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April Hansson

Traffic Jams Can't Be Prevented, Says Washington State Transportation Chief

Roger Millar, the leader of the Washington state Department of Transportation, asserted that addressing Washington state's traffic challenges cannot be solely achieved through highways, and it is impractical to prevent congestion.

During a meeting of the American Association of State Highway and Transportation Officials, Roger Millar, the head of the Washington state Department of Transportation, emphasized that increasing the number of highways to address congestion is not a viable solution. Millar, as reported by AASHTO Journal, highlighted the impossibility of solving congestion and suggested that the issue stems from broader problems, such as the lack of preparation for growing cities. He emphasized the need to focus on providing affordable housing and developing effective transportation systems to tackle the root causes of traffic congestion. Millar also criticized the inadequacy of the state's gas tax, which primarily goes towards paying off debt rather than addressing current infrastructure needs. He dismissed the idea of relieving congestion through highway construction, citing the exorbitant cost and proposing a shift towards exploring innovations in transportation technology and systems. Millar acknowledged the economic theory of "induced demand," emphasizing the need for a different approach to transportation planning and a collective effort to address the challenges faced by the country's transportation systems.

Millar also labeled the notion of easing congestion through highway construction as impractical, citing the exorbitant cost of creating a highway system that consistently allows for 60 mph driving. He estimated this would necessitate an investment of $115 billion, equivalent to a tax increase of $2.20 to $2.50 per gallon of gas.

: https://www.ttnews.com/articles/traffic-jams-cant-be-prevented-says-washington-state-transportation-chief

Highways aren't the answer, traffic jams can't be stopped, says Washington transportation chief

During a gathering of the American Association of State Highway and Transportation Officials, Roger Millar emphasized that constructing additional highways is not a solution to alleviate congestion. According to AASHTO Journal's report on last Wednesday's meeting in Spokane, Millar stated that congestion is an issue that cannot be effectively resolved. Millar's discussion extended beyond highway construction, addressing the challenges posed by the growth of cities and the lack of preparation for associated issues such as insufficient affordable housing and the absence of robust transportation systems.

Apart from the state's gas tax, which generated approximately $1.6 billion in 2016, the federal government imposes an additional 18.4 cents per gallon. While acknowledging the historical controversies surrounding the gas tax, Millar recognized its past effectiveness in funding road repairs. The inception of the gas tax in Oregon in 1919 prompted other states to adopt similar measures, shifting transportation planning influence from municipal leaders to state lawmakers.

Millar argued that traffic congestion is not just a problem in itself but rather a symptom of a larger issue— the failure to provide affordable housing and effective transportation solutions. He highlighted the disparity in transportation options, emphasizing that while affluent individuals in cities have various choices, others are compelled to drive, often using vehicles that are not in optimal condition for the journey.

The inadequacy of the state's gas tax for its intended purpose was another point of critique by Millar. Despite being the second-highest in the nation at 49.4 cents per gallon, he noted that the tax predominantly goes towards settling debts from prior infrastructure projects. Looking ahead, Millar projected that over 70% of the gas tax revenues by 2027 would be allocated to paying off bond debt, redirecting a significant portion to financial institutions.

The amateurs discuss tactics the professional discuss logistics

The line between disorder and order line in logitics

Behind every graet leader there was an even greater logistician.

Dan Ronan

EPA to Study Financial Implications of Maritime Emissions Rules

The U.S. Environmental Protection Agency has initiated a study to assess the potential economic consequences of upcoming regulations mandating cleaner fuel for shipping vessels on various transportation sectors, including trucking.

During a meeting held on July 30 to announce the commencement of the study, EPA researcher Jean-Marie Revelt emphasized the crucial land-based connection for almost all items transported by ships. Revelt stated that it is uncommon for both the source and user of materials to be directly situated on a body of water. In such cases, there is a necessity for transportation links, either by truck or rail, to facilitate the movement of goods to and from the port.

