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April 2017

Key findings

- Carrier sentiment for business conditions was 5.89, rebounding from a 2017 low of 5.35 in February (5.81 in March). Respondents with up to 100 power units rated April at 5.48, while respondents from fleets with more than 100 power units rated April at 6.06. (Page 4)
- After strong numbers in March, respondents reporting an improvement in month-over-month business conditions leveled out somewhat in April, with 37.0% saying it was better than March (63% of respondents in last month's survey said business in March was better than February). Survey respondents are optimistic about business conditions in the next six months, with 67.1% forecasting improvement (73.1% of those with more than 100 power units and 52.4% of those with up to 100 power units). No survey respondents believe business conditions will worsen in the same time frame. (Page 5)
- 61.1% of respondents from fleets with up to 100 power units and 49.1% of respondents from fleets with more than 100 power units plan to add full-time employees in the next six months, while 43.7% of all respondents plan to maintain current employment levels. (Page 6)
- 42.3% of respondents with more than 100 power units plan to increase the size of their fleets in the next six months, compared to 19.0% of respondents with up to 100 power units. (Page 7)
- Driver availability is still the top concern for 49.3% of all respondents, followed by freight pricing (28.2%) and freight volume (15.53%). Cost of labor cracked the list of top four concerns at 4.2%. (Pages 7 & 8)

Quotes of the month

- **Up to 100 power units:** "Markets improve but freight cost is still behind what it should be. I guess not enough people have gone out of business yet to let prices rise."
- **More than 100 power units:** "The flatbed sector is much improved. Pricing has firmed each of the last three months and productivity levels have increased. We feel optimistic about the remainder of 2017."

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Methodology

The April 2017 *CCJ* MarketPulse report is based on an ongoing survey sent to 200 senior executives of for-hire trucking companies who had agreed to participate monthly. The panel includes executives of carriers that operate at least 10 power units and does not change except to add new panel members that agree to join or to remove those who fail to participate for several consecutive months.

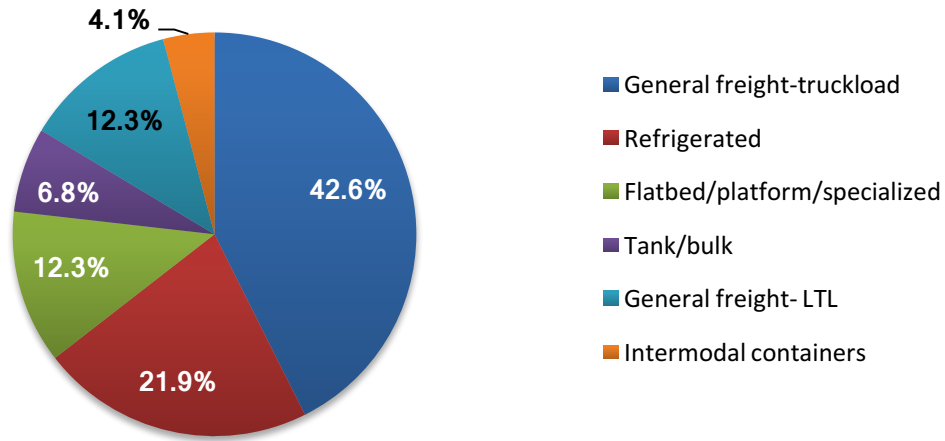
No attempt is made to weight the results to match the make-up of the trucking industry. The goal of MarketPulse is to provide a directional assessment of market conditions by polling a relatively stable panel of respondents each month. Variations in the respondent pool will, however, cause some fluctuations.

The survey was sent initially on May 8, 2017 with reminders sent out on May 11 and May 15, 2017. Out of the total pool, 73 carrier executives completed the questionnaire.

