

THE SOURCE

Tesla's Electric Truck: Here's What We Know

By John O'Dell Trucks.com 11/13/2017

Electric vehicle maker Tesla is notoriously close-mouthed about its future products, preferring to tease out tidbits of information to generate interest. The company has stuck to that playbook when discussing plans to unveil a heavy-duty Tesla electric truck this week. Still, some details have leaked and others can be intuited from what's known of Tesla's technology and design philosophy. The prototype will be a futuristic, battery-electric, Class 8 tractor powered by Tesla-built electric motors, batteries and power electronics, all components the company already makes and can be scaled up for a heavy-duty truck.



Spy photographs indicate Tesla's electric truck will look quite 22nd century — a tall, imposing cab inspired by the helmets worn by Imperial storm troopers in the "Star Wars" movies that Tesla's designers watched growing up. It will be gleaming white — or maybe Tesla red — with smoky black glass windows and curves and angles that slope up and back from a menacing, grille-less front-end sporting LED projector headlamps and emblazoned with the company's iconic "T" logo. There won't be a hood — no need in an electric truck. The power electronics and battery pack will be installed beneath the cab. The electric motors — and there will be two, based on Tesla Chief Executive Elon Musk's references to "motors" in tweets about the truck. They will likely be mounted on the rear axles, inboard of the wheels. The basic design is intended to shout, "Here's the future, and it is sleek, fierce, and powerful." Musk has promised that the truck's torque will be best in the business, by far. In a tug-of-war with a diesel semi, he once boasted, Tesla's semi — Musk calls it "the beast" — would pull its opponent uphill. Based on Tesla's cars, expect the cab to be plush and dedicated to making the driver as comfortable and operationally efficient as possible. That's a Tesla trademark and one way the company helps justify the premium prices needed to pay for the lithium-ion batteries that power its vehicles. The truck will have autonomous driving features to enable platooning and maximize fuel efficiency and safety. Tesla's truck, as Tesla's cars do already, will probably carry the hardware to become fully autonomous with a wireless software update when federal highway safety regulations allow driverless trucks.

Look for a day cab, intended for short- and medium-range work, with a range of up to 300 miles and, more likely, a range of somewhere between 150 and 225 miles. The batteries just get too heavy and too costly to pencil out economically after that, according to researchers at Carnegie Mellon University. They found that the cost of current lithium-ion batteries alone would run between \$160,000 and \$210,000 per truck for trucks with 300 miles of range — more than the average \$120,000 cost of an entire Class 8 diesel tractor. A 300-mile electric truck would require a battery pack capacity of 1,000 kilowatt-hours and would weigh almost nine tons, dramatically reducing cargo capacity, the study found. (continued on page 2)

Inside this issue

Cover Story: ALTERNATIVE FUEL TRUCKS

◆ Alternative Fuel Truck (continued)	2
◆ Electric Hybrids and the LA/LGB Ports	
◆ Fuel Report	3
◆ Oil at 2 year high	
◆ Trivia	
Small Plates—Maritime News	
◆ Windshields On Ships	4
◆ Savannah port congestion plans	
◆ Records at Long Beach	
Small Plates—The Economy and trucking	
◆ ATA Press Release	5
◆ Trivia Answers	
◆ ELD compliance exemption	
Small Plates—Transportation TidBits	
◆ Senate confirms DOT policy head	6
◆ GSP status at risk	
◆ Pilots & Engineers to be tested for OPIOIDS	
Special Feature: TRENDS	
◆ US Ports need over \$100 B in infrastructure	7

Tesla's Electric Truck: Here's What We Know (continued)



(Photo: Reddit)

with consulting firm Roland Berger, told Trucks.com. Those sales will all be in states, such as California, with heavy financial incentives that will help truck operators offset the higher purchase costs of electric models, Rentzsch said. Rentzsch and colleague Stephan Keese said that a short-haul electric truck with about 100 miles of range and a five-ton, 600 kWh battery — a lesser truck than the Carnegie Mellon study envisioned — could earn payback for its price premium in three to five years if that premium were no more than \$60,000 over the cost of a comparably equipped diesel model. That's a conservative look at the financials. Morgan Stanley analyst Adam Jonas recently called the Tesla truck "the biggest catalyst in trucking in decades," and predicted that its operating costs could be 70 percent lower than for a Class 8 diesel tractor.

