



## **The IWLA Government Affairs Update**

**December 10, 2024**

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### **Immediate Warehouse Issues**

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#### **IWLA Announces Nomination of Doug Sampson for RSTAC Small Shipper Vacancy**

IWLA is pleased to announce the nomination of Doug Sampson, Chief Commercial Officer of Acme Distribution, for the small shipper vacancy on the Railroad-Shipper Transportation Advisory Council (RSTAC). This position, previously held by esteemed IWLA member Paul Delp, highlights the essential role of warehouse-based 3PLs in shaping balanced rail-shipping policies. Doug Sampson's nomination reflects his decades of experience in rail-served warehousing and logistics. Under his leadership, Acme Distribution manages extensive rail operations, handling 3,000 railcars annually across multiple commodities and facilities. His expertise in rail infrastructure, trackage agreements, and tariffs, paired with his active engagement in industry organizations, makes him a strong advocate for small shippers within the rail network. A dedicated IWLA board member and respected logistics leader, Doug embodies IWLA's commitment to advancing the supply chain and logistics industries. His nomination underscores IWLA's ongoing efforts to represent and elevate the voices of our members in key transportation policy discussions. [Read IWLA Nomination Letter](#)

#### **Workers at Canada's National Postal Service Go on Strike**

Canada Post workers have been on strike since Nov. 15, shutting down the government-owned carrier's operations throughout the country. The work stoppage comes after Canada Post failed to reach new contract agreements with the Canadian Union of Postal Workers, which represents more than 55,000 of the carrier's employees. The union is calling for pay raises, safer working conditions and an expansion of public postal services. As negotiations continue, shippers with last-mile delivery needs in Canada are diverting volume to other carriers as they try to keep up with the peak holiday ordering rush. But this response is straining many delivery providers' networks during an already busy period. The strike's duration depends on how soon Canada Post and the Canadian Union of Postal Workers can resolve their differences and reach an agreement. Whenever the strike ends, its impact will continue to linger. When Canada Post service resumes, delays are likely as the carrier delivers stored volume "on a first-in, first-out basis," according to its website. [Read More](#)

#### **\$35K Overtime Salary Threshold Back in Effect**

A Texas federal judge on Nov. 15 struck down the U.S. Department of Labor's recently expanded overtime rule nationwide, stripping overtime eligibility from an estimated 1 million workers, according to a court filing. U.S. District Court Judge Sean Jordan ruled that "the 2024 Rule exceeds the Department's authority and is unlawful." The ruling vacates DOL's overtime rule that changed the threshold at which workers qualified for overtime from \$35,568 to \$43,888 effective July 1 and would have raised it to \$58,656 on Jan. 1, 2025. The ruling also vacated the rule's automatic "escalator" provision, which would have increased the salary threshold every three years. Despite the ruling, employers are warned to check with counsel before rescinding changes made in response to the July 1 salary threshold increase as some states, including California, New York and Washington, have salary thresholds that exceed the FLSA threshold. [Read More](#)

## Unions Challenge Canada's Back-to-Work Order

A resumption of strike action at Canada's ports looms, as port workers' unions in Montreal and British Columbia have launched a legal challenge to Canada's labor minister order to return to work, issued Nov. 12. The challenge comes from the International Longshore and Warehouse Union Local 514, which represents supervisory longshore workers in the British Columbia dispute, and The BC Maritime Employers Association, which represents West Coast port employers including in Vancouver. According to sources, a panel at Canada's Industrial Relations Board (CIRB) will hold a meeting in December to deliberate whether minister Steven Mackinnon has the legal and constitutional authority to order dockworkers back to work. The CIRB ordered a resumption of operations at all affected Canadian ports from the morning of Nov. 16, after dockworkers at two terminals at the Port of Montreal — whose labor deal expired at the end of 2023 — went on strike on Oct. 31. On Nov. 4, the British Columbia Maritime Employers Association (BCMEA) imposed a lockout against foremen at the Ports of Vancouver and Prince Rupert, hours before foremen had scheduled a walkout. The order was the second time in three months that Canada's Liberal government has stepped in to halt a labor dispute. In August, it ordered an end to work stoppages at the country's two largest railway companies. Meanwhile, negotiations between the unions and the port operators have stalled. [Read More](#)

## Port Operators Threaten to Halt Talks Over Automation Issue

Container lines and operators of U.S. East and Gulf Coast port terminals said they won't continue bargaining with union dockworkers on a new six-year contract if it means giving up their right to invest in semi-automated cargo handling equipment. "Modernization and investment in new technology are core priorities required to successfully bargain a new master contract," said the U.S. Maritime Alliance, the group known as USMX that represents employers in a stalled negotiation with the International Longshoremen's Association. With six weeks to go before the extension expires, the two sides have no formal talks scheduled, a USMX spokesperson told Bloomberg News on Dec. 4. Union members have been moving cargo under a temporary contract extension since early October, after suspending a three-day strike that halted container operations at every major port from Houston to Boston. Yet the extension, until Jan. 15, left an issue even thornier than pay on the table to be hashed out during President Joe Biden's final days in office. And with a deadline just five days before President-elect Donald Trump's inauguration, it's unclear who would or could step in to help avoid another strike. [Read More](#) [Read Even More](#)