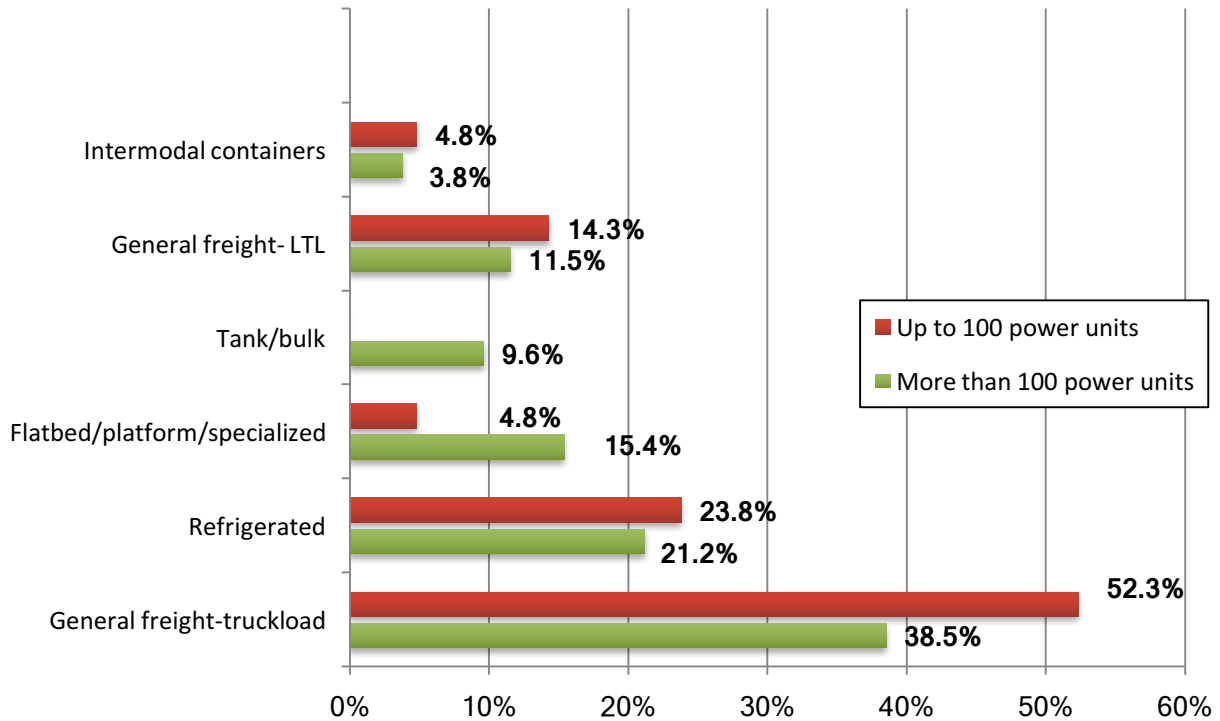
Demographics

73 respondents

Which of the following represents the largest portion of your operation?

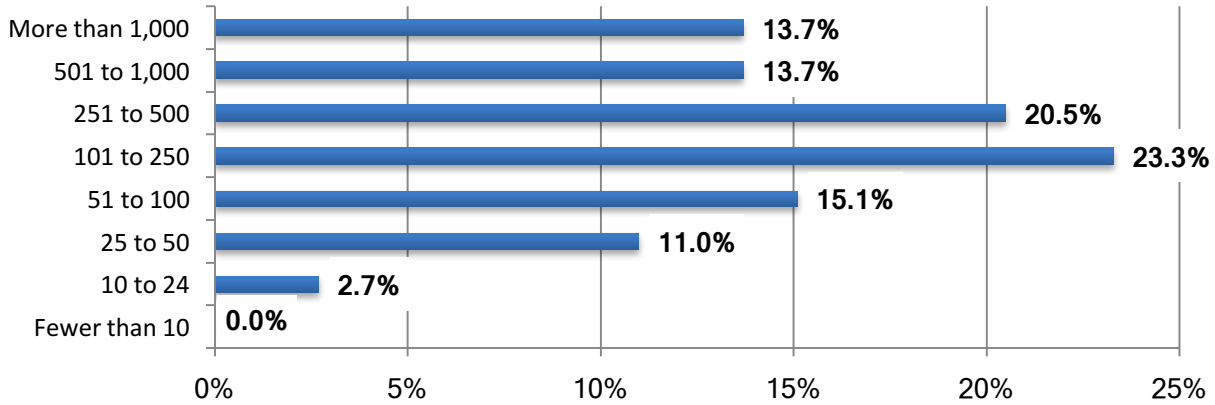


By fleet size



April 2017 MarketPulse Report

How many power units does your company operate (including owned, leased or independent contractors)?

