



# Trucking Update

**Bob Costello**

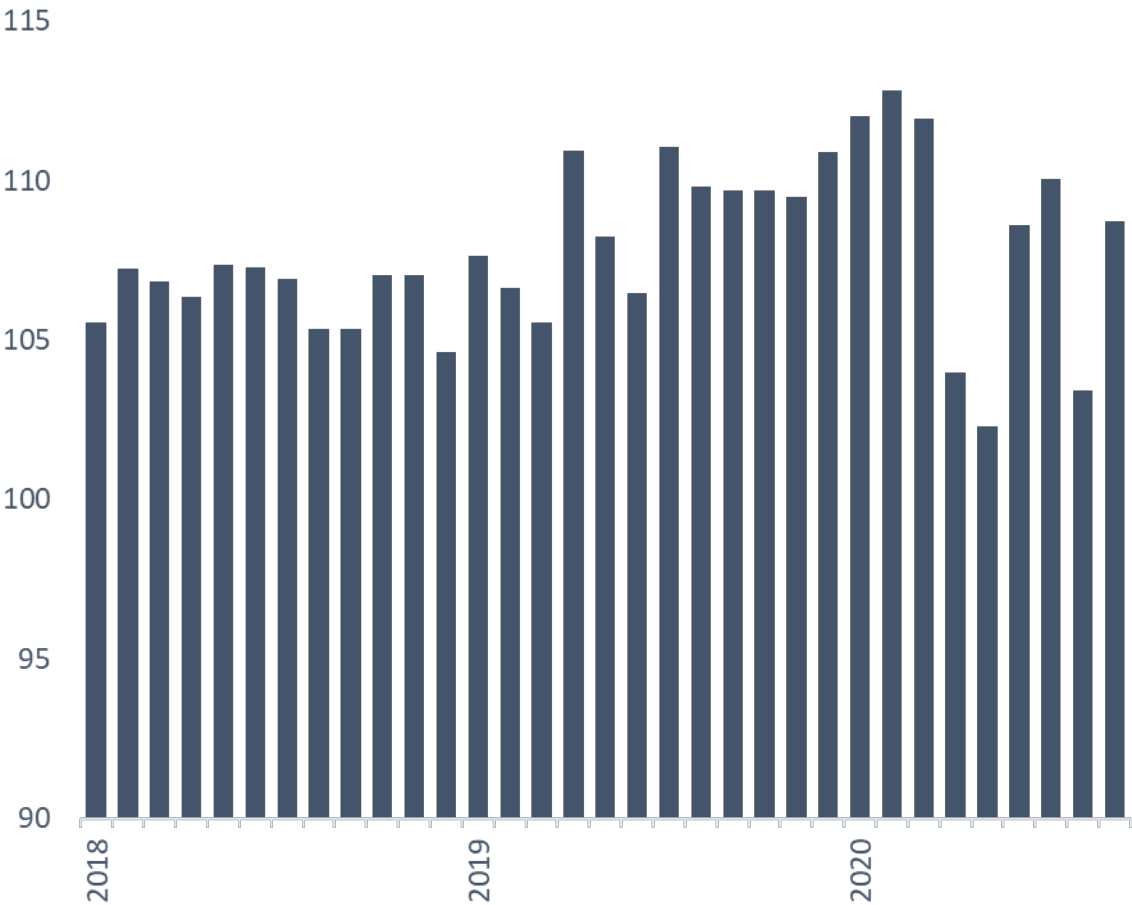
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# Industry Demand

