



**LOGISTICS, Inc.**

*The Service You've Come to Depend On*

**Presentation for**



American Home Furnishings Alliance



**LOGISTICS 2024  
CONFERENCE**

**CHARLESTON, SOUTH CAROLINA • JUNE 17-19**

**2024 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.***

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***US Customs Bonded***



***Certified Hazmat Carrier***



***CARB Certified Trucks***

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# TGS Geographical Footprint



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

**F – Fresno (Corporate Office/yard)** – From the central valley, TGS runs between Oakland and LA/LB ports as well as northern California rail ramps. Our Fresno yard is a 5-acre (soon to be 15-acre) yard with electronic gates, cameras and security patrol at night.

**R – Reno (office/yard)** – From northern Nevada we primarily running the Reno-Oakland traffic lane, but we also handle local intermodal rail. We run both company trucks and Independent LMCs in this lane.

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

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

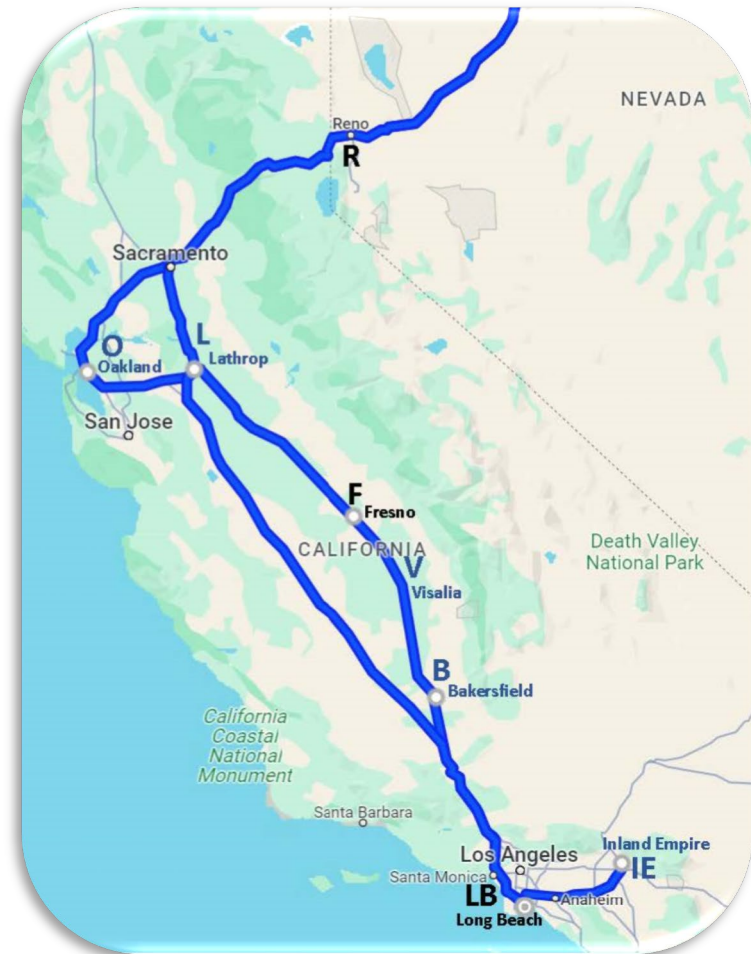
**L – Lathrop (yard)** – TGS has a secure yard, with electronic gates, cameras and security. We run company power and LMCs in this market.

**V – Visalia (yard)** – TGS has company trucks & LMCs handling loads to/from LA/LB and Oakland ports.

**B – Bakersfield (yard)** – TGS has many LMCs based in this area and is aggressively growing this market. **(Much more to come in 2024!)**

**IE – Inland Empire (yard)** – TGS has LMCs based in this area and is aggressively growing this area. **(Much more to come in 2024 here too!)**

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# TGS Investments & Assets



***TGS has been in business since 1985. We weather economic storms by constantly reinvesting back into the company. Please see our past 5 years of investments, and planned investments through 2024.*** ***THE SERVICE YOU'VE COME TO DEPEND ON***

