, hurdle won’t be cleared until the end of next year, when a federally funded expansion of CSX’s century-old, 1.7-mile Howard Street Tunnel under Baltimore is scheduled for completion. The project is expected to increase the Port of Baltimore’s annual cargo capacity by 160,000 containers, Maryland Port Administrator Jonathan Daniels said in an interview. The state-owned port typically handles about 1.1 million TEUs annually, though volumes have not fully rebounded from the Francis Scott Key Bridge collapse. Twenty-one other clearance modifications in Maryland, Delaware, and Pennsylvania have unlocked double-stacking along an 11,000-mile northern route to Chicago, which trains will use while the tunnel is under construction, Daniels said. [Read More](#)

## **GSA Awards \$33.2M for Pacific Highway Port Modernization**

The U.S. General Services Administration has awarded a \$33.2 million contract to modernize Washington state’s busiest commercial border crossing with Canada. The project will upgrade the 25-year-old Pacific Highway Land Port of Entry in Blaine to speed vehicle processing. In the Oct. 8 announcement, GSA Administrator Robin Carnahan said the federal infrastructure expenditure will create “good jobs that boost our economy and national security, saving taxpayer dollars through reduced energy costs, and building a stronger and more prosperous future for our communities.” The project will expand and reconfigure lanes at the Pacific Highway Land Port of Entry to improve trade flow and security. When complete, the site will have four new primary vehicle inspection lanes and one new outbound inspection lane, increasing the total to 10. Construction is slated to begin next summer, with substantial completion expected by November 2026. [Read More](#) [Read GSA Press Release](#)

---

# **Updated Warehouse Issues**

---

## **Dockworkers at East Coast Ports to Resume Negotiations**

The union representing dockworkers in East Coast U.S. ports is set to return to the bargaining table with maritime employers, part of an arrangement reached after a three-day strike was suspended on Oct. 3. The International

Longshoremen's Association (ILA) and the group representing port operators and shipping companies said Oct. 25 that they will resume contract discussions in November and work toward an agreement. The two sides earlier this month suspended a walkout of 45,000 longshoremen at 36 East and Gulf Coast ports until Jan. 15. The longshoremen had reached a tentative agreement on wages with the U.S. Maritime Alliance, but that's contingent on bargaining on other issues, including improved working conditions and protection from automation. A person briefed on the tentative agreement had said the ports raised their wage offer from about 50 percent over six years to 62 percent. Negotiating committees will meet in New Jersey to work toward terms of a new contract proposal that would then be presented to the full ILA Wage Scale Committee for approval, then later to workers for ratification, a statement from the ILA and the employers said. [Read More](#)

## **Boeing Ends Crippling Strike as Workers Accept Latest Offer**

Boeing Co. workers voted Nov. 4 to accept a new labor contract and end a strike that's crippled jetliner production for 53 days, clearing a major obstacle for the U.S. planemaker to restore its operations and finances. Some 59 percent of union members voted in favor of the accord, which includes a 38 percent wage increase over four years and enhanced retirement contributions, according to the International Association of Machinists and Aerospace Workers district representing some 33,000 striking workers. The breakthrough represents a victory for new Boeing chief executive officer Kelly Ortberg, clearing the way for him to move forward with plans to rebuild the company's culture and improve the quality of work in its factories. Ortberg, who has been in the job only three months, inherited a company already reeling from a near-catastrophic accident in January that upended its production, finances and senior management. [Read More](#)

## **Washington's Supply Chain at Risk With EV Mandates**

New zero-emission vehicle (ZEV) mandates on the trucking industry are creating serious challenges for trucking fleets, which face limited and costly options in order to operate legally in Washington state. At issue is the state's adoption of California's Advanced Clean Trucks (ACT) program. ACT is meant to move the industry toward zero emissions for medium- and heavy-duty trucks. Beginning next year, 7 percent of all heavy-duty trucks sold in Washington must be ZEVs. As manufacturers work toward compliance, Washington truck dealers are being forced to sell new ZEVs before they can sell legacy trucks. Trucking companies are also scrambling to adapt to these new requirements. But supply is limited, and what's available is expensive and comes with significant operational limits. New ZEV commercial trucks cost more than two-and-a-half times more than their clean diesel counterparts. They also lose two-and-a-half tons of payload compared to a clean diesel truck. In addition, electric trucks compromise range, and fueling infrastructure takes years to permit and construct. Some dealers estimate that ZEV medium- and heavy-duty trucks will not work for 90 percent of existing routes. [Read More](#)

## **Buttigieg: Truck Parking Central to Safety Mission**

A trio of states have received millions of dollars in federal funds to advance projects that will increase the amount of truck parking along several key freight corridors. The U.S. Department of Transportation announced more than \$4 billion in total grants Oct. 21, including projects in Nevada, Ohio, and Wisconsin that will add parking to existing facilities along interstate highways. Transportation Secretary Pete Buttigieg said providing reliable parking for trucking industry workers promotes safety. "It's important to note for the layperson who isn't as familiar with these needs [that] this isn't just a convenience issue, although that alone is compelling. This is really a safety issue. Because if we don't have truck parking, people are sometimes overnighting in unsafe locations," Buttigieg said. In Nevada, a \$275 million INFRA grant will assist with an I-80 widening project, and the state's DOT will use the funds to add 50 truck parking spaces in the Reno-Sparks region. In Ohio, an INFRA grant of nearly \$18 million will be used to repurpose rest areas as truck parking facilities, and the projects along I-70 and I-80 will add 138 parking spaces. In Wisconsin, a \$12.5 million grant will create 72 truck parking spaces along I-43. [Read More](#) [Read DOT Press Release](#)