Tesla's Musk hasn't been shy about pitching the truck. At a shareholder meeting in June he urged investors to "show up for the semi-truck unveiling, maybe there's a little more [to it] than what we are saying here." Musk repeated that "more to it" claim in an Oct. 6 Twitter exchange with a follower. "Semi specs are better than anything I've seen reported so far," he wrote.

One last thing: Tesla often promises release dates and production schedules that are revised multiple times before things actually start appearing on the road. Expect a lengthy gap from the Tesla truck's introduction to commercial use.

Are Electric-Hybrid Trucks the Answer to California Port Pollution Problem?

By Skip Descant | Transport Topics Government Technology 11/22/2017

The sound — and smell — of thousands of idling trucks at the ports of Los Angeles and Long Beach could be fading if a new pilot project to convert them to part-time electric vehicles sticks. A one-mile-long test site, known as the eHighway, has been established near the Los Angeles and Long Beach ports, to test three big-rigs equipped with electric-hybrid motors and the sort of extendable arm that connects the trucks to an overhead power supply. The vehicles are powered via a Siemens overhead catenary system, much in the same way that electric city buses and trains receive power.

"The system is expected to lower fossil fuel consumption, reduce truck operating costs, substantially reduce smog-forming, toxic and CO2 emissions, and help accommodate the growing reliance on freight transportation," Siemens spokesperson Annie Satow said. "The aim of this specific project is to demonstrate the eHighway system applied in truck operation on public roads in an urban U.S. setting and to further prepare applications for larger scale initiatives in the future." The project, which is set to run through the end of the year, is a joint effort by Siemens and the South Coast Air Quality Management District (SCAQMD), which oversees air quality improvement projects in Southern California, an area with a long history of high smog and pollutant levels. According to Siemens, trucks, like the kind that operate in ports daily, are the leading cause of smog-forming emissions in the region. "This project will help us evaluate the feasibility of a zero-emission cargo movement system using overhead catenary wires," said Wayne Nastri, SCAQMD's executive officer, in a statement. "This demonstration could lead to the deployment of eHighway systems that will reduce pollution and benefit public health for residents living near the ports." The \$13.5 million project is funded by \$2.5 million from SCAQMD, as well as other sources which include the California Energy Commission; L.A. Metro; Port of Long Beach; and a settlement from China Shipping.

The Port of Los Angeles — located next to the sprawling Port of Long Beach, in San Pedro Bay — reported record clean air gains in 2016, surpassing its 2020 goal for reducing emissions at the port. Much of the improvement came from reducing ship emissions, the port reported. Nitrous oxide emissions from trucks are on target to be reduced 74% to 91% by 2025, according to the South Coast Air Quality Management District's Clean Air Action Plan (CAAP). Nitrous oxide — the lion's share of truck emissions — has been reduced 71% from 2005 to 2016, according to Port of Los Angeles statistics. Many of the ports' dirtiest trucks serving the port terminals were phased out in 2008 and replaced with trucks meeting 2007 EPA standards. The port is already moving forward with a strategy to convert drayage trucks — heavy-duty trucks intended to move goods short distances from ships to warehouses — to near-zero or zero-emission vehicles.

"Today, there is a fleet of approximately 17,000 drayage trucks available to service the Ports, and 55% of the trucks are 2007 EPA-compliant and the remaining 45% are 2010 EPA-compliant," said Phillip Sanfield, director of media relations at the Port of Los Angeles, in an email. It's not entirely clear how much CO2 or other pollutants might be reduced through the use of electric-hybrid trucks, port officials said, as a formal study has not been done. Siemens anticipates roughly 6 million tons of CO2 could be cut in California if the state were to electrify freight travel. And the electric-hybrid trucks like those on California's eHighway test site are said to be twice as efficient as conventional diesel engines.