- 2024** \$1.0 million investment in ISO tank chassis – Q1  
Start construction on a new Corporate Office and Yard  
**Save cash due to overall market/economic conditions**
- 2023** \$600,000 investment in more LW 40' chassis  
\* LW – lightweight chassis  
Upgraded TMS system
- 2022** \$8.5 million investment in company trucks  
\$2.2 million investment in chassis & reefer trailers
- 2021** Opened a new office in Carson, CA  
Added a domestic intermodal division  
\$1.0 million investment in company trucks  
\$1.75 million investment in new chassis
- 2020** Added a reefer international division  
\$2.25 million investment in new chassis
- 2019** \$700,000 investment in new trucks  
Opened a new office in Reno, NV  
\$700,000 investment in new chassis



***By Jan-24, TGS is running 200 Lightweight 40' chassis, over 450 chassis overall.***  
***Dec-23, TGS is running 45 company trucks, almost doubling our fleet in one year.***

***TGS always plans & invests for the future!***



# TGS Knows Imports

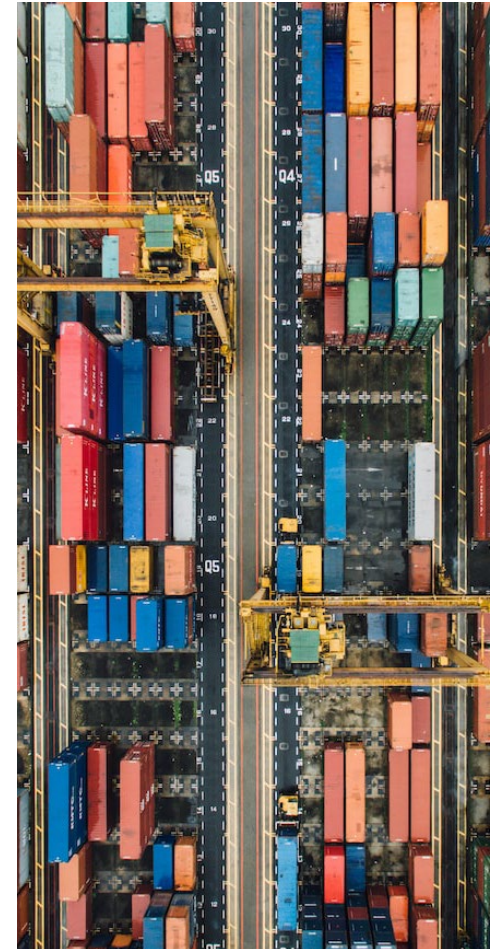


**TGS has specialized in Large Import accounts since 1999**

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## **How do you Succeed as an International Import Trucking Company?**

- **You listen to your customers, you invest for both your future success & do what's in the best interest of your customers, ALWAYS!**
- **TGS has the latest TMS software to connect with our customers in everyway.**
  - **Our software can be linked with EDI, APIs, and we're working on AI and RPAs**
  - **We use 3<sup>rd</sup> party software to enhance all aspects of import cargo tracking, appointments within the terminals & tracking those appts to hold MTOs accountable.**
  - **We hold everyone accountable...ALWAYS...including ourselves.**
  - **We have software to fight per diem, so we fight every per diem invoice, EVERY TIME.**
  - **All drivers (company or LMCs) use our mobile app – which geofences their locations.**
- **We run the newest trucks and chassis – so our drivers don't breakdown**
  - **TGS refreshed our entire company fleet in 2023 ahead of all CARB regulations.**
  - **Trucks are equipped with the latest safety features – lane departure, auto stopping in traffic, accident detection, etc.**
  - **All trucks have ELDs/GPS so we can track your load or empty...and tie it into your systems if needed.**
  - **All our chassis (over 450) have GPS (w/geo-fencing), we know where they are; so you know where your load is.**
  - **TGS has almost a dozen secure yards in CA and NV.**
- **TGS's veteran team is used to managing import accounts; whether it's 400 or 40,000 containers. Our entire company understands the needs of our customers.**
  - **At all levels and in all departments, TGS has veterans and experts within the industry.**



# TGS in the Industry



## *Industry associations, organizations and groups we are apart of*

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- **AgTC** – TGS is a very active member and serves on the Board of Advisors. We're also a long-time sponsor and speak at the annual meeting as well as workshops. We work hard with AgTC leadership both in DC as well as with CA ports.
- **CTA** – TGS is very active within the California Trucking Association. Peter Schneider - Chairman of the Intermodal Conference for Norcal, and Robert Loya is Chairman of the Intermodal Conference for Socal. **Robert Loya will also be the next CTA President.**
- **HTA** – TGS is very active with the HTA as well. 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. Staying engaged, they call us for advice often. We meet in person in DC no less than twice a year, and whenever 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.
- **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. We worked on this tirelessly with the AgTC and FMC commissioners.
- **BCO Associations** – AHFA, Almond Alliance, APG, CCOA, SCTC, WAPA and others – advocating for their needs, and supplying them with drayage industry information.