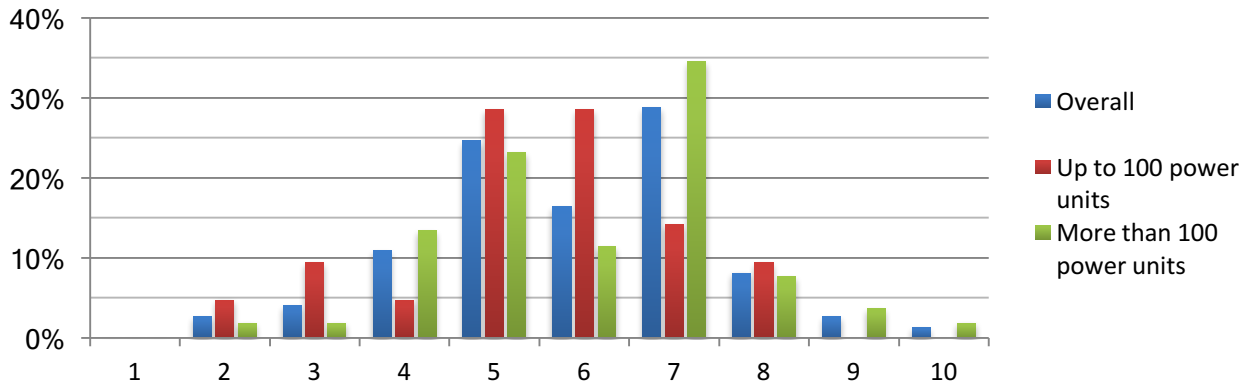


Business conditions

On a scale of 1 to 10 (where 1 is the worst month ever and 10 is the best month ever), how would you rate overall business conditions during April 2017?

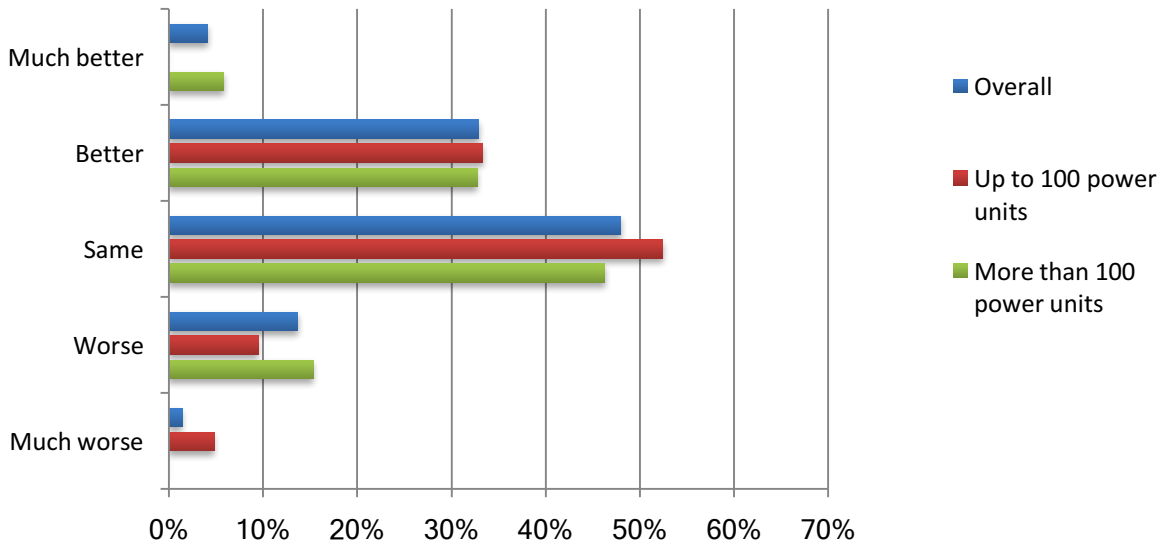
	April 2017	March 2017
Average response	5.89	5.81
Up to 100 power units:	5.48	5.67
More than 100 units:	6.06	5.87

