



LOGISTICS, Inc.

The Service You've Come to Depend On



Presentation for



American Home Furnishings Alliance



2023 LOGISTICS CONFERENCE

COMMITMENT TO SERVICE • SAFETY • SECURITY • TECHNOLOGY

California & Nevada Drayage Services



International Drayage

TGS services the Ports of Los Angeles, Long Beach & Oakland daily with over 150 trucks serving southern, central and northern California as well as northern Nevada.

Domestic Intermodal Drayage

TGS services all the rail ramps in northern California (Lathrop, Stockton and Oakland) as well as the ramp in Sparks, NV.

Transload Services

TGS has several transload partners in both the Oakland and LA/LB markets to meet your needs. Dry or perishable goods; palletized, loose cartons or slip-sheeted; we have your cargo covered.

LCL Service

Our LCL service runs to/from the ports of Oakland and LA/Long Beach with empty containers daily.

TGS handles both **dry** and **refrigerated** cargo. We are also a bonded & hazmat carrier. Of course, all trucks are CARB compliant.

THE SERVICE YOU'VE COME TO DEPEND ON



US Customs Bonded



Certified Hazmat Carrier



CARB Certified Trucks

COMMITMENT TO SERVICE • SAFETY • SECURITY • TECHNOLOGY



TGS Geographical Footprint



Logistically, TGS has locations strategically placed for international & domestic drayage throughout California.

THE SERVICE YOU'VE COME TO DEPEND ON

F – Fresno (Corporate Office/yard) – From the central valley, TGS services the ports of Oakland and LA/LB as well as northern California rail ramps. Our Fresno yard is 5-acres with electronic gates, cameras and security patrol at night.

R – Reno (Office/yard) – From northern Nevada, we primarily run the Reno-Oakland traffic lane, but we also handle local intermodal rail. We run both company trucks and LMC partners in this lane. This market is growing rapidly.

LB – Long Beach (Office/yard) – TGS opened our newest office in Carson in the fall of 2021. TGS has company power as well as LMC partners based in Long Beach and has a high security yard just a few miles from both port complexes. We are growing this market rapidly.

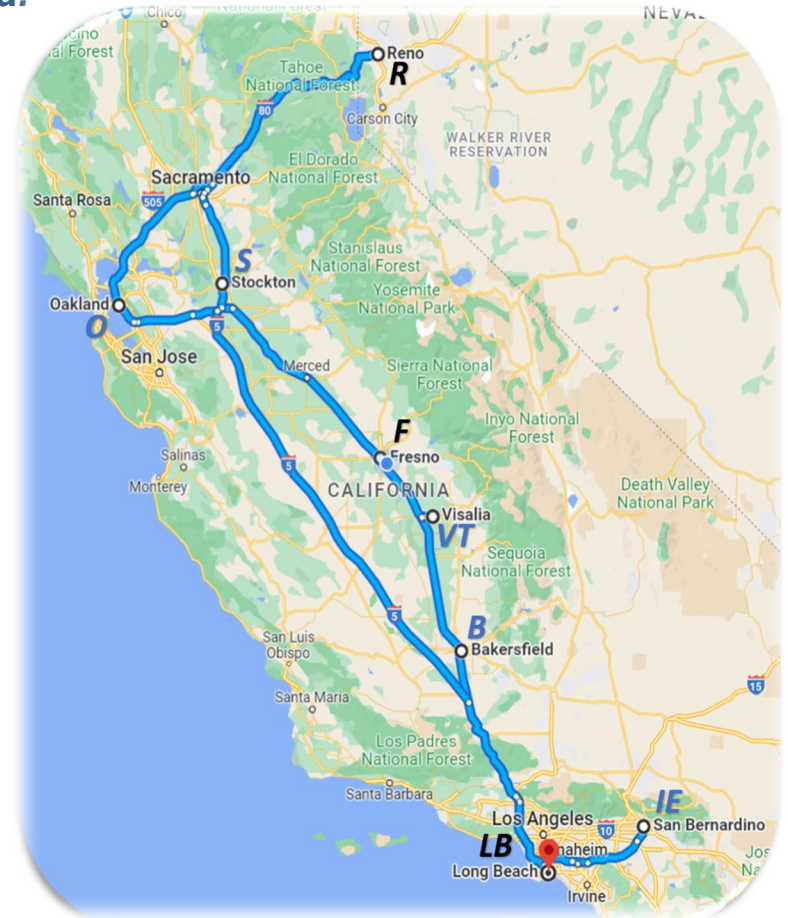
O – Oakland (yards) – TGS has company drivers and LMC partners based in Oakland as well as high security yards within the Port of Oakland.