*TGS at FMC – Oct-22*

## **TGS Works Hard & Fights For Its Customers**



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## Talking Points

- **CARB** *(The worst 4 letter word in CA)*
- New FMC DnD rule Effective 5/28/24
  - DnD – Detention and Demurrage
- Supply Chain Challenges & Successes
  - From an International perspective

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## CARB

- **Advanced Clean Trucks** - Manufacturing Companies

Class	CARB ACT			EPA GHG 3				
	Vocational		Tractor	Vocational			Tractor	
	2b-3	4-8	7-8	2b-5	6-7	8	Day Cab	Sleeper
2024	5	9	5	Effective MY 2027				
2025	7	11	7					
2026	10	13	10					
2027	15	20	15	17	13	0	0	0
2028	20	30	20	22	16	0	8	0
2029	25	40	25	27	19	13	12	0
2030	30	50	30	32	22	15	16	6
2031	35	55	35	46	31	23	28	12
2032	40	60	40	60	40	30	40	25
2033	45	65	40	60	40	30	40	25
2034	50	70	40	60	40	30	40	25
2035	55	75	40	60	40	30	40	25
2036	100	100	100	60	40	30	40	25

Source: EMA, EPA, CARB

## Manufacturer Standards

- Truck manufacturers mandated by California to sell zero-emission (ZE) trucks starting 2024
  - **100% ZE sales by 2036**
- Federal rule less stringent for large trucks and stops short of total ban on internal combustion





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## CARB

- **Advanced Clean Fleets — Trucking Companies**

### High Priority Fleets

(>50 trucks or \$50m revenue that operate even a single truck in CA)

- Beginning January 1, 2024
  - All additions are ZEVs
  - Retire legacy trucks at end of their useful life
- Useful life is the later of 13 years or 800,000 miles but no more than 18 years

Zero-Emission Fleet Percentage	10%	25%	50%	75%	100%
Box trucks, vans, two-axle buses, yard trucks	2025	2028	2031	2033	2035
Work trucks, day cab tractors, three-axle buses	2027	2030	2033	2036	2039
Sleeper cab tractors and specialty vehicles	2030	2033	2036	2039	2042

### Drayage

(Fleets of any size operating at ports and Class I railyards)

Beginning in 2024	Any drayage truck added to the CARB Online System must be a Zero-Emission Vehicle
Beginning in 2035	All drayage trucks entering seaports and intermodal railyards must be Zero-Emission Vehicles

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## CARB – Useful Life Based on Engine Year

### 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 <b>18 years (Final Retirement Date)</b> 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

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## POLA trucks - 2007-09 Going, Going, GONE!!!

**Oct-22**

**18% of loaded moves**

**25,138 loads**

**Apr-23**

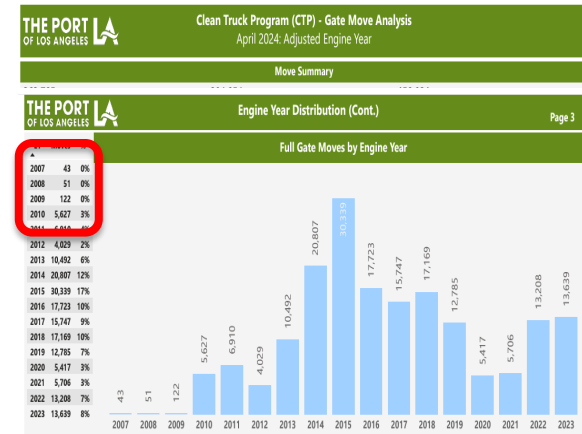
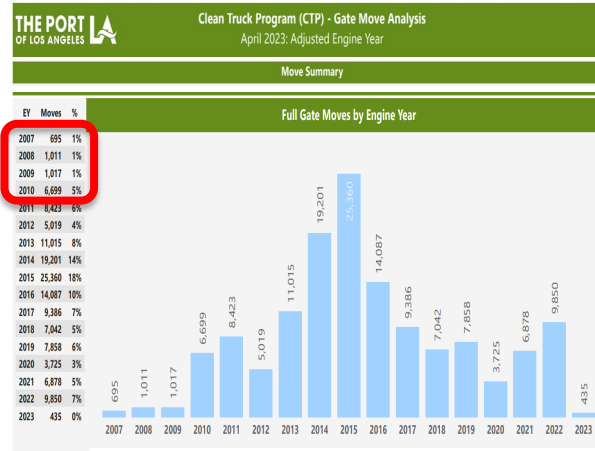
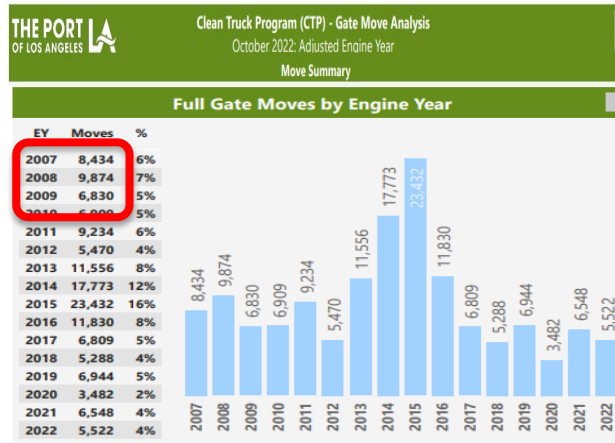
**3% of loaded moves**