Distribution of responses

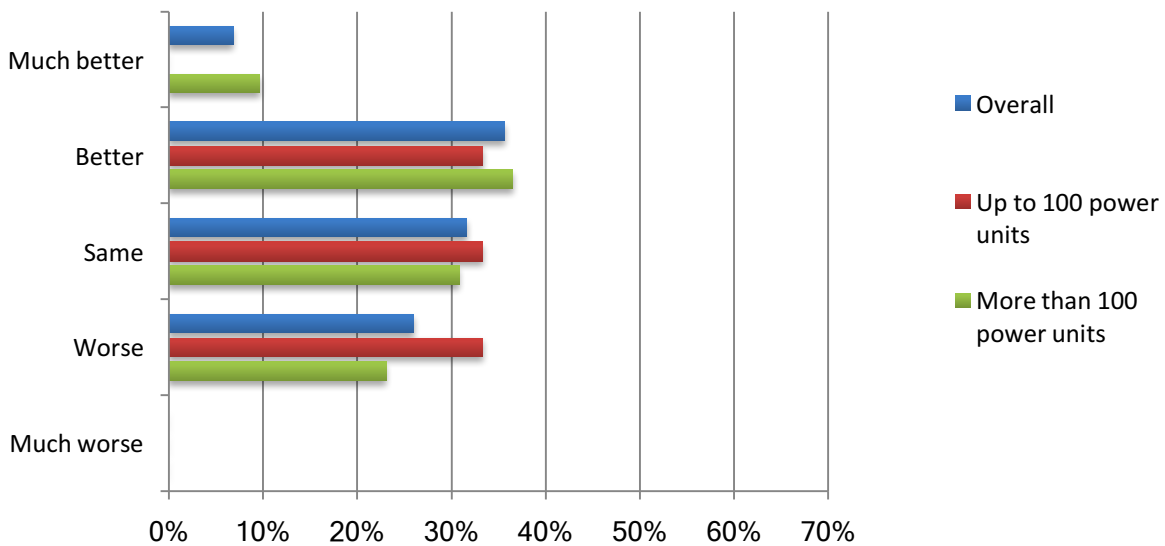


April 2017 MarketPulse Report

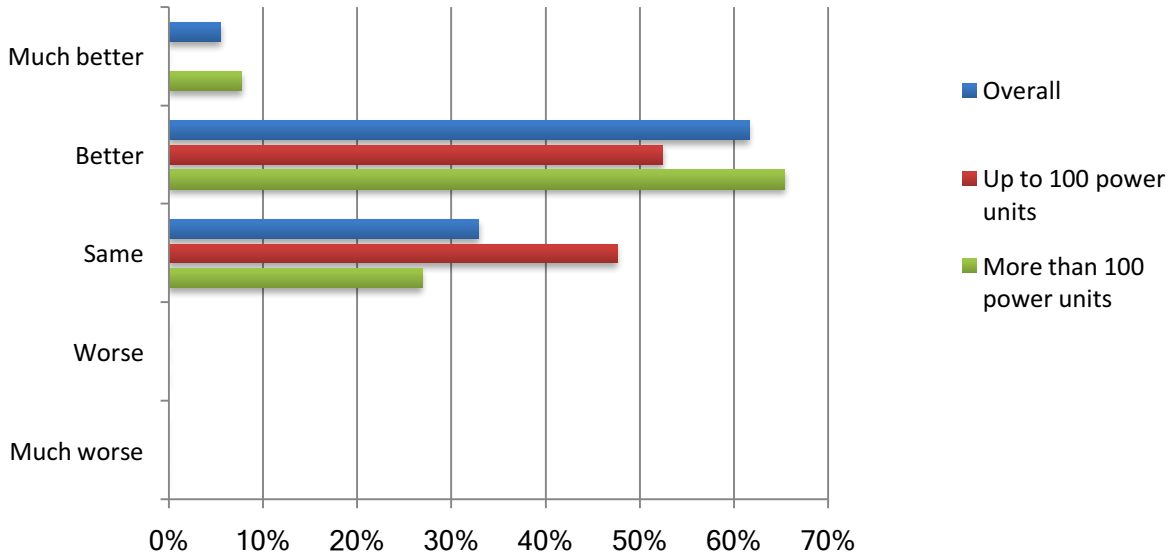
How is your business doing in April 2017 compared to March 2017?



