NEWSLETTER

February 2023

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ARTICLE 1

Tusk Logistics - New Entrant of US Parcel Ring

Tusk Logistics, a new entrant in the US parcel delivery sector, presented its debut as last month at Manifest in Las Vegas.

Ben Emmrich, co-founder and CEO of Chicago-based Tusk Logistics, said the business supports the networks of four regional carriers using its data platform. Tusk is looking for a fifth aggressively.

Tusk Logistics manages a network with few assets but is nonetheless very active in the activities of its carrier partners. The cargo is picked up and directly delivered at the nearest hub of the carrier. The final delivery to consignees is then tracked in real-time.

Tusk targets experienced shippers like direct-to-consumer online retailer with fulfillment centers who sends 100 - 1000 packages each day.

According to a news release from Tusk, these companies generally generate yearly revenues of between $1 million and $10 million and at least five staff.

Tusk charges around 40% less than the regular carrier and a monthly "platform" fee is charged to shippers who use the platform, as per Emmrich in an interview with FreightWaves. Each week, Tusk ships thousands of parcels.

LSO, a regional delivery company based in Austin, Texas, is one of Tusk's carrier partners. Tennessee has now been one of LSO's seven-state distribution network. Mexico is also served by LSO. Emmrich said that LSO will expand scale opportunities for Tusk as the carrier would be serving a broader population base.

ARTICLE 2

Turkey and Syria Face Logistical Challenges

According to aid organizations, transit to a devastated region is hampered by earthquake-damaged ports, airports, bridges, and highways.

International aid organizations and logistical providers are stepping up urgent assistance efforts for those affected by the earthquakes in Turkey and Syria, but getting supplies via the area's destroyed infrastructure would be a significant issue.

When compared to other disasters, Mr. Hovey added, "“The challenges of an earthquake are pretty profound."

According to Everstream Analytics, a supply-chain risk management business, sea, air, and road routes into and out of the region are blocked or quite overcrowded.

The earthquakes in southern Turkey's Port of Iskenderun caused damage to the nearby roadways and caused containers to topple down, setting off explosions and a fire that continued into Tuesday.

Airfreight is also severely disrupted. Prior to the earthquakes, a number of Turkish airports were already dealing with backlogs brought on by unfavorable weather conditions that had restricted airline operations.

Everstream Analytics predicted that when some airports restrict passenger flights, which frequently transport freight, to give precedence to rescue crews, airfreight backlogs will worsen. Additionally, it stated that there will be days of disruption in road transport until workers clear the debris and repair the roadways.

Mr. Hovey said Direct Relief intends to airlift supplies to airports in the disaster area at Istanbul in northwest Turkey and Adana in southeast Turkey. Mr. Hovey said that there have been complaints of increasing freight congestion at the airport in Adana.

He claimed that after a crisis, charitable organizations frequently provide supplies to the devastated areas without considering the intended receiver. According to him, such materials frequently arrive at an airport without a recipient and create "a huge backlog" there.

Aid organizations tend to provide supplies to Turkey and Syria through airfreight. Meanwhile, Brian Bourke, global chief commercial officer of Seko Logistics, a freight forwarder located in Schaumburg, Illinois, indicated that the increased demand for air transport is already making it more difficult to book air charters and driving up charter rates.

"Rates soar just when a country or region requires airfreight for humanitarian goods and relief for medical supplies, everyone is eager to help and support as quickly as they can, Mr. Bourke said.

He also said, it is becoming increasingly difficult and expensive to get space for assistance and relief activities in other countries, such as Ukraine, as a result of the demand for air charters.

ARTICLE 3

Flexport Offers Simplified Maritime Logistics for Shopify Retailers

New FreightTech item targeted for small and medium-sized enterprises

The launch of a tool on Shopify aimed at assisting smaller businesses with international sea trade was announced on Thursday by Flexport, a freight forwarder that claims its in-house technology to automate supply chain processes and improve customer experience gives it an advantage over traditional rivals.