## **Litigants Allege EPA Cannot Legally Mandate Electric Trucks**

The Environmental Protection Agency lacks legal authority to mandate electric vehicles, according to a court brief filed by a coalition of 24 states and various economic interests seeking federal appellate court review. The U.S. Court of Appeals for the D.C. Circuit review request challenges EPA's "Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles-Phase 3." The Oct. 16 court filing alleges the mandate requiring large trucks to transition to all-electric vehicles would significantly impact truck manufacturers, fuel and energy markets, the biofuel industry, farmers, and trucking companies. Nebraska is leading the 24-state coalition seeking to block EPA's rule. The other participants range from fuel groups to the Arizona state Senate. "The economic significance of EPA's rule is immense," the group of participants argued. "By EPA's own projection, the rule will cost vehicle manufacturers well over \$20 billion through 2055." The group also argued that battery-electric heavy-duty vehicles typically have shorter mileage ranges

than internal-combustion-engine vehicles, take longer to refuel and are substantially heavier — meaning that each trip takes longer and carries less freight. The coalition first filed its review request with the appeals court in May.

[Read More](#)

## **Arkansas May Have Enough Lithium Reserves for World's Batteries**

U.S. federal and state researchers said there might be enough lithium in the state of Arkansas to meet the entire world's demand for the critical metal ingredient in modern batteries. *The New York Times* reports that researchers at the U.S. Geological Survey and the Arkansas government announced on Oct. 21 that they had found a vast reserve of lithium in an underground brine reservoir in Arkansas. The researchers say there might be 5-19 million tons of lithium in a geological area known as the Smackover Formation. Several companies, including Exxon Mobil, are developing projects in Arkansas to produce lithium, which is dissolved in underground brine. Most of the world's lithium is produced in Australia and South America. A large majority of it is then processed in China, which also dominates the manufacturing of electric vehicle batteries. [Read More](#) [Read Even More](#) [Read USGS Report](#)

## **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 on 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. 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](#)

## **Oregon Looks to Build West Coast's First Ship-to-Rail Port Terminal**

The U.S. Department of Transportation is awarding \$25 million to the Oregon International Port of Coos Bay, to help fund the construction of a new intermodal container terminal. The money will go toward the environmental review and permitting process, in addition to preliminary engineering and design work for the terminal's railyard, container yard, wharf, and berths. Once it's fully built, the terminal will become the first full ship-to-rail port facility on the West Coast, with the ability to move virtually all inbound and outbound containers by rail without trucks. In a bid to cut down on emissions, ships will also be powered by electrical plug-ins at berth during the unloading process, and will be unloaded by electrified ship-to-shore cranes. The Port of Coos Bay comes with favorable geography as well, given that it already has a rail line connected to the Class I railway network, and a naturally deep channel maintained annually by the U.S. Army Corps of Engineers. The five-year project is expected to cost a total of \$2.3 billion. Roughly two million import and export containers are expected to move through the Port of Coos Bay each year after the new terminal gets up and running. [Read More](#) [Read Press Release](#)

## **CA Private Attorneys General Act (PAGA) Reform FAQs Published**

The California Department of Industrial Relations (DIR) recently published Frequently Asked Questions (FAQs) about the Private Attorneys General Act (PAGA) and its recent reforms, providing an overview of how those reforms modify PAGA claims and procedures. The PAGA FAQs include who can bring PAGA claims, what can be recovered in a lawsuit, claim procedures, the cure process, and settlements. Remember, for the last 20 years, PAGA allowed individuals to file lawsuits on behalf of themselves and other aggrieved employees seeking penalties for Labor Code violations, resulting in significant litigation that costs businesses of all sizes billions of dollars while bringing little benefit to workers. However, on July 1, 2024, legislation was signed bringing much needed reforms for PAGA claims beginning on or after June 19, 2024, including, for example, a more robust right to cure (i.e., correct) Labor Code violations, reduced penalties for certain wage statement violations, and penalty caps for employers that take all reasonable steps to comply with California's wage and hour laws, among many other reforms. [Read More](#) [DIR FAQ Page](#)

## **Anchorage's International Airport Adds 5 Carriers**

The Ted Stevens Anchorage International Airport has added five new international cargo carriers to its lineup this year, setting the stage for continued growth at an aviation crossroads that's already among the world's busiest for shipping, state officials said Oct. 24. The additions come as companies pursue new or expanded developments at the

Anchorage facility that could support even more of the jumbo cargo jets, including ongoing construction of the \$200 million NorthLink Aviation cargo terminal near Kincaid Park. Also, Alaska Cargo and Cold Storage plans to soon begin construction of a large cargo transfer and cold-storage facility west of the airport post office, state officials said. And FedEx, which employs nearly 1,400 people in Alaska, is investing \$200 million to enhance its sorting facility in Anchorage, according to its 2024 economic impact report. [Read More](#)

---

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

---

If you like this, let us know [here!](#)

---

*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.*

---