TRIVIA QUESTIONS



- 1) **Ascorbic acid is a vitamin that we consume regularly. What name is it better known as?**
 A. Vitamin D B. Vitamin A C. Vitamin C D. Vitamin B
- 2) **Which department store held the first Thanksgiving Parade?**
 A. Gimbels B. Macy's C. J.C. Penney D. Montgomery Ward
- 3) **Thanksgiving became a national holiday thanks to this woman who was an editor of a woman's magazine called "The Godey's Lady's Book" ?**
 A. Sarah Hale B. Sarah Parker C. Sarah Bradford D. Sarah Standish
- 4) **What does "Cornucopia" mean?**
 A. Tall Corn B. Greek God of Corn C. Horn of Plenty D. A New England Relish
- 5) **Which President was the first to "Pardon" a turkey?**
 A. Millard Fillmore B. Warren Harding C. John Kennedy D. Harry Truman
- 6) **How many inches does a cranberry have to bounce before harvesting?**
 A. 2 inches B. 4 inches C. 3 inches D. 1 inches

Answers Later In The Newsletter

FUEL REPORT

U.S. On-Highway Diesel Fuel Prices* (dollars per gallon) <http://www.eia.gov/petroleum/gasdiesel/>

	11/6/17	11/13/17	11/20/17	Change from	
				week ago	year ago
U.S. National Average	\$2.882	\$2.915	\$2.912	↓ 0.003	↑ 0.491

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Oil Climbs to Two-Year High as Stockpiles Fall Before OPEC Meets Jim Gehrz/Minneapolis Star Tribune/MCT 11/22/2017

Oil climbed to a two-year high as U.S. industry data showed crude stockpiles resumed declines and investors awaited a decision by OPEC on extending output cuts. January futures rose as much as 2.2% in New York, the highest since mid-2015. U.S. inventories fell by 6.36 million barrels the week of Nov. 13, the American Petroleum Institute was said to report. That's more than forecast in a Bloomberg survey, which shows a drop of 2.2 million barrels ahead of government data Nov. 22. Oil has risen this month on speculation that the Organization of Petroleum Exporting Countries and its partners will decide to prolong supply cuts beyond March when they meet in Vienna Nov. 30. Saudi Arabia, OPEC's de facto leader, has been reducing exports as well as production, with shipments in September dropping to the lowest since March 2011, according to official data submitted to the JODI global database.

"It does appear the only way is up for oil," said Michael McCarthy, a chief strategist at CMC Markets in Sydney. "A lot of traders are speculating about the potential outcome of the OPEC meeting. Expectations are high and that could lead to disappointment if OPEC and its partners don't deliver, but it doesn't seem many are prepared to take the risk of that happening."

West Texas Intermediate for January delivery gained as much as \$1.22 to \$58.05 a barrel on the New York Mercantile Exchange, and was at \$57.81 as of 12:04 p.m. London time. The contract advanced 41 cents to \$56.83 on Tuesday. Brent for January settlement increased 57 cents, or 0.9%, to \$63.14 a barrel on the London-based ICE Futures Europe exchange after climbing 0.6% on Nov. 21. The global benchmark traded at a premium of \$5.35 to WTI. U.S. crude stockpiles at Cushing, Oklahoma, the delivery point for WTI and the biggest oil-storage hub, dropped by 1.8 million barrels last week, the API said, according to people familiar with the data. Gasoline inventories expanded by 869,000 barrels, API data show.



Mitsui successfully tests windshield for containerships

Velocity Staff 8/4/2017



The ship's windshield is circled in red in this photo.

We may think of them as safety devices, but the windshields on our cars and trucks play a big role in making the vehicles more aerodynamic, helping to reduce both fuel costs and carbon emissions. But all the shields or fairings in the world couldn't help a hulking containership slip cleanly through the wind and waves... could it? The Japanese shipping company Mitsui O.S.K. Lines now says it has proved otherwise, demonstrating that windshields work for slow-steaming cargo vessels too. Mitsui recently announced that an in-service test of a wind resistance-reducing windshield for ships showed the device reduced emissions of carbon dioxide (CO₂) by an average of 2 percent, thanks to lower fuel consumption. To test the concept, Mitsui installed the enormous windshield on

the bow section of the 990-foot-long *MOL Marvel* and compared the vessel's performance with that of an identical ship moving at the same speed (17 knots, or 20 mph) without the device. Engineers collected data during the vessels' service on various routes between Asia and the East Coast of North America, then massaged the data to eliminate the effects of ocean waves and to isolate the change in performance that was due solely to reduced wind resistance. Based on the trial's success, the company said it plans to continue efforts to confirm the windshield's seaworthiness, analyze the sailing data, and apply more advanced technology.