S – Stockton (yard) – TGS has a secure yard, with electronic gates, cameras and security patrol at night. We run company power and LMC partners in this market.

VT – Visalia/Tulare (yard) – TGS has company trucks & LMC partners handling loads to/from LA/LB and Oakland ports.

B – Bakersfield (yard) – TGS has many LMC partners based in this area and is aggressively growing this market. **(Much more to come in 2023!)**

IE – Inland Empire (yard) – TGS is growing this lane rapidly in 2023.



TGS's Knows Ag!



TGS has specialized in Ag Exports since 1987

THE SERVICE YOU'VE COME TO DEPEND ON

How do you specialize in International Ag Export Trucking?

•You listen to your customers and do what's in their best interest!

•TGS has specialty chassis for all our ag export partners. We have the newest and largest specialty ag fleet in the central valley with over 300 chassis and growing every year to meet our customer's demands.

- TGS has 40' LW (light weight) chassis to haul up to 46,000 lbs.
- TGS has 20/40 split axle chassis to haul up to 46,000 lb. 20' loads
 - These are lighter and more versatile than tri-axle chassis
- All our chassis have GPS (with geo-fencing) – we monitor them daily to make sure your load is where it's supposed to be.

•TGS's team is trained to handle Ag products. Not just our operations team, but our admin, safety team, company drivers, independent contractors and even a lot of our vendor partners all know the difference in handling something Ag related vs. something else.

- TGS's Ops team is lead by veterans in the industry
- All TGS drivers know what to look for when getting a container for Ag.

•TGS hauls the below commodities on a daily, weekly and monthly basis:

- Almonds, Citrus, Corn Flour, Cotton, Grapes, Melon, Milk powder, Pistachios, Pomegranates, Prunes, Raisins, Seeds, Stone fruit, Walnuts
- We also haul ag related products like drip irrigation, fertilizers, bins, trays and other supporting products.



TGS in the Industry



TGS has a reputation for giving back to the industry.

THE SERVICE YOU'VE COME TO DEPEND ON

Here are some of the industry associations, organizations and groups we are apart of.

- **AgTC** – TGS is an active member and serves on the Board of Advisors. We also help, sponsor and speak at workshops and at the annual meeting.
- **CTA** – TGS is a very active member of the California Trucking Association. Peter Schneider is Chairman of the Intermodal Conference for Northern California, and Robert Loya is Chairman of the Intermodal Conference for Southern California. **In 2024, Robert Loya will be the new CTA President.**
- **HTA** – TGS is very active with the HTA. Robert Loya is the outgoing President and new Executive VP & Peter Schneider is Treasurer. We are strong advocates not only for our industry, but for our customers within the industry.
- **IANA** – TGS has been an IANA member for over 25 years. We are now on the IIEC committee which manages the actual UIIA document, amendments and changes.
- **FMC** – TGS has participated on three supply-chain innovation teams since 2016. We stay active and engaged with the FMC, and they call us for advice. We meet with the FMC Chairman & Commissioners no less than 2 times per year in person in DC, as well as on the west coast when they make it west.
- **Port of Oakland PETF** – TGS is one of only a few drayage companies on the Port Efficiency Task Force at the port of Oakland. This was instrumental in Oakland's turn around in 2016.
- **Other** – TGS was instrumental with the passage of OSRA, writing sections of the law that went to both the House and Senate for approval by the President in June-2022.

TGS Works Hard & Fights For Its Customers



TGS at FMC – Oct-22

AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

Talking Points

- CARB *(The worst 4 letter word in CA)*
- AB5
- PMA-ILWU Contract – is it done yet?

AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

CARB – new regulations

- Drayage Trucks – 1/1/23
 - ❖ On 12/31/2022: Diesel-Fueled Trucks equipped 2007-2009 MY Engines will no longer legally be able to access ports and covered intermodal facilities (Railyards within 80 Miles of a port or over 100 truck trips per month)
- HDZEV Drayage Standard – 1/1/24
 - ❖ Beginning 1/1/2024: All New VIN entrants into DTR will need to be ZEV (Zero-Emission Vehicles) (New or used trucks)
 - ❖ Useful Life Reporting (13 Engine Years or 800K Miles up to 18 Years)
 - ❖ 2035 HDZEV Requirement

AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

POLA trucks - 2007-09

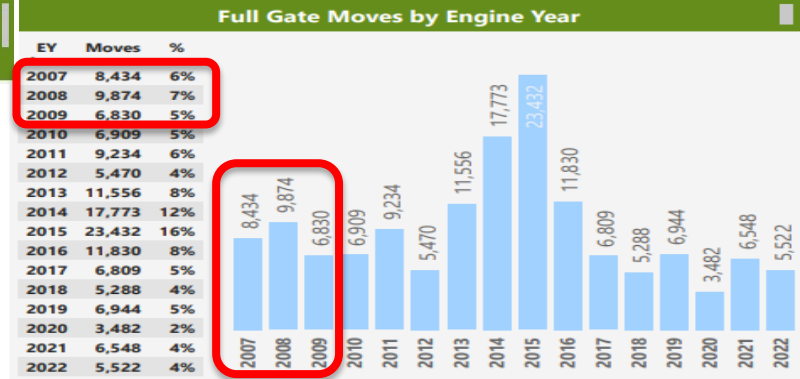


Clean Truck Program (CTP) - Gate Move Analysis

October 2022: Adjusted Engine Year

Move Summary

2007-09 trucks
18% of loaded
moves in Q4-22



Clean Truck Program (CTP) - Gate Move Analysis

April 2023: Adjusted Engine Year

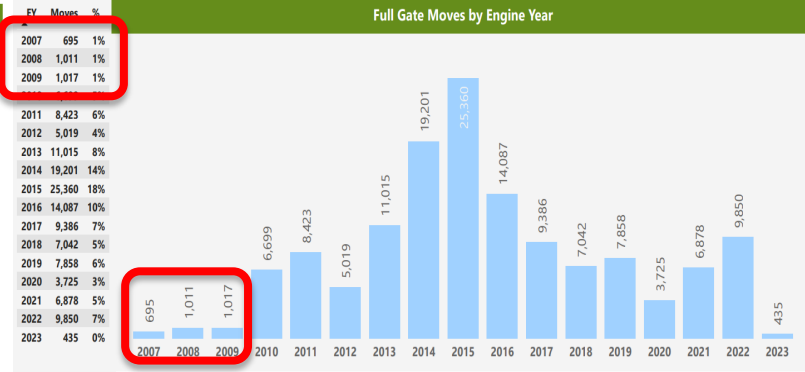
Move Summary

2007-09 trucks
3% of loaded
moves in Q1-23



Engine Year Distribution (Cont.)