## Shippers Urge Longshore Union, Employers to Resume Contract Talks

With just weeks to go until a contract extension runs out, a coalition of shippers is urging East and Gulf coast port employers and union longshore workers to resume negotiations to avert another port strike. In a letter to International Longshoremen's Association President Harold Daggett and David Adam, chairman and chief executive of the United States Maritime Alliance, a coalition of 267 trade associations led by the National Retail Federation, and including IWLA, said it was "imperative" for the sides to return to bargaining and remain there until agreement on a new labor pact is reached before Jan. 15, when the extension of the current contract expires. "We know significant issues remain between the parties. However, we continue to believe the only way to resolve these issues and come to an agreement is to actually stay at the negotiating table," the shippers said in the letter released to the media. In a release accompanying the letter, the NRF noted that the contract extension ends just prior to the transition to a second Trump administration — a not-so-veiled warning that Trump may act more forcefully in the event of a strike than did President Joe Biden. [Read More](#)

## New IWLA Whitepaper Helps Warehouse Operators Navigate OSHA Inspections

IWLA has released *Navigating an OSHA Inspection: A Guide for Third-Party Logistics Warehouse Operators*, a whitepaper developed by the IWLA Regulated Goods Council. This timely resource equips members with practical strategies to prepare for and manage OSHA inspections, ensuring safety compliance and operational efficiency. As OSHA's National Emphasis Program (NEP) intensifies scrutiny on warehouses and high-risk facilities, this guide offers actionable insights, from pre-inspection preparation to post-inspection protocols. Members can access the whitepaper in the resources section of the IWLA website or [via this link](#).

To strengthen our advocacy on behalf of warehouse operators, IWLA is seeking member input on any recent OSHA inspections at your facilities. Reports of increased inspections under the NEP have raised concerns about potential overreach, and your experiences are essential for helping us document these impacts and bring them to the attention of elected leaders. We are also collecting information on third-party participation during inspections under the Worker Walkaround Rule—a regulation IWLA is actively challenging—and any citations related to heat or ergonomics hazards. By participating in our brief survey, you'll directly contribute to IWLA's efforts to push back against regulatory overreach and advocate for fair policies that support our industry. Your voice matters—please

take a moment to share your insights and experiences with us. Thank you for helping us fight for your interests!  
[Link to Survey](#)

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## Updated Warehouse Issues

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### Port of Long Beach Smashes All-Time Record with October Surge

The Port of Long Beach moved nearly 1 million containers in October, beating a record set just two months ago. The surge was driven in part by importers diverting cargo to Southern California to avoid risk of delays from a labor dispute that shut every major port on East and Gulf coast for three days in early October. Other businesses have been bringing in goods to get ahead of the tariff increases promised by President-elect Donald Trump. The Port of Los Angeles, which together with Long Beach account for roughly a third of all U.S. container imports, also beat pandemic records in Q3. Businesses are poised to continue bringing in larger volumes of goods through the end of the year, which is normally a quieter time for the ports. The dockworkers' dispute is still unresolved and, if there's no agreement before Jan. 15, there's a possibility of a second port strike at East and Gulf coast ports early in 2025. [Read More](#)

### Toyota Says California-Led EV Mandates are 'Impossible' as States Fall Short of Goal

Toyota Motor sounded the alarm Friday that California-led electric vehicle mandates that are set to start next year are "impossible" to meet and, if they're not changed, will lead to less customer choice in several states. Current requirements under the California Air Resources Board's "Advanced Clean Cars II" regulations call for 35 percent of 2026 model-year vehicles, which will begin to be introduced next year, to be zero-emission vehicles, or ZEV. Battery-electric, fuel cell and, to an extent, plug-in hybrid electric vehicles qualify as zero emission under the regulations. "I have not seen a forecast by anyone ... government or private, anywhere that has told us that that number is achievable. At this point, it looks impossible," Jack Hollis, chief operating officer of Toyota Motor North America, said during a virtual media roundtable. "Demand isn't there. It's going to limit a customer's choice of the vehicles they want." The California Air Resources Board reports 12 states and Washington, D.C., have adopted the rules. Roughly half of them did so starting with the 2027 model year. The EV mandates are part of CARB's Advanced Clean Cars regulations that require 100 percent of new vehicle sales in the state of California to be zero-emission models by 2035. [Read More](#)