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Officials Approve Plans to Ease Savannah Port Congestion 11/13/2017

SAVANNAH, Ga. (AP) — Georgia port officials will spend \$42 million to untie road and rail congestion around Savannah's docks. The Georgia Ports Authority approved work Monday that's part of a larger \$128 million project. The Savannah Morning News reports plans include a bridge over a frequently-blocked rail crossing on Georgia 25 in Garden City. Also planned are two railroad bridges over a canal. Ultimately, the \$128 million project will combine rail yards operated by CSX Corp. and Norfolk Southern Corp. The new terminal will allow 2-mile (3.25-kilometer) trains to be loaded with double-stacked cargo containers. The railroads will be able to ship 1 million containers yearly from Savannah, up from 500,000 now. The board also approved additional truck gates feeding a new connector to Interstate 95, which could take traffic off local streets.

Port of Long Beach sets record for October Cargo By AJOT 11/10/2017

Long Beach on pace for highest-ever volumes in 2017

Long Beach Container Terminal at the Port of Long Beach. A year of records continues at the Port of Long Beach, where this October was the busiest in history, as container volumes surged 15 percent compared to the same month a year ago. Trade has been growing so rapidly in 2017 that the record-setting October — at 669,218 twenty-foot-equivalent units (TEUs), one of the Port's strongest all-time results — was only the fourth-busiest month of the year behind July, September and August.

"October used to be the industry's busiest month of the year, with retailers preparing for Christmas," said Port of Long Beach Executive Director Mario Cordero. "Now, with other popular shopping seasons like back-to-school, Halloween and Black Friday, ocean carriers are spreading shipments across more months to maximize the services we have developed to serve them."

Inbound containers destined for retailers jumped 14.3 percent to 339,013 TEUs. Export boxes decreased slightly, 0.5 percent, to 126,150 containers. Empty containers sent overseas to be refilled with goods increased 28.9 percent, to 204,055 TEUs.



FOR IMMEDIATE RELEASE

November 21, 2017

ATA Truck Tonnage Index Increased 3.3% in October
Tonnage Index Up 9.9% from Year Earlier

Arlington, Virginia — American Trucking Associations' advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index rose 3.3% in October, following a 1.9% decline during September. In October, the index equaled 147.6 (2000=100), up from 142.9 in September. Compared with October 2016, the SA index surged 9.9%, which was the largest year-over-year increase since December 2013. In September, the index increased 6.3% on a year-over-year basis. Year-to-date, compared with the same ten months in 2016, the index is up 3.1%. ATA also revised its September decline in the index down to a 1.9% drop from the previously reported 0.9% decrease. The not seasonally adjusted index, which represents the change in tonnage actually hauled by the fleets before any seasonal adjustment, equaled 151 in October, which was 5.1% above the previous month (143.7).

"Continued improvement in truck tonnage reflects a much stronger freight market," said **ATA Chief Economist Bob Costello**. "This strength is the result of several factors, including consumption, factory output, construction and improved inventory levels throughout the supply chain. Additionally, the 6.7% rise in tonnage over the last four months suggests to me that retailers are expecting a good holiday spending season."

Trucking serves as a barometer of the U.S. economy, representing 70.6% of tonnage carried by all modes of domestic freight transportation, including manufactured and retail goods. Trucks hauled nearly 10.5 billion tons of freight in 2016. Motor carriers collected \$676.2 billion, or 79.8% of total revenue earned by all transport modes.

ATA calculates the tonnage index based on surveys from its membership and has been doing so since the 1970s. This is a preliminary figure and subject to change in the final report issued around the 10th day of the month. The report includes month-to-month and year-over-year results, relevant economic comparisons and key financial indicators.

Answers to Trivia

OOIDA seeks five-year exemption from ELD compliance for class of drivers

Proposal would delay compliance for drivers meeting "small-business" criterion and having clean safety records; FMCSA temporarily waives non-compliance hit on driver CSA scores. **By DC Velocity Staff 11/22/2017**

The Owner-Operator Independent Drivers Association said yesterday it had asked federal regulators to grant five-year exemptions to a swath of drivers from regulations requiring that, by Dec. 18, virtually all trucks be equipped with electronic logging devices (ELDs). OOIDA, which represents about 150,000 independent drivers and small fleets, wants the exemption to apply to carriers classified as "small businesses" according to the Small Business Administration (SBA), that have no record of attributable at-fault crashes, and that do not have a carrier safety rating of "unsatisfactory" under federal regulations. The trade group said it doesn't know how many drivers would be eligible for exemptions under its criteria. OOIDA has fought the ELD rules tooth and nail ever since it was unveiled two years ago. It has argued that the rules do not improve highway safety, violate 4th Amendment rights against illegal search and seizure because they require the installation of a warrantless tracking device, would increase carrier costs, and deploy equipment that has been unproven and uncertified. However, the group has been thwarted in the courts, and it seems unlikely the Trump Administration will act to delay the rules' implementation date at the eleventh hour.