Page 2



AHFA Conference 2023

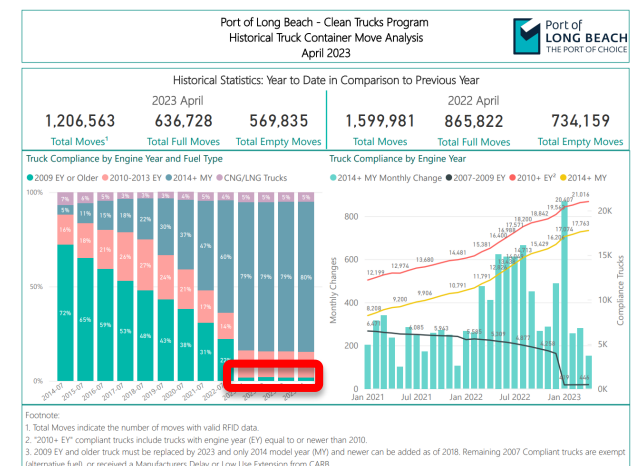
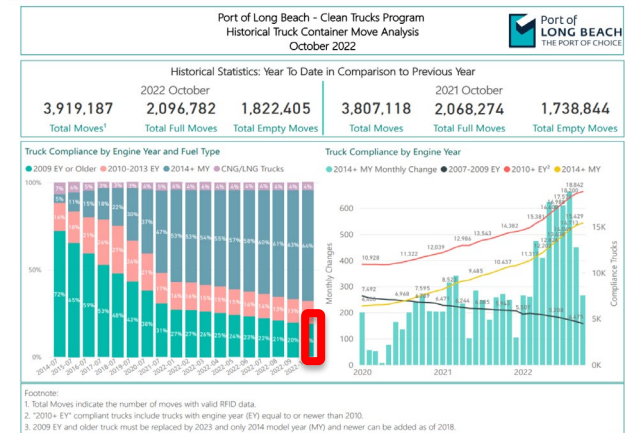


THE SERVICE YOU'VE COME TO DEPEND ON

POLB trucks - 2007-09

2007-09 trucks
18% of loaded
moves Q3-4 22

2007-09 trucks
2% of loaded
moves Q1 2023



AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

CARB useful life

USEFUL LIFE MATRIX FOR DRAYAGE TRUCKS UNDER CARB ADVANCED CLEAN FLEETS REGULATION - Sec 2014.1 Title 13 CCR (PROPOSED)

Engine Model Year	Truck Model Year	First Mileage Reporting Due*	Earliest Possible Retirement Date	800,000 Vehicle Mile Allowance	Final Retirement Date	
2010	2011	02/15/2025	Retired in 2025 if 800,000+ Reported Vehicle Miles	Vehicle Must be Retired in Next Reporting Year Once 800,000 Vehicle Miles is Reached - After 13 Years or up to 18 years (Final Retirement Date) From Certified CARB or EPA Engine Year	01/01/2028	
2011	2012	02/15/2025	Retired in 2025 if 800,000+ Reported Vehicle Miles		01/01/2029	
2012	2013	02/15/2025	Retired in 2025 if 800,000+ Reported Vehicle Miles		01/01/2030	
2013	2014	02/15/2026	Retired in 2026 if 800,000+ Reported Vehicle Miles		01/01/2031	
2014	2015	02/15/2027	Retired in 2027 if 800,000+ Reported Vehicle Miles		01/01/2032	
2015	2016	02/15/2028	Retired in 2028 if 800,000+ Reported Vehicle Miles		01/01/2033	
2016	2017	02/15/2029	Retired in 2029 if 800,000+ Reported Vehicle Miles		01/01/2034	
2017	2018	02/15/2030	Retired in 2030 if 800,000+ Reported Vehicle Miles		01/01/2035	
2018	2019	02/15/2031	Retired in 2031 if 800,000+ Reported Vehicle Miles		All Vehicles Expected to Meet ZE Standards in 2035 Regardless of Mileage***	All Non-ZE Vehicles to Retire on 1/1/2035***
2019	2020	02/15/2032	Retired in 2032 if 800,000+ Reported Vehicle Miles			
2020	2021	02/15/2033	Retired in 2033 if 800,000+ Reported Vehicle Miles			
2021	2022	02/15/2034	Retired in 2034 if 800,000+ Reported Vehicle Miles			
2022	2023	TBD**	All Non-ZE Vehicles to Retire on 1/1/2035***			
2023	2024	TBD**				

*Vehicle mileage must be reported every year by 02/15 once truck turns 12 years old (Begins in 2025)

**Mileage reporting has not been clarified for any date after 01/01/2034 - All Drayage Trucks to be ZE by 01/01/2035

***Current ACF Requirement - May change depending on further interpretation of useful life - HSC § 43021

© Harbor Trucking Association 2022. All Rights Reserved.

AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

Highlighted portions of CARB's website

Are any zero-emission trucks commercially available?



