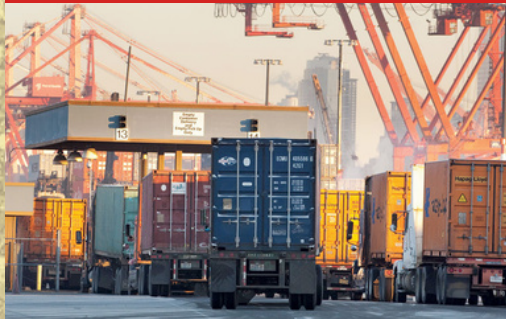




ARTICLES SOURCED FROM LEADING TRUCKING NEWS ORGANIZERS

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## Demand for Diesel Highest In Years

Whether it's champagne, Harley-Davidson motorcycles or new TVs, Americans keep buying more stuff, and all of it needs to get hauled to warehouses, storefronts and doorsteps in trucks that typically run on diesel.

Robust diesel consumption was a saving grace for the refining industry when demand plummeted for just about every other oil product during the first part of the pandemic. Now that gasoline use is surging and jet fuel for U.S. travel is showing signs of life, the staying power for diesel adds more heft to the idea that oil's demand comeback is here to stay.

Restocking is a key factor driving increased confidence among truckers.

A Bloomberg Intelligence/Truckstop.com truckload survey of owner-operators showed that 71% anticipate load growth over the next six months, up from 50% during the fourth quarter of 2020.

## REMINDER:

**Your trucks and/or trailers may be due for inspection.**

Schedule PM's and DOT's with **EMERGENCY FLEET SERVICE.**

Check the dates of renewal on your equipment. If they are overdue, we can bring you in on an emergency basis. If you are coming up on them soon, we can schedule prior to expiration.

**Call 586-776-6157** from 7:00AM to 4:00PM and ask for John to schedule ASAP.



## Tonnage On The Rise

American Trucking Associations reports truck tonnage rose 3.7% in May compared with year-ago levels and is pacing well.

Through the first five months of 2021, the index is up 0.4% compared with 2020.

The ATA For-Hire Truck Tonnage Index equaled 113.7 in May. When measured against April, the index decreased 0.7% for the month.

The Logistics Managers Index in April recorded 74.5 and 71.3 in May.

This was the seventh month in the last nine the index reached into the 70s, a streak that has kept it above the all-time average of 63.3.

## Historically Strong Business Conditions in 2021 Prompt Trucking Prosperity

The trucking industry has entered a historically strong business environment that many analysts expect to endure for the rest of 2021 and beyond.

Optimism abounds for the overall U.S. economy as a growing percentage of the population receives COVID-19 vaccinations and pandemic-related safety restrictions continue to ease, paving the way for a boom in consumer spending.

Some observers have even drawn parallels to last century's "Roaring '20s," a period of economic prosperity in the aftermath of the 1918 influenza outbreak and the end of World War I.

Freight demand has been regaining momentum since mid-2020, with constrained truck capacity supporting rate increases for motor carriers.

Trucking companies continue to face some persistent headwinds. At the top of that list is the industry's long-standing struggle to recruit enough professional truck drivers, a challenge that is perhaps more difficult now than ever before.

Industry experts believe the outlook for trucking is bright. Bob Costello, chief economist at American Trucking Associations, projected that full-year gross domestic product will expand by 6.4% in 2021, which would be the fastest annual growth rate since 1984. He also forecasts 4.3% full-year GDP growth in 2022, which still would be well above average.

Consumer spending will power further increases in freight demand.

While a higher portion of that spending may be on less truck-intensive items, such as experiences rather than physical products, Costello said that there still is pent-up demand for goods.

At the same time, restocking also will bolster freight demand.

Ironically, many consumers built up their savings during the past year because they weren't spending money on live events and travel, for example, while also receiving economic stimulus checks from the federal government.

As a result, a lot of people feel a bit wealthier now than they did a year ago, said Noël Perry, principal at consulting firm Transport Futures and chief economist for the Transportation Intermediaries Association.

Amid this economic recovery, trucking is competing for labor with many other industries, including the construction and oil and gas sectors, said Donald Broughton, managing partner at Broughton Capital.

That dynamic will keep truck capacity tight, and therefore reinforce strong freight rates.

Hugh Ekberg, CEO of diversified carrier CRST, also anticipates a very strong business environment for trucking through the balance of 2021 and probably into 2022, but said it's "a bit unsettling" that demand is outstripping supply to such an extent. Motor carriers are commanding strong pricing right now in the over-the-road contract freight market, and they can afford to be more selective about which loads they accept.



## \$1 Billion Parking Grants

Funding to expand parking facilities for truck drivers around the country is included in comprehensive highway policy legislation before the U.S. House of Representatives.

The highway bill's provision would pave the way for \$1 billion in grants to enhance states' resources for truck parking.

Specifically, the provision would provide \$250 million for each fiscal year starting 2023 through 2026 to require the secretary of transportation to establish grants for truck parking initiatives. Agencies awarded the grants would be tasked with building safe rest areas that include parking for commercial motor vehicles.

Additionally, the transportation secretary would be required to review

the grants and report to Congress about the provision's progress.

The bill is designed to update federal highway policies set to expire at the end of September. During its committee consideration, the highway bill was backed by Democrats and opposed by most Republicans.

Parking concerns have been on Congress' radar for several years. About a decade ago, a law named after Jason Rivenburg, a trucker killed in a robbery in 2009 after he was unable to find safe parking, ordered a review of the country's truck parking conditions. That law's 2019 review found that a majority of truck drivers reported problems with finding safe parking locations. It determined that about 313,000 truck parking spaces were available nationally.

Committee-approved freight transportation bill in the Senate would direct state agencies to measure the capacity of parking and rest facilities for commercial motor vehicles operating on interstates. Senators have signaled the potential for considering that bill on the chamber's floor this summer.

## Durable Goods Orders Also On The Rise

Orders to U.S. factories for big-ticket manufactured goods rose for the 12th time in the last 13 months in May.

The Commerce Department said June 24 that orders for durable goods — meant to last at least three years — climbed 2.3% in May, reversing a 0.8% drop in April and coming despite a backlog of supply chain and a shortage of workers.

A category that tracks business investment dipped 0.1% in May after rising 2.7% in April.

American industry is thriving despite problems with backlogged supply chains and a shortage of workers.

The Federal Reserve reported earlier this month that factory production climbed 0.9% on surging output of cars, trucks and auto parts. The Institute for Supply Management, an association of purchasing managers, said that its manufacturing index signaled that factories were growing in May for the 12th straight month.

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