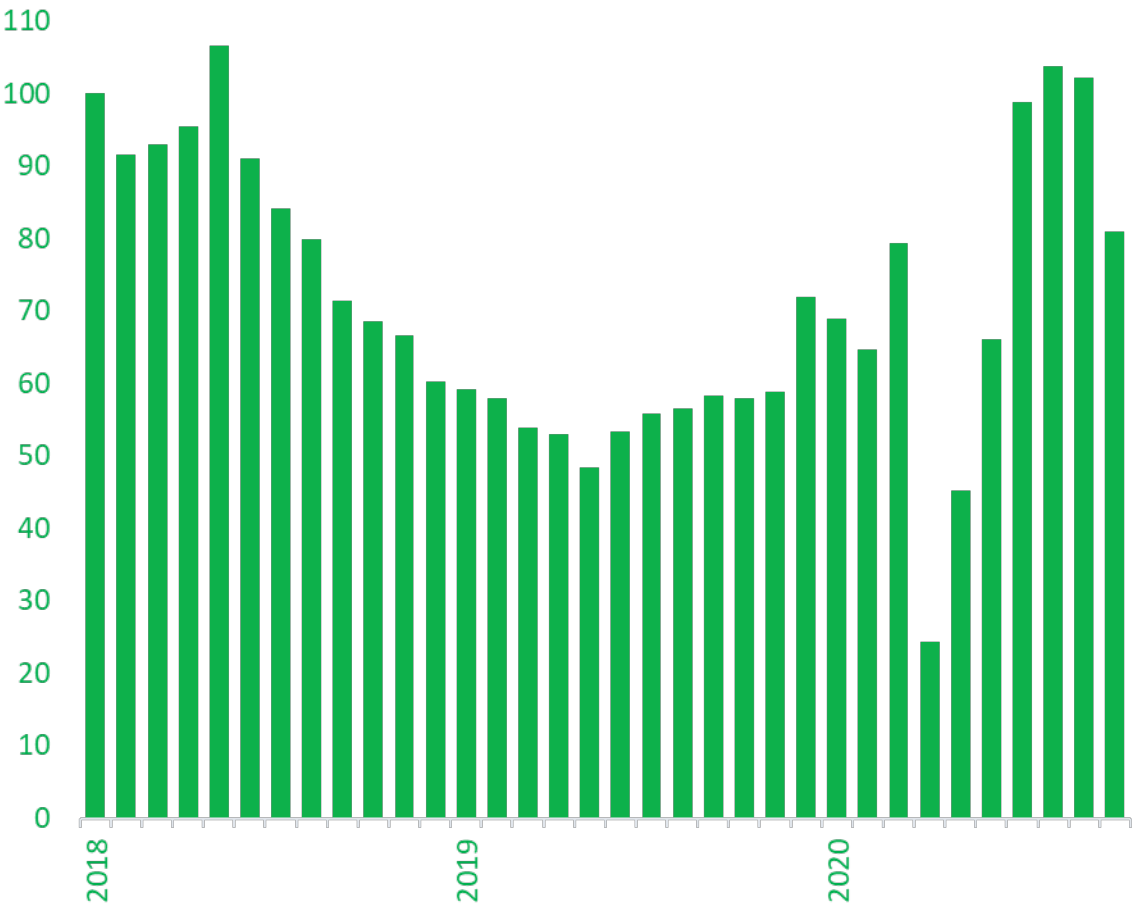
- The spot market continues to be strong.
- Contract freight is better for most sectors, but normal seasonality is off and not all freight is strong.
- When you can't spend on services, buy goods. The \$1,200 stimulus checks was a big help too, but this effect is about done.
- Lots of retail restocking going on.
- Expecting a very good peak season for dry van.
- But after peak expect growth in freight to level off.
- Bottom line: freight is good now, but expect freight growth to moderate in 2021.

# Truckload Market Trends

For-Hire TL Contract Loads Index  
(2015=100)