There are more than 70 different models of zero-emission vans, trucks and buses that already are commercially available from several manufacturers. Most trucks and vans operate less than 100 miles per day and several zero-emission configurations are available to serve that need. As technology advances, zero-emission trucks will become suitable for more applications. Most major truck manufacturers have announced plans to introduce market ready zero-emission trucks in the near future.

There are only a few, very limited, options for ZEVs for Class 8 Trucks – and none meet the needs of the drayage industry

Drayage Trucks at Seaports & Railyards

- About
- News
- Resources
- Drayage Truck Regulation Sunset
- Upcoming Deadlines
- Exemption Guidelines
- Regulatory Documents
- Seaport & Railyard Facilities
- Subscribe

The Drayage Truck Regulation will no longer be in effect as of January 1, 2023. Beginning January 1, 2023, drayage trucks will be subject to the Truck and Bus Regulation. Please visit the [Drayage Truck Regulation Sunset](#) page for more details.

Deadline	Description
Class 7 and Class 8, Ongoing	Trucks with 2007 model year engines or newer are fully compliant through December 31, 2022. Most often, these trucks can be identified by their green 2020 or 2022 label. 2020 labels have the same compliance as 2022 labels. Free registration in the Drayage Truck Registry (DTR) is still necessary for entry in to California ports and railyards. Starting January 1, 2023, trucks must have a 2010 model year engine or newer to continue entering California ports and railyards.
	 
Ongoing	All drayage trucks must be registered in the DTR before they are dispatched to a port or railyard.

AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

CARB

Moral of the story...

- If you need to buy a new(er) truck because your truck is going to expire in the next 1-3 years, you need to purchase your truck this year if you want to use a diesel truck for the foreseeable future.
- HDZEV Trucks cost 100-200% more than brand new diesel trucks.
- Electric trucks weight 8-10,000 lbs. more than diesel trucks.
 - The CA weight exemption is only 2,000 lbs.
- Electric trucks' range is only 100-150 miles with a load...maybe.
- There is no real charging infrastructure, and it will take the utility companies several years to get you power.
- Charging infrastructure costs \$50-150,000 per truck.
- Grants cover a large portion of this cost...not enough!
- You need the grants, infrastructure and trucks to be delivered at the same time.
- **It doesn't pencil out!**

AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

Talking Points

- CARB
- AB5
- PMA-ILWU Contract – is it done yet?

AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

AB5 – The ABC Test

Presumes employee status unless hiring entity demonstrates all three of the following:

- A. Worker is free from control and direction of the hiring entity, both under the contract and in fact;
- B. Worker performs work that is outside the usual course of the hiring entity's business; and
- C. Worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed for the hiring entity.

AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

AB5 Setup Options

- **Brokerage Model** – different options to operate it
 - 1-Strictly use LMC Partners
 - 2-Use Fleet Operators that have Employee Drivers
 - 3-Settlement Carrier Model
- **Conversion to Company Drivers**
- **Two-Check System** – pay for services and truck and related costs separately
- **Hybrid Model** – lots of variables
 - Use Company trucks under one company
 - Use LMC Partners under another company

