



Fall Newsletter 2015

SPOTLIGHT

This has been a year most of us were not expecting

Freight indexes are closing in on recessionary levels.

The energy related freight boom of last year was a bubble that has burst.

Manufacturing jobs fell by 9,000 in September after falling 18,000 in August.

400 students in Florida had been issued fraudulent CDLs.

Rounding the Corner

This is my favorite time of the year; cooler temperatures, college football and hunting. Catching up, Marcus and his wife Elizabeth had a baby girl they named Kate. Lance's son Tyler earned his black belt in karate. Cathy's daughter Katie was awarded a scholarship from the US Army to attend medical school. Mark's oldest son Taylor graduated from Marine Infantry Officer School and married Allie from Springfield, MO. You can visit our Facebook page to see pictures. There is a link on our website at www.mwestby.com.

I have been thinking much about the fact that this has been a year most of us were not expecting. The driver shortage was to be worse than last year. It was predicted that securing truck capacity as needed would be extremely difficult. There was no end to the speculation of how high pricing would go. Instead, freight/capacity indexes are closing in on recessionary levels. That is particularly true in the flat-bed industry, but van freight is also showing a remarkable decline. Refrigerated freight is typically the last to show any kind of slow-down since it takes a pretty steep and sustained economic downturn before households cut back or modify their eating habits.

I think we are all coming to grips with the idea that the energy related freight boom of last year was a bubble that has burst. The reverberations to our economy are too great to write in a short letter. However, it is concerning to note that manufacturing jobs fell by 9,000 in September after falling 18,000 in August. This great country of ours has just got to start making stuff again. Government programs can't replace good manufacturing jobs. They just create good government jobs.

At the same time, we are also seeing more marginal truckers entering the industry. When fuel prices are high and volatile, they are the first to bail since they typically have a more difficult time recouping fuel costs. When fuel prices are low and stable, they start trickling back in. We also have a growing problem of CDL fraud schemes. Typically, these are individuals who help people (many times illegal immigrants) get false residency papers so they can obtain their drivers license and CDL. They even use interpreters to teach them how to pass any testing in English. In a recent arrest of an owner of such a place in Florida, it was discovered that at least 400 students had been issued fraudulent CDLs. Scary stuff!

We are so grateful for our loyal customers who have found a way to keep us busy and for our newer customers who gave us a chance to prove ourselves.

Be safe,

Mark