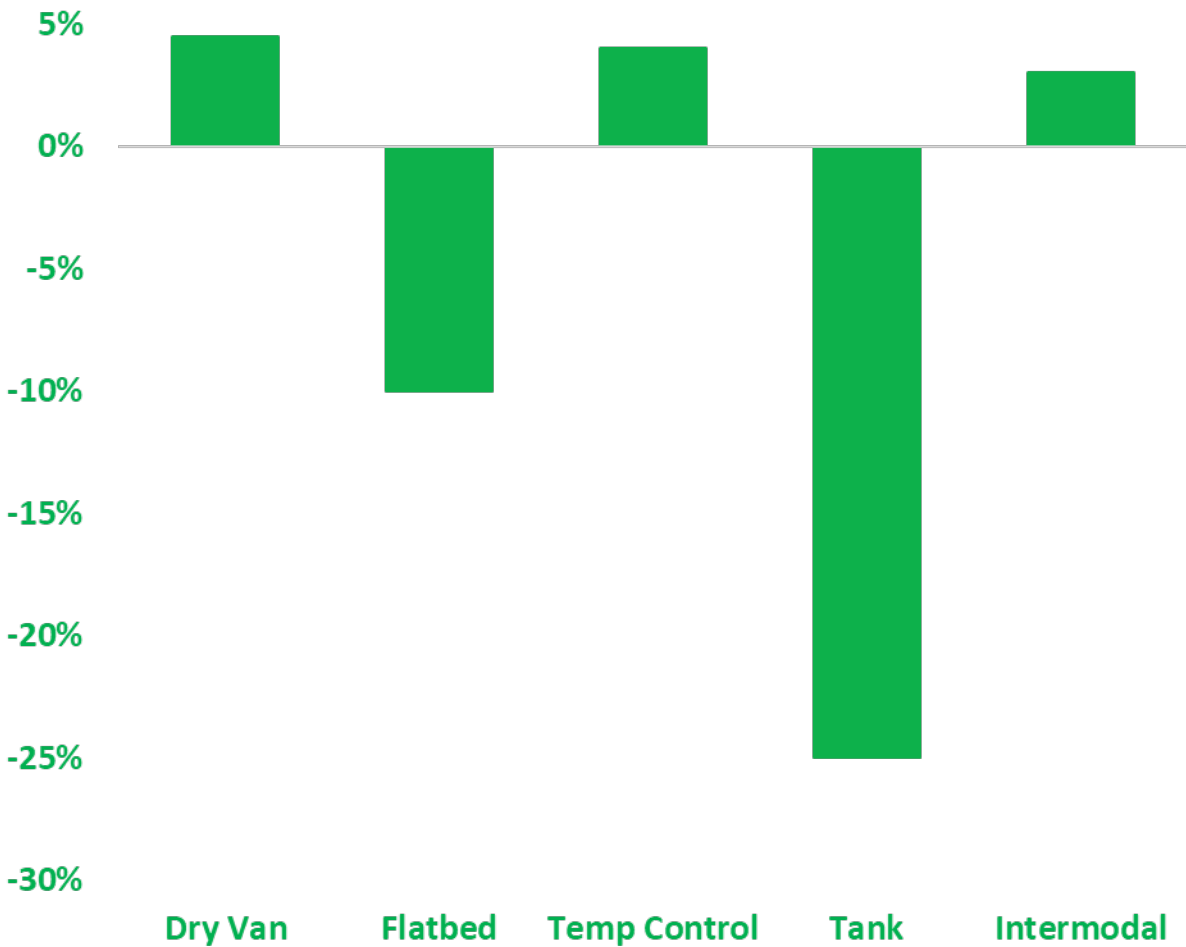


Spot Market Loads  
(Jan 2018=100)