The EPA highlighted the positive impact of the earlier directive, claiming an over 85% reduction in air pollution from particulate matter and sulfur emissions

Starting from January 1, 2020, vessels entering these ports are likely to transition from their current fuel to ultra-low sulfur fuels, such as the diesel commonly used in trucks. This change was mandated by the International Maritime Organization, specifying that cargo and cruise ships in specific open water areas must either switch from using "No. 6" fuel oil, also known as bunker fuel, or employ "scrubbers" for fuel cleaning. Scrubbers are pollution control systems that utilize a wet slurry of limestone and other chemicals to reduce sulfur levels in the fuel.

Beyond the 200-mile threshold, ships enter international waters and are subject to IMO regulations. The United States, Canada, and France have agreed to adhere to these rules due to the frequent docking of these ships in their ports. This directive builds upon previous IMO initiatives aimed at reducing emissions from cargo ships. In 2015, the IMO mandated that oceangoing ships within the Emission Control Area use fuel with sulfur content of 1,000 parts per million or less. While scrubbers were sufficient for compliance at that time, they are deemed cost-prohibitive for the upcoming enforcement.

Citing figures from the U.S. Department of Energy, Tom Kloza, Global Head of Energy Analysis at the Oil Price Information Service, noted that the international maritime industry consumes an estimated 4 million barrels of fuel daily, with the majority being bunker fuel. The recent directive from the International Maritime Organization (IMO) is applicable to shipping vessels operating within 200 nautical miles in the North American Emission Control Area, which spans thousands of miles along the Atlantic and Pacific Ocean coastlines. This area includes regions off the United States, Canada, and the French territories of Saint Pierre and Miquelon.

https://www.ttnews.com/articles/epa-study-financial-implications-maritime-emissions-rules

In the context of the trucking industry, Glen Kedzie, Energy and Environmental Counsel for the American Trucking Associations, highlighted that the primary concern revolves around how the shift will influence the diesel fuel market. According to him, the significant factor is the cost of fuel, making it a crucial aspect to consider. Predictions from OPIS last month suggested that diesel prices could rise by as much as a dollar per gallon by the end of 2019 or early 2020.

The adoption of the 2020 standards is expected to yield further improvements. However, in 2016, the Senate Appropriations Committee directed the EPA to explore the possibility of relaxing air quality limits for ships entering the United States. This directive arose from concerns that the IMO's stricter regulations could jeopardize the economic competitiveness of the cargo shipping industry. The newly launched EPA study is in response to that directive.The committee has specifically requested the EPA to explore the possibility of exempting vessels with engines generating less than 32,000 horsepower and operating more than 50 miles from the U.S. coastline from the Emission Control Area (ECA) restrictions. Notably, the world's largest containerships possess engines capable of exceeding 100,000 horsepower. Over the next several months, the EPA plans to gather input from various transportation stakeholders to understand the potential impact of the impending changes on their respective industries.However, EPA's Revelt advised against excessive concern regarding the impact of the change on diesel prices in the immediate future. She emphasized the uncertainty surrounding the price of fuel in 2020 and underscored the need for a conservative assumption in the initial assessment.

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Dan Ronan

XPO Logistics Expands Driver Training Program

https://www.ttnews.com/articles/xpo-logistics-expands-driver-training-program

Greenwich-based XPO Logistics Inc. is addressing the nationwide shortage of truck drivers and technicians by launching "The Drive for Success," a national scholarship program for professional driver trainees. While XPO Logistics already provides free CDL-A training at its 114 service centers in the U.S., the new program expands this initiative by offering tuition reimbursement of up to $5,000 for trainees attending external driver-training classes.

This could include programs at community colleges or CDL schools. The goal is to support trainees in obtaining their license and subsequently driving for XPO Logistics. The company, one of the largest less-than-truckload carriers with over 12,000 drivers, aims to attract and support drivers' career goals from the outset.

XPO's initiative is part of a broader trend in the industry to creatively address the shortage of drivers and technicians. U.S. Xpress Enterprises recently launched the "Full Ride" program, providing full college scholarships for drivers and their family members to earn bachelor's or master's degrees.

Walmart, with plans to double spending on driver recruitment, is increasing referral bonuses, shortening onboarding processes, and launching a TV ad campaign. Meanwhile, Transervice Logistics Inc. is offering an educational assistance program for technicians, covering tuition, fees, books, and supplies.

