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December Newsletter 2015

Winter Wonderland

The sun is shining and it will be in the 60's today in Tulsa. It's hard to believe Christmas is just a few days away. This will be our last newsletter for this year, so I want to make sure to let all of our customers and friends know how grateful we are for your business and friendship.

As far as the trucking industry goes, I would say that 2015 was the year nobody said it would be. It was predicted that the truck shortage would be at critical levels. GDP and manufacturing activity were to continue to rise, and there was no end to the speculation of how high freight prices would go.

Instead, GDP has been hovering around 2% and manufacturing job losses have been in the thousands for the past several months. It's hard to say where freight pricing actually is since the numbers have been dramatically diluted by lower fuel prices and the lack of a hot spot market.

According to DAT, load availability on the spot market is down 42%. According to Morgan Stanley, the available van loads per truck count is down 49% and the flatbed loads per truck count is down 60%. Morgan Stanley also illustrated that freight levels have been trending below recessionary levels since September. By all definitions, we are in a "freight recession" similar to what we experienced in 2001.

We are planning for a lean 2016 and candidly; I am not putting much stock into any predictions. We will keep our eyes on what continues to be a shortage of qualified drivers while keeping in mind that all it takes is for several shippers to have a couple of loads more per day for it all to get out of balance again.

In our next newsletter, I am going to write about the "Driver Coercion Rule" which goes into effect on January 29th. There are many implications and possible unintended consequences to the shipping public. I look forward to sharing with you all that I have been reading about it.

Until then, all of us here and our families wish you and yours a Merry Christmas and Happy New Year. May your homes be full of love, laughter and gratitude. As always, please join us in keeping our service men, women and families in our prayers.

With many thanks,

Mark