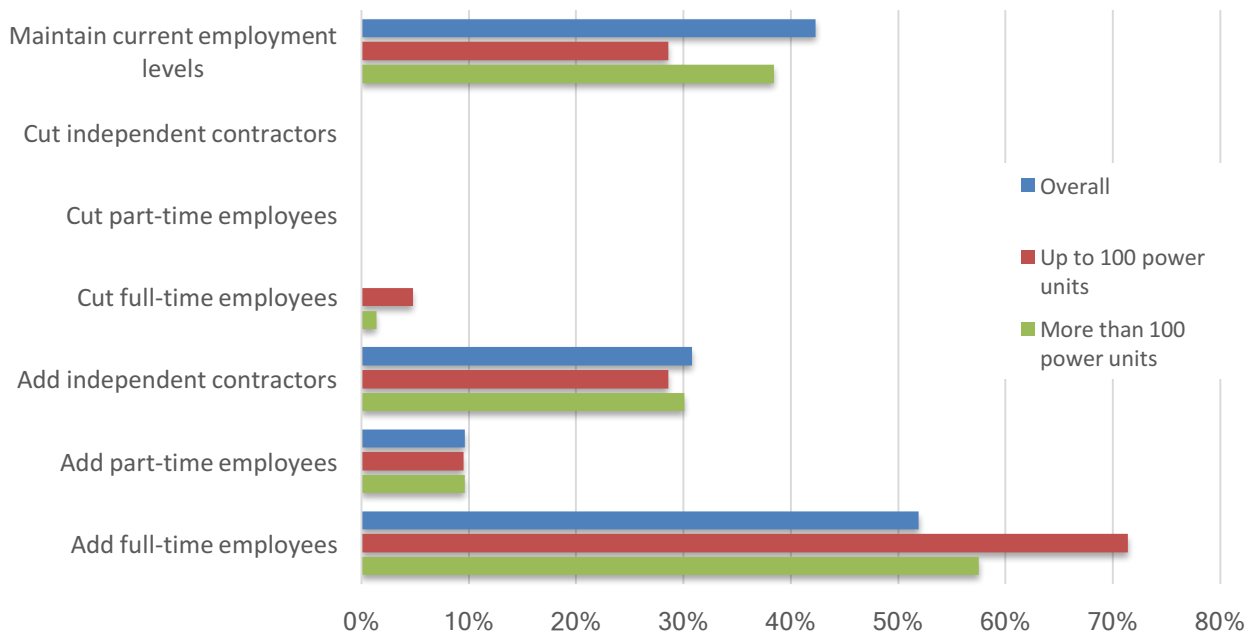
How is your business doing in April 2017 compared to April 2016?



Adjusting for seasonality, how do you see business in the next 6 months?