The American Trucking Associations (ATA) is also involved in a larger industry-wide plan to address the shortage, aiming to provide at least 10,000 enhanced career opportunities annually for the next five years.

This initiative aligns with the Trump administration's broader goal to improve career opportunities for 500,000 Americans.

ATA President Chris Spear emphasized the importance of supporting the millions of individuals involved in trucking to keep the nation's economy moving.

Daniel P. Bearth

Dot Foods Owner Buys TAGG Logistics

Dot Family Holdings has completed the acquisition of TAGG Logistics, a company based in St. Louis specializing in fulfillment services for online purchases.

The financial details of the acquisition were not disclosed. TAGG Logistics, founded in 2006 by Tod Yazdi, Gary Patterson, and Gian Cavallini, operates distribution centers in St. Louis, Reno, Nev., and Philadelphia. Dot Family Holdings, the investment office for the Tracy family, founders of Dot Foods, a food distribution business with annual sales of $7.1 billion and a substantial fleet, completed the acquisition. Heath Hunter, Vice President of Corporate Development for Dot Family Holdings, expressed optimism about the growth opportunities in the rapidly expanding e-commerce industry. Dot Family Holdings will oversee and govern TAGG's operations, while TAGG's leadership team will remain in charge

XPO Logistics plans to become solely a trucking company.

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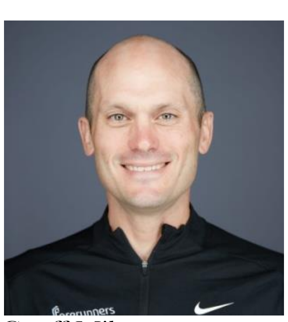
https://talkinglogistics.com/2018/10/29/successful-tms-implementations/

Successful TMS implementation begin 6 months before project kick-off



Geoff Milsom

Transportation management system (TMS) implementations can encounter challenges when the implementation team lacks awareness of certain critical aspects. Success in implementing a TMS within the scheduled timeframe and budget requires extensive planning and expertise. This expertise goes beyond understanding the software; it also involves a deep understanding of the business case, transportation operations, relevant order management requirements, integration with enterprise resource planning software, warehouse management systems, and an effective change management approach

Let's delve into understanding Transportation Management Systems (TMS) and the critical phases of a successful implementation. TMS is specialized software designed for managing purchased transportation. It is essential to differentiate TMS from Vehicle Routing & Scheduling (VRS) and Fleet Management Systems (FMS). While a few software companies may cover all three functionalities, focusing on TMS simplifies discussions.

TMS Strategy & Building the Business Case:

A successful TMS implementation initiates 3-6 months before the kick-off meeting. This phase involves a strategic project documenting current processes, data flows, and understanding ground-level requirements. Observing the "3 actuals" – people, process, and location – is crucial. The strategy includes a TMS-agnostic future state design, leading to organizational changes.

Systems Selection & Budget:

Selecting the right TMS partner is crucial, not because only one fits the design, but due to finding a partner willing to invest in your company. The selection process involves agreeing on objectives, somewhat akin to a dating game. It validates the design and establishes the total cost of ownership (TCO). It's advisable to add 30% to the implementation budget to accommodate unforeseen factors.

Project Plan:

A well-run TMS selection project spans approximately 12 weeks. Following this, a detailed project plan is developed while contract negotiations take place. Involving various departments like procurement, IT, finance, and more helps identify potential schedule-impacting projects early on.

Implementation Kick-Off:

As the implementation kick-off approaches, a steering committee is formed, project managers are appointed, and the super-user (TMS administrator) is identified. An executive steering committee ensures proper attention, identifies and manages risks, and maintains accountability. Both IT and business should dedicate part-time resources, and the super-user should ideally be almost 100% dedicated to the project.

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SAN FRANCISCO

Turvo, the World's First Real-Time Collaborative Logistics Platform, Raises $60M Series B Funding Led by Mubadala Setting the New Standard for the Global Logistics and Supply Chain Industry

Turvo, the pioneer in the world's initial real-time collaborative logistics platform, declared today the successful closure of a $60 million Series B funding round, with Mubadala Ventures leading the investment. Mubadala Ventures, the venture capital division of Mubadala Investment Company, based in San Francisco, took the helm, and the round saw contributions from new investors G2VP and Next47, the global venture firm supported by Siemens. This latest injection of funds propels Turvo's total investment to nearly $100 million, firmly establishing it as the industry benchmark for comprehensive visibility and collaboration across the logistics and supply chain sector.