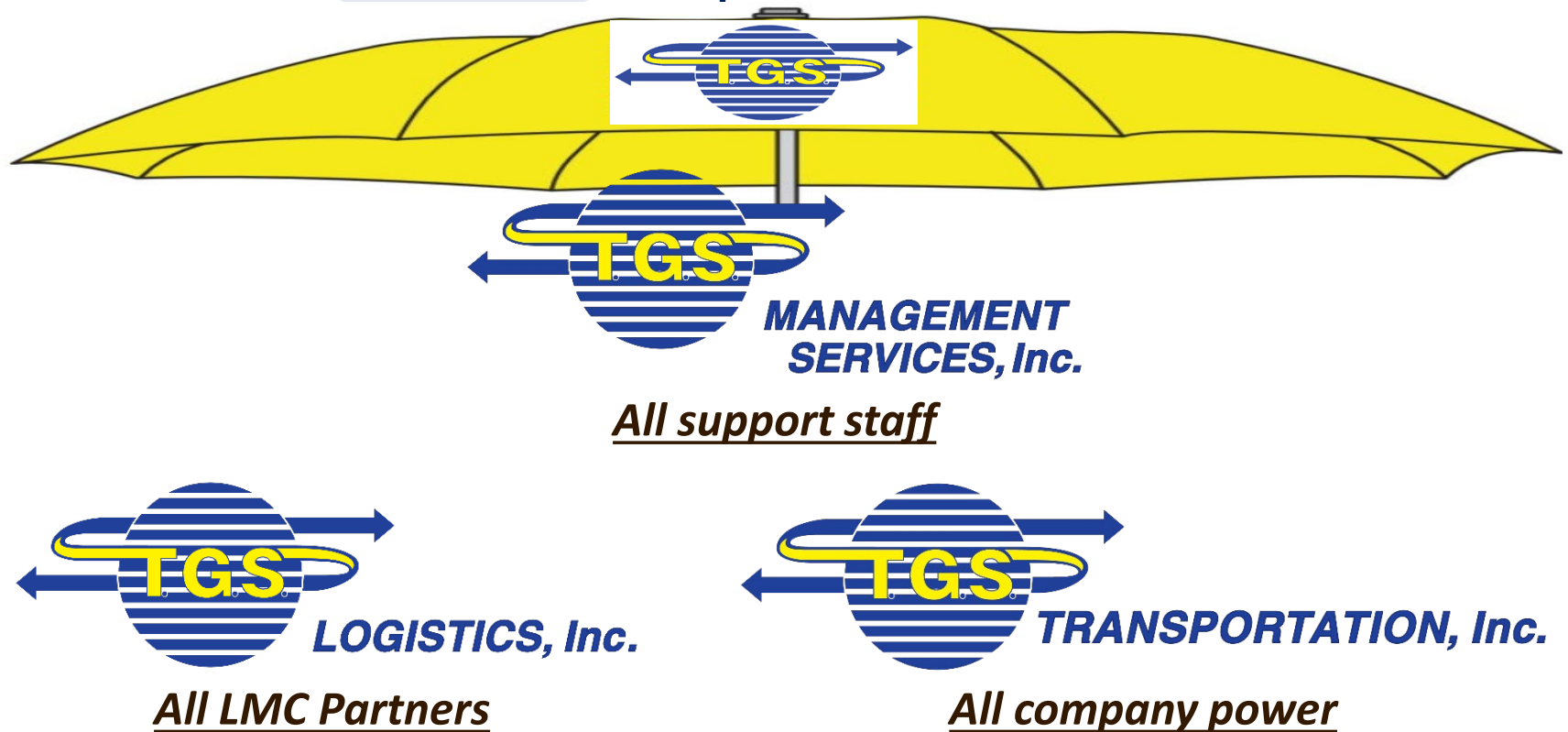
AHFA Conference 2023



AB5 Set Up *(through multiple attorneys' advice - 😞 😊)*

THE SERVICE YOU'VE COME TO DEPEND ON

- TGS is now three companies



AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

Talking Points


- CARB *(The worst 4 letter word in CA)*
- AB5
- PMA-ILWU Contract
 - When is this going to end???

AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

PMA-ILWU contract update

- Contract ended 7/1/22
- Made minor agreements in Aug-22
- No real communication until Mid-April-23
- Have been slow-downs; equipment issues on terminal; automated equipment issues; overtime pay issues; and other grievances behind the scenes since last fall.
- Automation and Manning requirements agreed to in April and May.
- As of late May, the latest press is saying June... 

AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

National/Operational/Supply-Chain Fact:

- 80% of the population lives east of that line.
- 80% of imports came through the West Coast 20 years ago.
- Less than 50% of imports come through the West Coast now.

Does anyone really think the cargo is coming back?



AHFA Conference 2023



THE SERVICE YOU'VE COME TO DEPEND ON

Questions?



Peter Schneider
President

pschneider@tgstrans.com



Robert Loya
COO

rloya@tgstrans.com

THANK YOU!