**2,723 loads**

**Apr-24**

**0-1% of loaded moves**

**216 loads**



Shift from older trucks handling a large percentage to new trucks handling a larger % of the volume. 26,847 loads by 2022-23 engine trucks in Apr-24

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## CARB

### The ZEV story...

- Diesel - \$200,000; Electric - \$400-500,000; Hydrogen - \$550-700,000
  - 100-225% increase in cost – just the purchase price.
- Charging infrastructure costs \$50-150,000 per truck.
  - It is taking 12-36 months to get power for infrastructure.
  - You need to add 15-20,000 charging stations within the next 10 years to meet demand.
- Electric trucks' range is 100-150 miles with a light load...maybe.
- Electric trucks weight 10-12,000 lbs. more than diesel trucks.
  - The CA weight exemption is only 2,000 lbs.
  - BCOs shipping 42-45,000 lbs. need to reduce cargo by 25%.
- Grants cover a large portion of this cost but,
- You need grants, infrastructure & trucks to be delivered at the same time.

**It doesn't pencil out because the technology doesn't work!**



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## CARB — Lawsuits and Current Status

- Four lawsuits filed against ACF, including CTA
  - Decision likely late 2025
- ACF Regulation currently not being enforced per agreement between CTA and CARB until Federal EPA issues necessary waiver



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## Talking Points

- CARB *(The worst 4 letter word in CA)*
- **New FMC DnD rule Effective 5/28/24**
  - DnD – Detention and Demurrage
- Supply Chain Challenges & Successes
  - From an International perspective

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## FMC – DnD Rule

- In effect from OSRA rule
- Effective 5/28/24
- Forces Steamship lines to bill BCOs, not truckers
- Truckers cannot be locked out due to non-payment

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NATIONAL ARCHIVES **FEDERAL REGISTER** The Daily Journal of the United States Government

Rule

### Demurrage and Detention Billing Requirements

A Rule by the Federal Maritime Commission on 02/26/2024

**PUBLISHED DOCUMENT** Start Printed Page 14330

**AGENCY:**  
Federal Maritime Commission.

**ACTION:**  
Final rule.

**SUMMARY:**  
In accordance with the Ocean Shipping Reform Act of 2022, the Federal Maritime Commission (the Commission or FMC) is issuing regulations governing demurrage and detention billing requirements. This final rule requires common carriers and marine terminal operators to include specific minimum information on demurrage and detention invoices, outlines certain detention and demurrage billing practices, such as determination of which parties may appropriately be billed for demurrage or detention charges, and sets timeframes for issuing invoices, disputing charges with the billing party, and resolving such disputes. It adopts with changes the notice of proposed rulemaking published on October 14,

**DOCUMENT DETAILS**

**Printed version:**  
PDF

**Publication Date:**  
02/26/2024

**Agency:**  
Federal Maritime Commission

**Dates:**  
This final rule is effective on May 28, 2024, except for instruction 2 adding Sec. 541.6, and instruction 3 adding Sec. 541.99, which are delayed. The Commission will publish a document in the Federal Register announcing the effective date of these amendments.