OOIDA said a five-year exemption period would enable the Federal Motor Carrier Safety Administration (FMCSA), which wrote the rules, to fully vet ELD vendors to determine if their equipment complies with federal regulations. Currently, all of the 193 ELD-related devices shown on FMCSA's website have been self-certified, and have not been validated by the agency or by a third-party testing program, OOIDA said. "Most small-business motor carriers can ill afford to make these purchases only to learn later that the ELD is non-compliant. Yet they are required to do so or risk violation," said Todd Spencer, OOIDA's executive vice president. OOIDA also raised concerns about the equipment's vulnerability to hackers and other forms of cyber-mischief. The rule exempts operators of trucks built before the year 2000, drivers operating not more than 8 days out of every 30-day period, and drivers with commercial driver's licenses (CDL) operating in interstate commerce within 100 air miles of their work location, among other criteria. Last month, however, FMCSA granted five-year exemptions to Atlanta-based UPS Inc., the nation's largest transportation company, covering specific types of company operations. YRC Worldwide Inc., a less-than-truckload (LTL) carrier based in Overland Park, Kan., has also requested an exemption covering similar scenarios to UPS. Monday, FMCSA said it had granted a 90-day ELD exemption to haulers of agricultural commodities.

In a related development, the FMCSA said that drivers found without ELDs between Dec. 18, 2017, and April 1, 2018, would not have the violation count against their Compliance, Safety, and Accountability (CSA) scores. CSA measures a driver's safety performance across a variety of metrics, and infractions affecting a CSA score play a critical role in determining a driver's marketability, as well as the cost of a carrier's insurance coverage. FMCSA and the Commercial Vehicle Safety Alliance (CVSA), the latter being a group of U.S. state and provincial Canadian law-enforcement officials charged with roadside safety inspections, agreed to the policy, according to a published report. FMCSA and CVSA have already said they would not place a vehicle and driver out of service between Dec. 18 and April 1 if the truck isn't equipped with an ELD or some type of electronic on-board logging device. Both actions are part of an effort to make the transition to the controversial mandate as easy as possible. Estimates vary widely, but it is believed that as many as 40 percent of all drivers, the vast majority being owner-operators, are currently not compliant with the regulations.



Senate Confirms Nominee for DOT’s Top Policy Post by Eugene Mulero Transport Topics 11/14/17

The U.S. Department of Transportation will be staffed with a new policy leader after the Senate on Nov. 13 easily confirmed Derek Kan, formerly a general manager for Lyft. By a vote of 90 to 7, Kan’s nomination was approved in the upper chamber. He now becomes undersecretary of transportation for policy, the third-highest post at the department.



At his confirmation hearing in June, Kan told senators on the Commerce Committee he would work to enhance DOT’s role in autonomous vehicles as well as pursue the modernization of multimodal safety technology. Achieving a fair balance of federal resources for urban and rural transportation projects also would be among his priorities. “Together, we can address these complex policy questions, rebuild our nation’s infrastructure, ensure the safety and security of our transportation system and usher in new technologies,” he said.

Before joining Lyft, Kan had been a management consultant at Bain & Co. When he was on Capitol Hill, he served as policy adviser to Senate Republican Leader Mitch McConnell (R-Ky.) and was chief economist for the Senate Republican Policy Committee. He earned degrees from the University of Southern California, the London School of Economics and the Stanford Graduate School of Business.

NCBFAA Says Delayed GSP Renewal Jeopardizes Companies By AJOT 11/7/2017

In letters to the Senate and House, National Customs Brokers and Forwarders Association of America, Inc. (NCBFAA) President Geoffrey Powell urged Congress to renew the Generalized System of Preferences (GSP) program before its scheduled year end expiration. Letter recipients included Senate Finance Committee Chairman Orrin Hatch (R-UT) and Ranking Member Ron Wyden (D-OR) as well as House Ways and Means Committee Chairman Kevin Brady (R-TX) and Ranking Member Richard Neal (D-MA). President Powell pointed out that GSP lowers the cost of raw materials, which helps to keep U.S. companies competitive in foreign markets, and it lowers the cost of finished products to U.S. consumers; products, he added, for which there is no U.S. production.