Turvo, a trailblazer in logistics, has secured $60 million in Series B funding led by Mubadala Ventures, the venture capital arm of Mubadala Investment Company, bringing their total investment to nearly $100 million. Turvo's innovative Internet of Things (IoT) software platform establishes the "Internet of Shipping," uniting people, businesses, applications, and devices into a single, AI-driven solution. The platform facilitates real-time collaboration across the supply chain, enabling smarter and more informed decisions

Eric Gilmore, Turvo's CEO and co-founder, expressed enthusiasm for the partnership with esteemed investors like Mubadala, emphasizing the revolutionary impact Turvo aims to make in a multi-trillion-dollar global industry.

Mubadala Ventures, overseeing Mubadala's $15 billion commitment to the SoftBank Vision Fund, led Turvo's Series B funding. Ibrahim Ajami, Head of Mubadala Ventures, will join Turvo's board, recognizing Turvo's application of robust technology to address significant business challenges.

Existing investors, including Activant Capital, Felicis Ventures, Future Shape, and Upside Partnership, also participated in the funding round, showcasing continued confidence in Turvo's success.

Turvo's cloud platform streamlines logistics by providing a unified solution for secure information sharing and connectivity. It spans the entire supply chain, offering cross-company collaboration, real-time visibility, and AI-powered productivity. Notable features include cross-company collaboration, real-time shipment tracking, AI-driven recommendations, instant invoicing, and secure data management.

By 2023, the global logistics market is estimated to reach $15 trillion, making Turvo's streamlined platform a timely solution for an industry in need of modernization

https://www.prnewswire.com/news-releases/turvo-the-worlds-first-real-time-collaborative-logistics-platform-raises-60m-series-b-funding-led-by-mubadala-setting-the-new-standard-for-the-global-logistics-and-supply-chain-industry-300746538.html

Mubadala Ventures, a $400 million venture fund managing Mubadala's $15 billion commitment to the SoftBank Vision Fund, led Turvo's Series B funding. Ibrahim Ajami, Head of Mubadala Ventures, will contribute to the Turvo board. Ajami recognized Turvo as a distinctive application of robust technology addressing critical business challenges. He expressed excitement about leading the investment and leveraging Mubadala's global ecosystem and assets to support Turvo in reshaping a substantial industry.

Turvo is transforming the logistics landscape through an innovative IoT software platform that establishes the "Internet of Shipping," seamlessly connecting individuals, businesses, applications, and devices within an AI-driven solution. This empowers participants across the supply chain to collaborate, communicate, and share information in real-time, facilitating quicker, smarter, and more informed decision-making.Eric Gilmore, CEO and co-founder of Turvo, expressed enthusiasm about the latest funding round, emphasizing the software platform's potency and the significant business growth it has fueled. He highlighted the collaboration with esteemed investors such as Mubadala as a pivotal step in introducing a genuinely revolutionary platform to the global industry, which is valued in the multitrillion-dollar range and is eagerly seeking transformative solutions.

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Daniel Acker

China Agrees to Resume Purchasing US Soybeans

China has recommenced its purchase of U.S. soybeans, providing a welcomed respite for farmers in the heartland of President Donald Trump. This move comes as President Xi Jinping engages in efforts to negotiate a trade agreement with his American counterpart.

China, the significant Asian importer of commodities, has acquired 1.5 million to 2 million metric tons of U.S. soybeans in the past 24 hours, as reported by the U.S. Soybean Export Council. Shipments are anticipated during the first quarter, following the U.S. Department of Agriculture's revelation of sales totaling 1.13 million tons for delivery to China on December 13.