The app is the first major product launch to come out of a strategic relationship formed a year ago when the e-commerce platform joined Flexport's $935 million funding round. The two companies said they are collaborating to develop Shopify's logistics network and create a common user experience for businesses with items sourced internationally.

Less-than-container load and full container load services may be easily quoted, booked, and tracked through the portal by small and medium-sized enterprises who use Shopify as their online storefront. Flexport handles all logistics and customs clearance on the back end. According to Flexport, merchants will also get access to high-level information and analytics, real-time cost forecasts, and cargo insurance.

The app is the first of several products Flexport claims it intends to specifically design for small and medium enterprises as it pivots from focusing on enterprise shippers.

"Shopify and Flexport have a common goal of removing obstacles from the global supply chain for companies of all sizes", Aaron Brown, CEO of Shopify Logistics adds that the new software enables any retailer to link their supply chain to Shop Promise without the need for any supply chain knowledge.

Flexport now offers technology and freight services to a large number of rapidly expanding companies, including Bombas, Parade, and Cotopaxi. Parisa Sadrzadeh was hired by Flexport in December as senior vice president of SMB product and technology to oversee a business team developing FreightTech solutions that help streamline trade for small shippers.

ARTICLE 4

Clean Fuel Alternative for Heavy-duty Trucks in the Ports of Los Angeles and Long Beach

The twin ports of Los Angeles and Long Beach are the biggest in the country and the major contributor to Southern California's air pollution, emitting more than 100 tons of smog and nitrogen oxides everyday than the whole region's 6 million cars do in a day.

Due to pandemic-induced consumer purchases, record-breaking freight volumes, and a congestion of more than 100 ships moored off the coast of Southern California that polluted the air with far more dangerous diesel pollution than normal.

To address the aforementioned situation, Chevron Corporation and Clean Energy Fuels Corp. expanded their joint Adopt-a-Port initiative in 2021. With this initiative, truck fleet owners and operators serving the ports of Los Angeles and Long Beach are given access to carbon-negative renewable natural gas (RNG), reducing emissions.

The program that enables truck owners to defray the cost of purchasing new or converting to natural gas-powered trucks has received a $28 million financing commitment from Chevron. While managing the program, Clean Energy also provides eligible truck drivers with fuelling services.

"Chevron's increased commitment to this project will allow us to extend favorable funding to smaller, independent operators, which means cleaner, renewable natural gas-fueled trucks operating in the ports," said Derek Turbide, Clean Energy Vice President of Trucking.

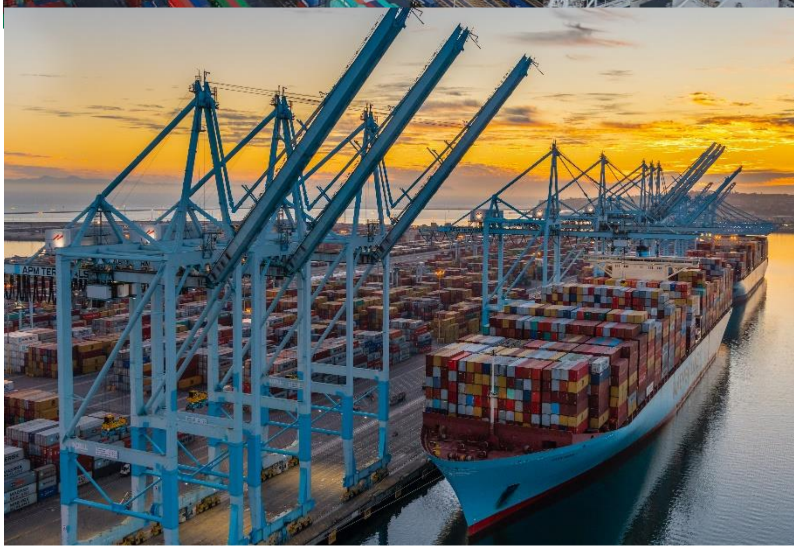
Truck operators agree to refuel at the Clean Energy stations that are supplied with Chevron renewable gas as part of the scheme, which supports the ports' Clean Trucks Program and Clean Air Action Plan. Under California's Low Carbon Fuel Standard program, truck ownrers and their clients are required to cut greenhouse gas emissions while also cutting smog-forming NOx emissions by up to 98% compared to diesel trucks, benefiting local communities

The initiative has so far contracted for more than 400 heavy-duty trucks, and another 400 are now being processed. This will assist to dramatically cut greenhouse gas emissions and improve the air quality in and around the ports.