**Effective Date:**  
05/28/2024

**Document Type:**  
Rule

**Document Citation:**



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## FMC – DnD Rule – Invoicing Requirements

§ 541.4 - Properly issued invoices.

(a) A properly issued invoice is a demurrage or detention invoice issued by a billing party to:

(1) The person for whose account the billing party provided ocean transportation or storage of cargo and who contracted with the billing party for the ocean transportation or storage of cargo; or

(2) The consignee.

(b) If a billing party issues a demurrage or detention invoice to the person identified in paragraph (a)(1) of this section, it cannot also issue a demurrage or detention invoice to the person identified in paragraph (a)(2) of this section.

(c) A billing party cannot issue an invoice to any other person.

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## FMC – DnD Rule vs. current UIA rules

### Invoice Procedures

#### UIA

#### FMC

Receive Invoice

60 days from last transaction

30 days from last transaction

Mitigate/Fight Invoice

30 days from invoice date

30 days from invoice date

Response to Mitigation

30 days from mitigation

30 days from mitigation

Fighting Invoices

DRP - Dispute Resolution Process

Two person team from IIEC

Made up of 1 MC, 1 EP

Filing Shipping Complaint

Dispute Resolution Services

Filing Small Claims Complaint

Filing Formal Claims Complaint

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## FEDERAL MARITIME COMMISSION

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## | Filing a Shipping Complaint

The FMC can assist in resolving complaints and disputes, finding solutions and awarding reparations related to ocean transportation activities:

### Dispute Resolution Services

The [Office of Consumer Affairs and Dispute Resolution Services](#) (CADRS) is an impartial resource that assists the maritime industry and the shipping public resolve ocean shipping problems through an informal and voluntary process (i.e., ombuds services).

### Filing a Small Claims Complaint

[Filing a Small Claims Complaint](#): For claims of \$50,000 or less, a small claim alleging Shipping Act violations may be filed. The complaint will be handled by a settlement officer for resolution using [informal procedures](#) (46 CFR Part 502 Subpart S).

### Filing A Formal Complaint

[Filing A Formal Complaint](#): Any person may file a formal complaint to allege [violations of specific sections of the Shipping Act](#). The complaint must be sworn and verified, and if seeking reparations, be filed within three years of the claimed violation. Formal complaints are generally heard by an [Administrative Law Judge](#) and are reviewed by the Commission.



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## Talking Points

- **CARB** *(The worst 4 letter word in CA)*
- **New FMC DnD rule Effective 5/28/24**
  - DnD – Detention and Demurrage
- **Supply Chain Challenges & Successes**
  - From an International perspective

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## Supply-Chain Challenges

- Geopolitical challenges
  - Red Sea; EU & Asia congestion; Panama drought
- International supply-chain balancing act for the steamship lines with supply of vessels and capacity vs. demand.
  - 8% growth over past 5 years, with 25% growth in capacity, however, Geopolitical challenges eating up that capacity.
- ILA/USMX talks stalling – 6/10/24 JOC article – due to “violations of its existing deal amid automation” by Maersk at APM terminals.
  - Port of Mobile is the only local port where talks have not been settled.
  - Supposed to have all local negotiations finished before the master contract will be put on the table for discussion.

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## Supply-Chain Challenges – cont.

- Finalizing the new FMC DnD rule.
  - There are some that don't want the change and they are fight, kicking and screaming...
- Over-regulation
  - CA CARB rules and the like hamper progress (not help it).
- More laws fought every year
  - In CA, this year we fought and got three different, potential laws off the docket. It is like this almost every year.
- Infrastructure needs to be built for our ports.
  - Bigger and up to date roads & bridges are needed.
  - More rail in certain markets, on-dock rail as well.
- Chassis – always an issue...not enough time...



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## Supply-Chain Successes

- A good line of communication if the supply chain is backed up
  - FLOW / General Lyons, Congress, FMC and ports are much better aligned since the pandemic.
  - Supply chain service providers are better aligned also – steamship lines, terminals, truckers, chassis, ports, rail, customs, etc.
  - We know that when the ports/terminals are backed up with massive cargo surges, it is mainly the empties that are needed to get dispersed to make room for loaded cargo.
- OSRA was a big win.
  - It gave the FMC more authority to enact rules to put better and updated accountability into the supply chain.
  - It is taking a lot of time for the new rules to get finished, thus slow progress.

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## Questions?



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## THANK YOU!