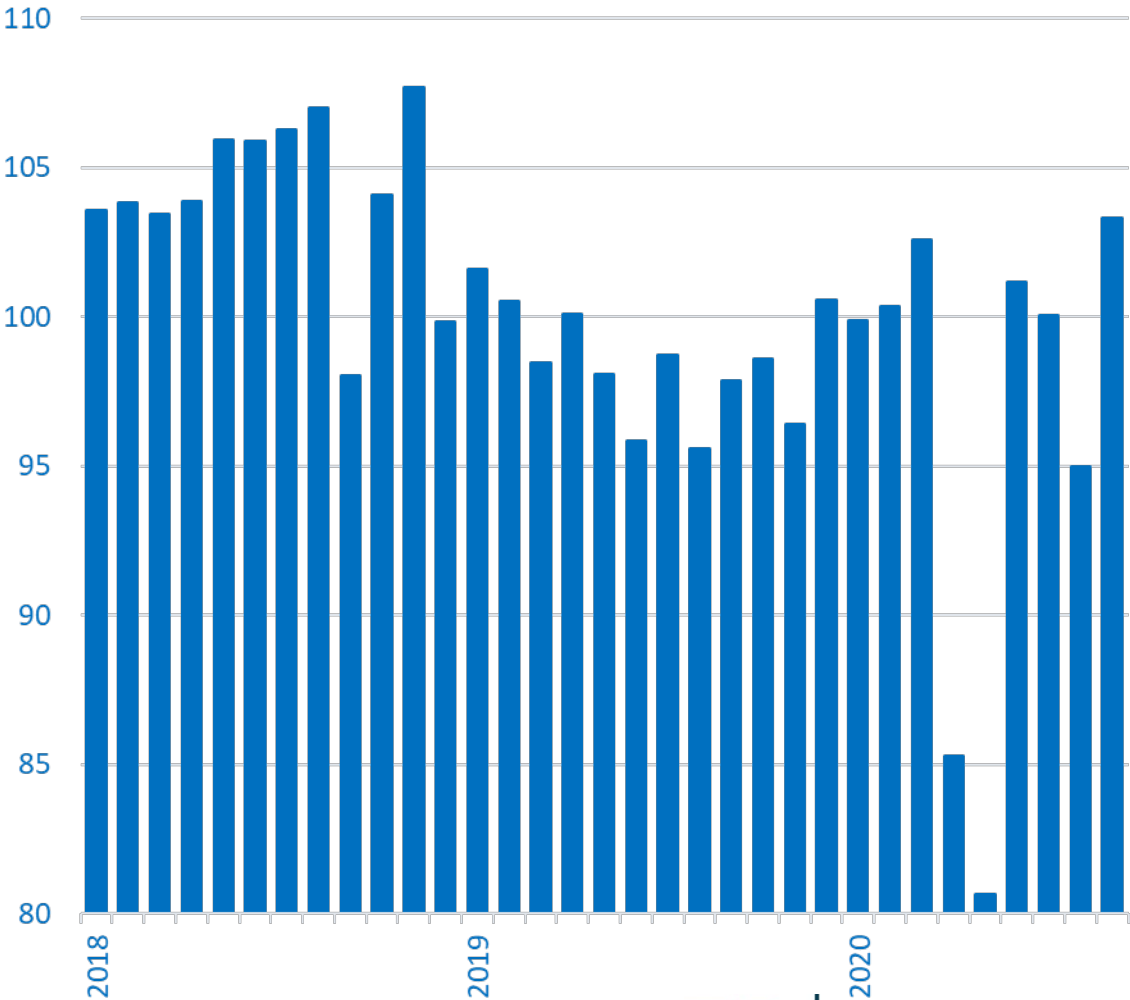


Sources: ATA & DAT.com

For-Hire TL Sectors Q3 YoY Percent Change



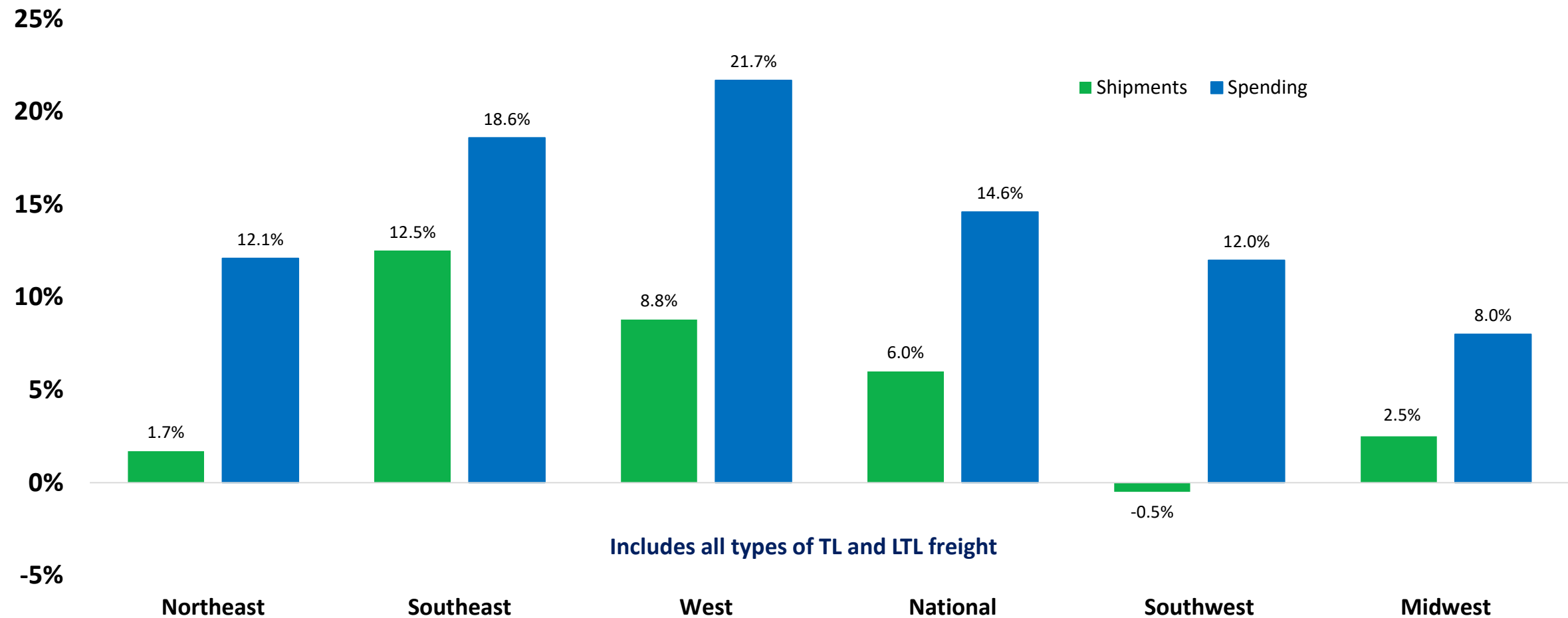
LTL Tonnage  
(2015=100)



Source: ATA's Trucking Activity Report

# Q3 U.S. Bank Regional Truck Freight Shipments & Spending

Quarter-to-Quarter Percent Change



Includes all types of TL and LTL freight

Source: U.S. Bank

[www.freight.usbank.com](http://www.freight.usbank.com)

Note: For motor carriers, spending is the same as revenue.