This move is seen as a substantial gesture by China to alleviate tensions between the world's largest economies. Soybeans have symbolized the trade dispute, with China avoiding imports from regions that supported Trump in the 2016 elections, leading to a drop in Chicago futures and an accumulation of the 2018 harvest in the Midwest. According to Li Qiang, chief analyst with Shanghai JC Intelligence Co., these shipments, primarily from the Pacific Northwest, will assist U.S. soybean farmers in reducing stockpile pressures and help alleviate China's own supply shortage in the first quarter of the year. In July, China imposed a 25% increase in import tariffs on US soybeans, leading to a decline in substantial purchases.

This marks the initial substantial acquisition since the initiation of tit-for-tat tariffs between the U.S. and China. Following Trump's imposition of tariffs on numerous Chinese goods, China responded with a 25% retaliatory levy on American soybeans.

Soybean futures remained relatively stable in recent days as traders awaited confirmation of deals. Trump had highlighted progress in agriculture during the trade truce with Xi, tweeting about benefits for farmers.

Chicago prices slid 0.2% on Dec. 13, standing 14% lower than their peak in March.

The U.S. Soybean Export Council expressed optimism about China's soybean purchases, considering it positive news for American growers. However, the three-month duration of import agreements raises concerns among traders, with Cargill Inc.

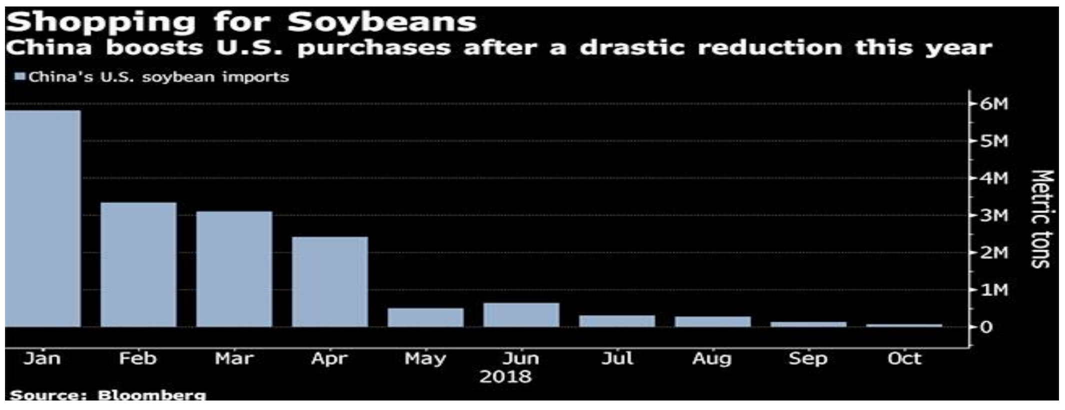
suggesting that the U.S. may have missed optimal selling opportunities to China due to South American harvests approaching.

Skepticism persists, questioning the impact on soybean markets, especially as state-owned enterprises, not typical commercial buyers, are expected to make these imports due to existing tariffs.

In December 2017, the US was sending nearly 1 million tons of soybeans to China every week, as per the US Department of Agriculture records.

While the purchases may aid in replenishing China's supplies, they might not significantly reduce the extensive stockpiles in the U.S., as noted by Darin Friedrichs, a risk management consultant at INTL FCStone Inc.'s Shanghai office. Despite potential limited effects on soybean flows, this move holds greater significance for sentiment in broader financial markets. Hopeful of a Xi-Trump agreement within the 90-day truce, Asian equities and rubber futures saw positive movements, with prospects for additional Chinese purchases, according to JCI's Li.

The soybean plays a significant role in Sino-US relations as China stands as the largest consumer and importer of this oilseed, primarily utilized for livestock feed and cooking oil. Valued at $12 billion, soybeans were among the major US exports to China, but their sales were severely impacted by Beijing's tariffs. The crop holds vital economic importance for the Midwestern farm states, crucial in securing Mr. Trump's presidency.



https://www.ttnews.com/articles/china-agrees-resume-purchasing-us-soybeans

In July, China imposed a 25% increase in import tariffs on US soybeans, leading to a decline in substantial purchases.During the G20 summit in Buenos Aires, Mr. Trump and Chinese President Xi agreed to a 90-day halt on additional tariffs, with China committing to make substantial purchases of various products from the US, including agricultural items.