### 3PLs Ramp Up Leasing Activity as Outsourcing Interest Grows

Third-party logistics providers have ramped up their large warehouse leasing activity in 2024 to accommodate increased demand, according to a Nov. 11 CBRE report. Through Q3 2024, 3PLs accounted for 498 new leases and renewals featuring at least 100,000 square feet of space, or bulk leases, a 9 percent year-over-year increase. "On a quarterly basis, bulk leasing by 3PLs has steadily increased this year, reversing the steadily decreasing trend of 2023," CBRE said. "Using a 3PL also allows companies to switch supply chain costs from capital to operational expenses, which helps reduce upfront costs, increase capital flexibility and improve budget predictability." Additionally, companies are drawn to 3PLs' established warehousing presence in key markets, according to CBRE. This includes California's Inland Empire and Pennsylvania's I-78/81 corridor, where 3PLs have accounted for 45 percent and 50 percent of bulk leasing activity, respectively, so far this year. Through Q3, 3PLs claimed the largest share of bulk industrial leasing activity at 34.1 percent, per CBRE. General retail and wholesale occupiers came in second with 26.6 percent of market share. While both sectors grew their share compared to the same period in 2023, 3PLs' gains outpaced that of retailers. [Read More](#) [Read Full Report](#)

### Biden Races to Get Out Infrastructure Spending

Biden administration officials are working against the clock doling out billions in grants and taking other steps to try to preserve at least some of the outgoing president's legacy before President-elect Donald Trump takes office in January. "Let's make every day count," President Joe Biden said in an address to the nation last month after Vice President Kamala Harris conceded defeat to Trump in the presidential race. Trump has pledged to rescind unspent funds in Biden's landmark climate and health care law and stop clean-energy development projects. "There's only one administration at a time," Transportation Secretary Pete Buttigieg told reporters at a news conference Nov. 14. "That's true now, and it will also be true after January 20th. Our responsibility is to make good use of the funds that Congress has authorized for us and that we're responsible for assigning and disbursing throughout the last three years." Biden administration officials hope that projects funded under the \$1 trillion infrastructure law and \$375

billion climate law will endure beyond Biden's term and are working to ensure that money from the landmark measures continues to flow. [Read More](#)

## **Canadian Grant to Electrify Cargo Docks at Port of Quebec**

The Canadian government announced Nov. 8 it will give C\$22.5 million to a Port of Quebec project to bring shore power to two docks for electrifying general cargo vessels owned by Montreal-based Fednav Ltd. The grant is from Canada's Green Shipping Corridor Program, which funds low- and zero-emission shipping ventures along with port and terminal equipment and infrastructure. Specific initiatives include electrifying cargo ships, encouraging other zero-emission vessels, and advancing green shore power technology. The goal is to develop zero-emission shipping corridors and decarbonize the maritime industry along the Great Lakes, St. Lawrence Seaway, and Canada's East and West Coasts. The project will fund electrification of docks to provide power directly to merchant vessels and will enable the Port of Quebec to lower its emissions 40 percent in 11 years. The port stated that the two electrified docks would be used by "general cargo ships connected to the resupply of the mining industry in the Canadian North." In 2023, the port handled 27.8 million tons of cargo, including agriculture, construction, energy, mining, transportation and steel products. [Read More](#)

## **California Voters Reject Measure That Would Have Raised Minimum Wage to Nation-High \$18 per Hour**

Voters in California have rejected a ballot measure that would have raised the state minimum wage to \$18 per hour by 2026, the highest in the country. Opponents, including the California Chamber of Commerce, said it would have increased costs, led to higher taxes and pushed businesses to cut jobs. "With the economy and costs top of mind for many voters this election, that message appears to have resonated," said Jennifer Barrera, the chamber's president and CEO. Proponents estimated that the measure would have benefited 2 million workers, including hotel and grocery employees. The current minimum wage rates are \$16 per hour for most workers and \$20 in the fast-food sector. The health care sector will eventually see its minimum wage reach \$25 per hour under a law that Democratic Gov. Gavin Newsom signed last year and took effect in October. [Read More](#)

## **China's Chancay Megaport in Peru Opens**

China's president, Xi Jinping, ceremonially opened operations at a China-funded deepwater port at Chancay, Peru, on November 14, establishing a significant new trade link between China and the South American market. The China-backed megaport has the potential to create whole new trade routes that will bypass North America entirely, says BBC News. Construction at Chancay Port began in 2021, on a first phase that includes four dock berths. The port's maximum depth is 17.8 meters, allowing it to accommodate ultra-large container ships with a capacity of up to 18,000 TEUs. Initially, throughput capacity will be 1 million TEUs per year, and 1.5 million TEUs in the long term. [Read More](#)

## **Mexican President to Launch Major Expansion at Constricted Manzanillo**

Mexico's top container gateway is going to get a lot bigger: on Saturday Mexican president Claudia Sheinbaum is expected to announce a massive expansion project for the port of Manzanillo that will quadruple its size and add four container terminals. The Manzanillo branch of the national port administration (ASIPONA) revealed that the president's announcement will mark the start of construction, which is expected to be completed in 2030. The Nuevo Manzanillo project will develop 1,880 ha on the Bay of Cuyatlan – an area four times the size of the existing port – to boost its capacity to more than 10m teu a year. According to retired admiral Mario Alberto Gasque Pena, director general of ASIPONA Manzanillo, this will elevate the port, currently third in Latin America, into the top 15 global gateways. The first phase envisages construction of two container terminals and a hydrocarbon terminal, a new customs facility and a rail connection to the site. In the second phase, two more container facilities will be added. [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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