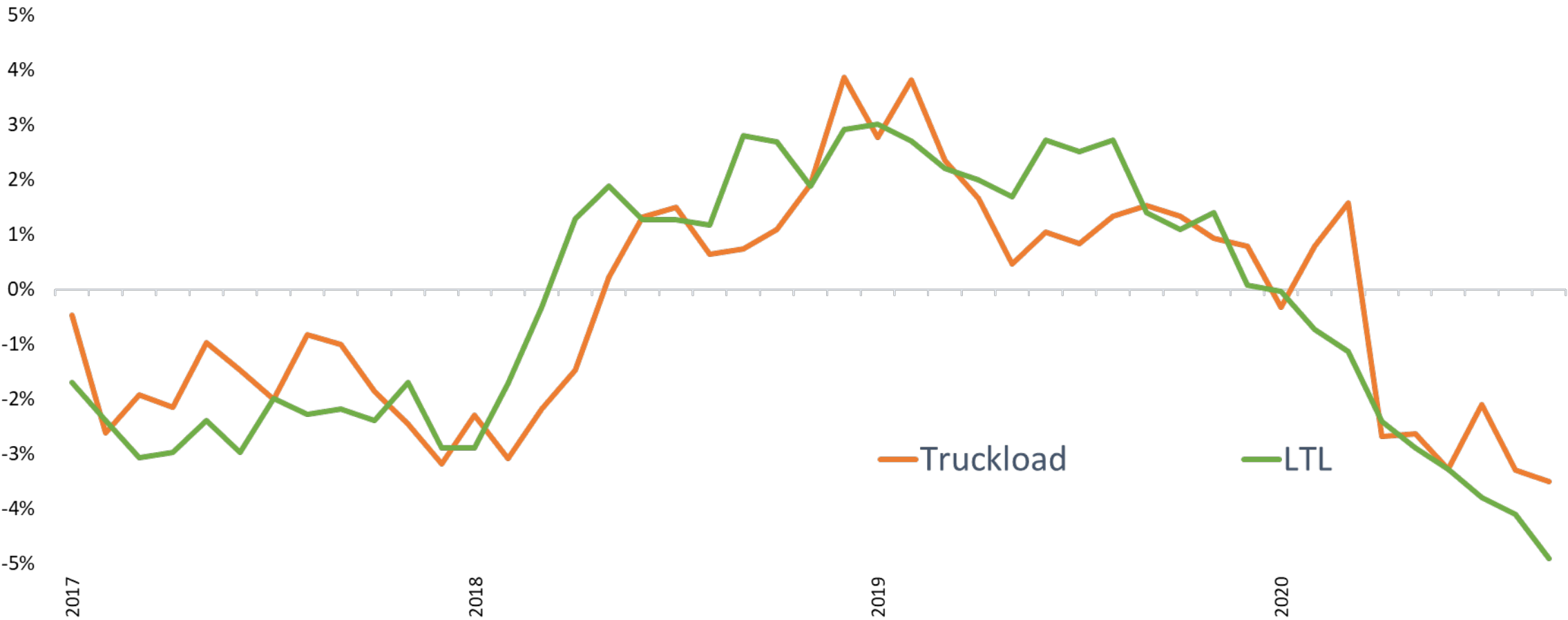


# Industry Supply

- Industry supply is an underappreciated storyline. Capacity is tight!
- Likely that some fleets have gone under without much acknowledgment – COVID and liability insurance renewals.
- For-hire fleets are operating fewer trucks than a year ago.
- Drug & Alcohol Clearing House is reducing driver counts
  - YTD as of Oct 1
    - 34,156 drivers in prohibited status with 26,590 of those not starting the return to duty process.
- Pipeline of new drivers is likely less (perhaps much less).
- Bottom line: More capacity has left than people appreciate