Despite strong Congressional support for the program, he noted Congress’ inability to extend the program has caused it to lapse on repeated occasions. “Even though GSP renewal eventually occurred and was applied retroactively to the date of expiration,” he argued, “the economic damage and disruption to businesses - especially the many small businesses that depend on the program to remain competitive - was significant.”

Without renewal, companies face the prospect of incurring \$75 million in duties each month from GSP countries. Even with a retroactive renewal and refunded duties, President Powell pointed out that small and medium-sized companies operating on slim profit margins could incur severe cash flow burdens. The uncertainty is another factor, especially for companies placing orders for 2018 delivery. Finding alternative sources may not be feasible nor is waiting to see if GSP will be renewed on time realistic. “The ensuing chaos creates ripple effects as new hiring is delayed and new investment is put on hold,” President Powell wrote.

Editor’s note: GSP is a duty preference program that was allowed to lapse on 7/31/13 even though there was no controversy involved with it’s continuance. GSP was not extended until 7/29/15 and, while it was retroactive, in order to claim the duties lost companies needed to provide the documentation extending back to the original date of its lapsing. Companies lost millions of dollars because of this issue being caught up in congressional purgatory. I encourage you all to contact your local congressman and ask for the extension of GSP be made a **PRIORITY.**

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Airline Pilots, Train Engineers to Get Random Tests for Opioids By: JOC 11/9/17

Airline pilots, train engineers and truck drivers subject to federally mandated drug screening will soon be tested for a range of opioids under a new rule issued Thursday. While transportation workers have long been subject to random screenings for various drugs, the list didn’t include the synthetic opioid pain killers that have helped lead to a dramatic spike in addiction and overdose deaths in the U.S.

Following through on a proposal released on Jan. 23, the Department of Transportation published a final rule adding the drugs hydrocodone, hydromorphone, oxycodone and oxycodone to a list that already included marijuana, cocaine and heroin. The new testing rules take effect on Jan. 1. President Donald Trump declared opioid addiction a public health emergency on Oct. 26 and that class of drugs has begun to show up in post-accident drug testing, such as a 2016 Amtrak rail collision that killed two workers, according to the National Transportation Safety Board. Drug testing required after an accident typically screens for more substances than the random tests that transportation workers get.

U.S. Surface Pricing on the Rise By Dustin Braden JOC.com 10/31/2017

Volume and pricing growth in the US surface transportation market shows no signs of slowing down.

An index for truckload pricing rose 4.2 percent year over year to hit an all-time high in September, as intermodal pricing rose 4 percent and evidence of strong US economic expansion driving higher volumes and US surface shipping rates continue to grow. Growth in truckload pricing is accelerating, having increased for the past six months after 13 consecutive months of negative year-over-year comparisons, according to Cass Information Systems, which compiles both indices.

The strong gains have led Cass to revise upward its forecasts for pricing growth this year from between negative 1 percent and positive 2 percent, to growth of 2 percent to 4 percent. Earnings reports from large trucking companies suggest that rates will continue to rise, as many say they have gained greater pricing power in the market and some are already pushing rates hikes. Trucking broker Echo Global Logistics said its third quarter truckload rates increased 14 percent and less-than-truckload (LTL) rates rose 7 percent, while UPS last week said it will raise ground rates an average of 4.9 percent on Dec. 24. FedEx announced in September a 4.9 percent general rate increase set for Jan. 1, 2018. The extent of industry-wide increases will depend on whether the US economy can continue to beat expectations as it did in the third quarter, when GDP rose 3 percent and bested forecasts of 2.5 percent growth. It will also depend in part on the electronic logging device mandate that takes effect in December, but there is no widespread agreement on the mandate’s impact on available trucking capacity.

While intermodal pricing does not face the same regulatory burden as trucking, rate increases in that market are also likely, as J.B. Hunt Transportation Services in a recent letter to customers said transportation costs could rise 10 percent or more, a scenario made more possible given the increases in operating costs in the third quarter. Another trend that will increase US trucking rates is the shortage of drivers. The trucking industry said that a shortage of qualified drivers is its top concern for the first time in 11 years. While that is a long-term problem, the most immediate solution is to offer higher wages and better benefits, which many trucking companies are already doing.



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