Clean Energy client Pac Anchor, a pioneer in the transition to environmentally friendly transportation in the ports, has experienced all the benefits of the Adopt-a-Port initiative.

Also deploying RNG-fueled trucks under the Adopt-a-Port initiative are Biagi Bros., Pacifica Transportation, RoadEx CY, STS Logistics, American Pacific Forwarders, NGL Logistics, Pacific Expressway, Supra National Express, JL Express, Atlas Marine.

"Harbor Trucking Association applauds the Adopt-a-Port partnership between Chevron and Clean Energy. This program supports our mission of helping members improve their environmental sustainability at the Ports of Long Beach and LA while doing so with economics that make sense for their businesses," said Matt Schrap, CEO of the Harbor Trucking Association.



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Leading Cargo Owners Stand Together for Maritime

Amazon, Brooks Running, Frog Bikes, IKEA, Inditex, Michelin, Patagonia, Tchibo, and Unilever are members of a coalition of large multinational shippers that express their shared desire to transition to carbon-free shipping by the year 2040 and advocate for governmental action.

They announced that they are aiming for significant reductions and ultimate elimination of the climate impact of their maritime freight globally, building on previous ambitious company-wide climate commitments.

They would like to entirely use scalable zero-carbon fuels to power sea freight services by 2040, which is exactly on par with a 1.5°C trajectory set in the Paris Agreement.

To achieve this goal, the shipping sector must implement new technology and make use of as-yet-uncommon zero-carbon shipping fuels. It is intended that by establishing this goal and demonstrating commitment to decarbonizing this link in the supply chain, sea freight carriers and manufacturers of zero-carbon shipping fuels would increase their investment. Investments should concentrate on technologies that have the ability to scale up sufficiently to genuinely decarbonize supply chains by 2040 and the entire maritime sector by 2050, either individually or in combination. They should ensure to become economically viable while they analyze potential solutions by working with supply chain partners and receiving the appropriate kind of policy support.

They plan to collaborate with sea freight carriers that have a clear plan to increase the use of zero-carbon fuels in the operations while also optimizing energy efficiency through operational and technological methods. Where appropriate, they will also collaborate with third-party logistics providers that might assist the initiatives to comprehend the maritime climate footprint.

To achieve these objectives, both individually and collectively, they should work in the following areas:

・Set challenging intermediate goals for 2040.

・Support collaborative initiatives that highlight the immediate need for action.

・Monitor the emissions from the maritime transportation.

・Investigate further possibilities to expand the number of cargo owners participating in marine decarbonization.

・Bring together the collective need for freight in to accelerate the switch to carbon-free sea transportation and to focus on the early decarbonization of the first transoceanic trade routes.

For the targeted broad-scale industrial transformation to be launched, strong policy support must be combined with demand for zero-carbon shipping.

To progress marine shipping decarbonization, they urge governments throughout the world to act ambitiously in their national, regional, and international capacities. They specifically call the governments to match the maritime sector's goals with those of the Paris Agreement, including:

・Set challenging decarbonization targets for shipping.

・Implement rules and market-based policies that put shipping's operational and lifecycle greenhouse gas emissions on a Paris-aligned trajectory, encourage the quick adoption of related new fuels and technologies, and make it possible for zero-carbon shipping fuels.

・Expand renewable energy production on a global scale to make it the main source of new zero-carbon shipping fuels.

Global legislation in line with the Paris Agreement is necessary.

Interconnected global economy and the marine sector that enables global trade must decarbonize quickly in the face of a climate crisis. Across the shipping supply chain, leadership through proactive and well-coordinated action is desperately needed. Global legislation in line with the Paris Agreement is necessary.

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