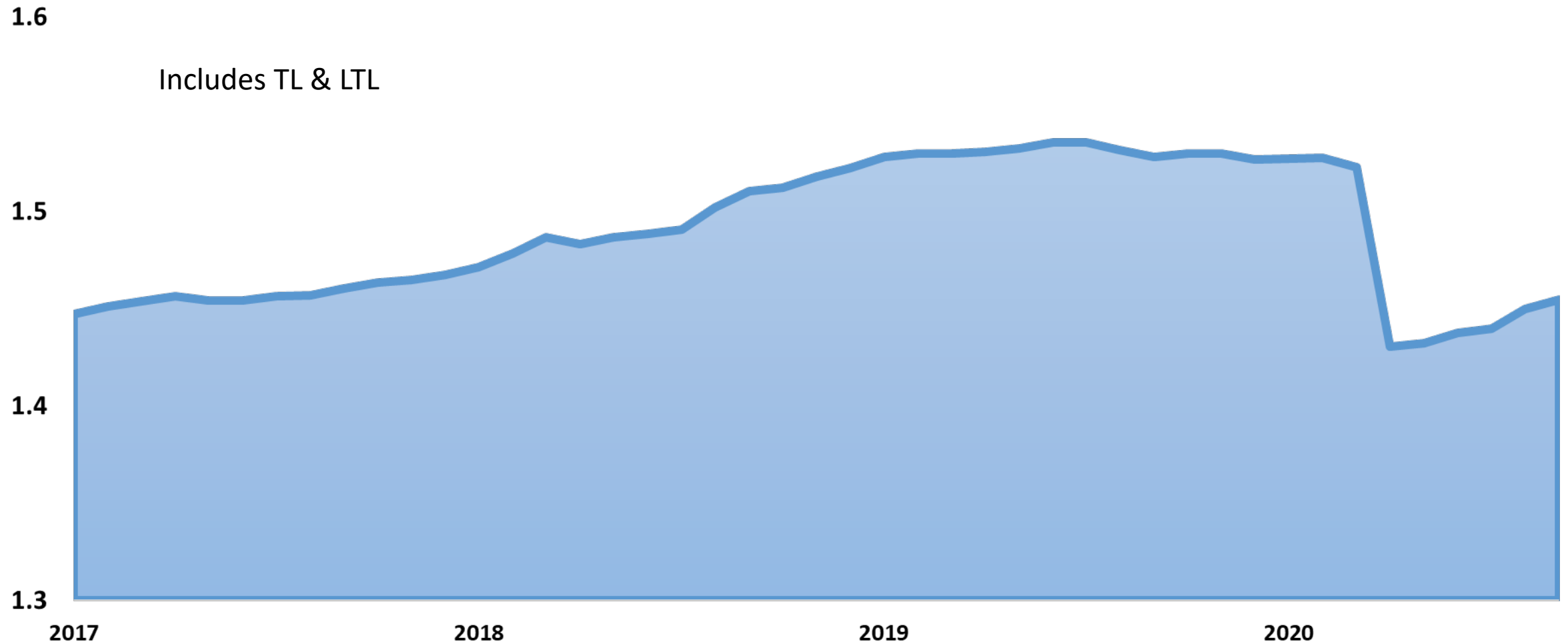
# For-Hire Carrier Power Unit Fleet Trends

Year-over-Year Percent Change



Source: ATA's *Trucking Activity Report*  
Data includes company tractors and independent contractor equipment

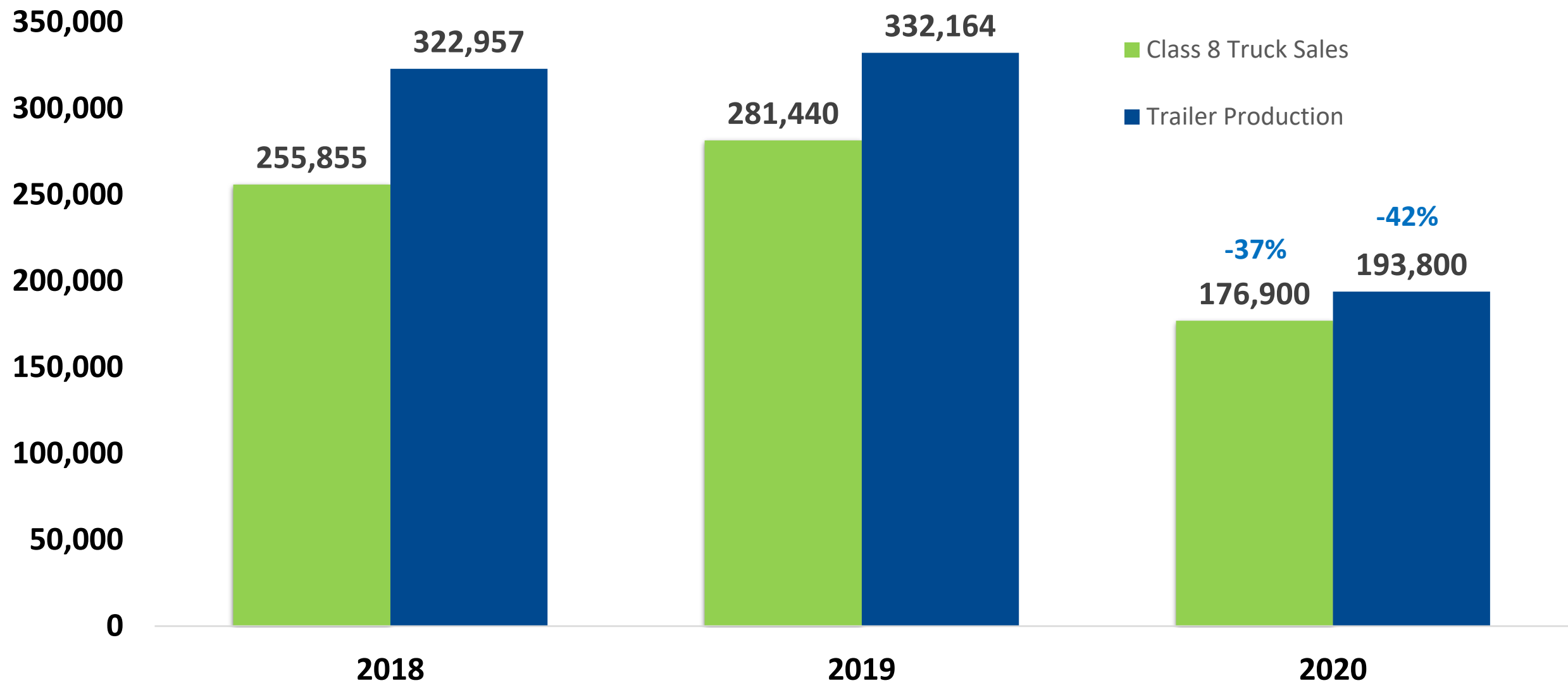
# For-Hire Trucking Employment (In Millions)



Source: Department of Labor



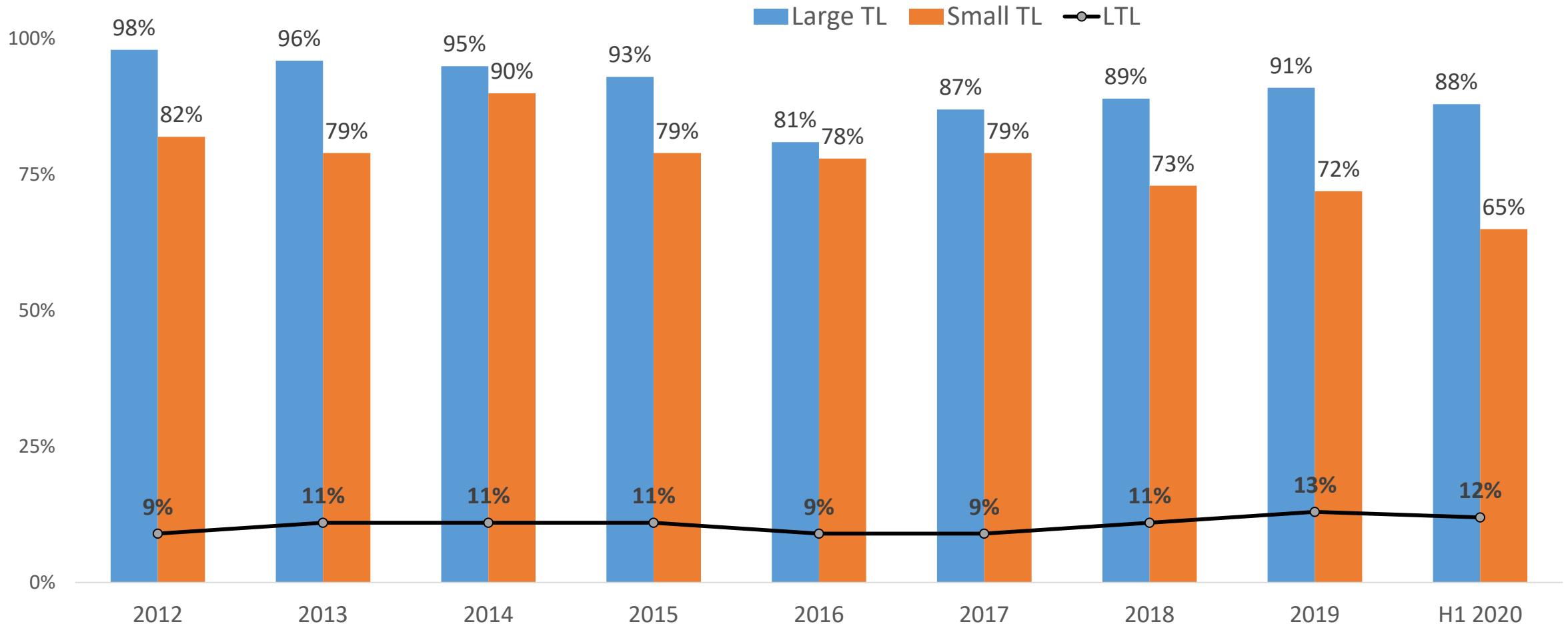
# U.S. Heavy-Duty Equipment Outlook



# Driver Shortage Update

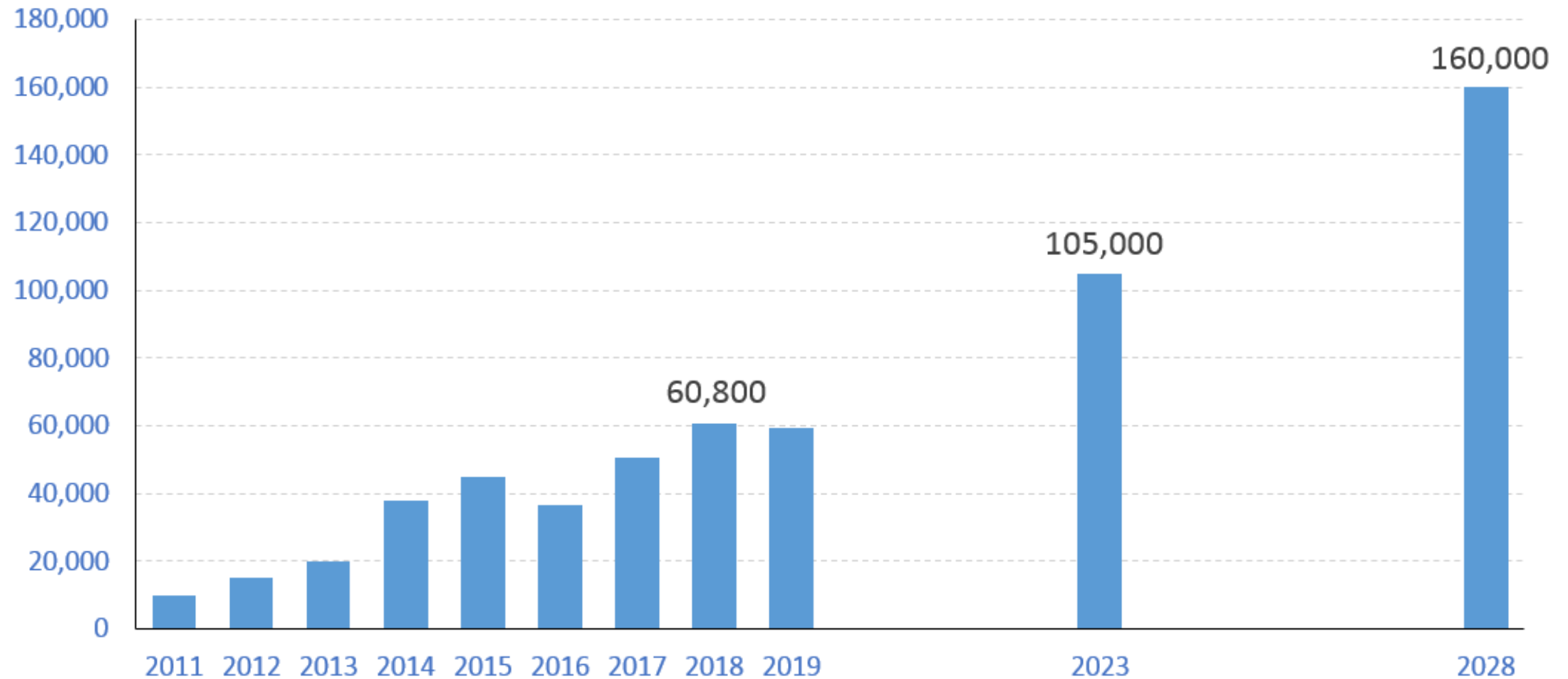
# Truck Driver Turnover Rates

(Annual averages or Annual Rates)



Note: Large TLs have annual revenue of at least \$30 million

# Driver Shortage



Source: ATA's *Truck Driver Shortage Analysis 2018*

<https://www.trucking.org/article/ATA-Releases-Updated-Driver-Shortage-Report-and-Forecast>

# Thanks