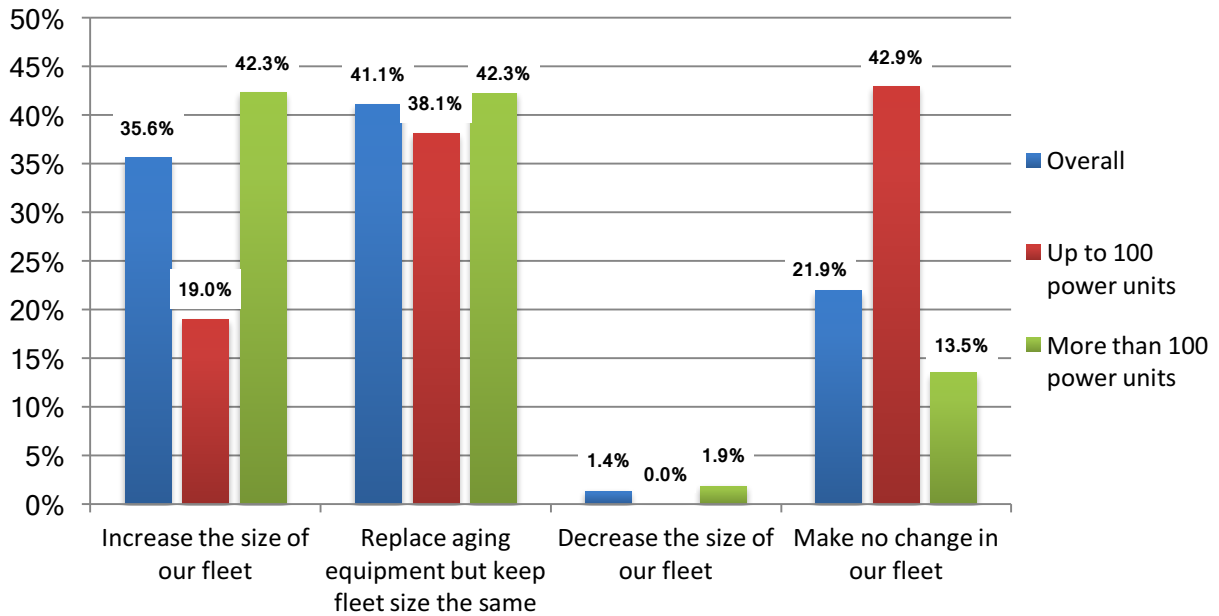


Not counting seasonal employees, in the next 6 months, do you plan to:

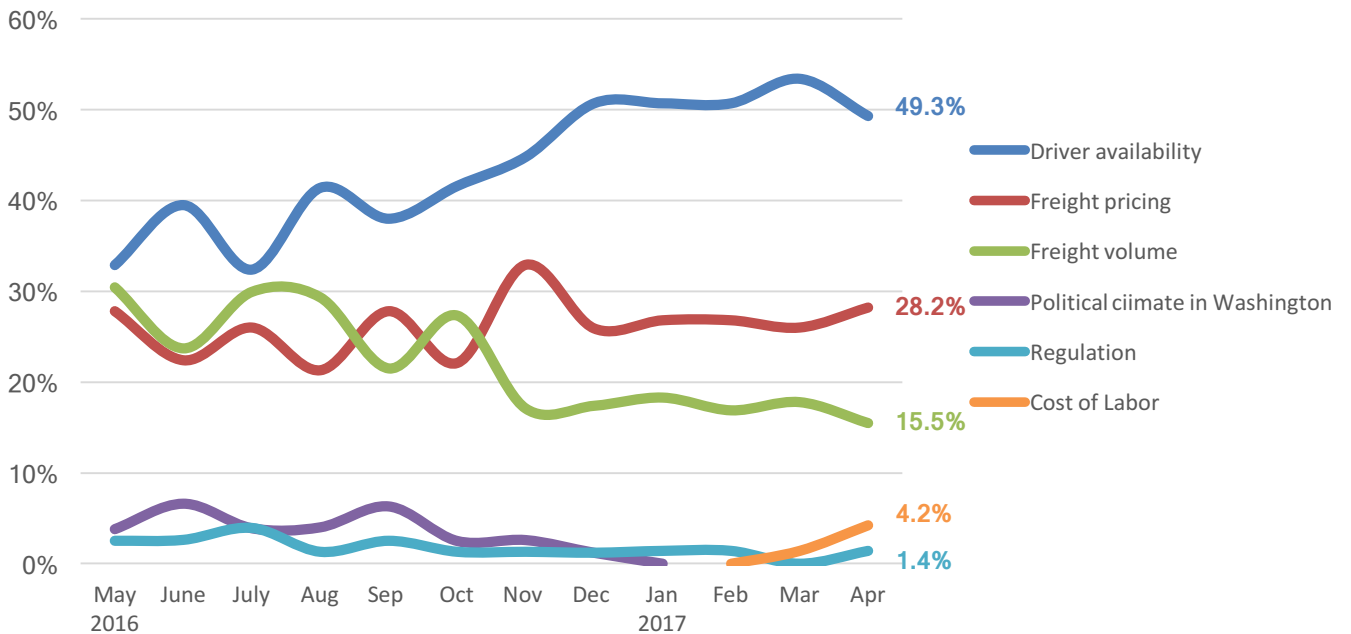


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In the next 6 months, we plan to:



Please rank your top five concerns right now (with 1 being the biggest concern).



April 2017 MarketPulse Report

Top concerns for carriers with up to 100 power units

	1 - (Biggest concern)	2	3	4	5
Freight volume	4.8%	28.6%	14.3%	10.4%	0.0%
Freight pricing	42.8%	28.6%	14.3%	0.0%	0.0%
Cash flow	0.0%	4.8%	0.0%	0.0%	10.0%
Fuel costs	0.0%	0.0%	0.0%	0.0%	5.0%
Driver availability	47.6%	19.0%	14.3%	0.0%	5.0%
Cost of labor	0.0%	9.4%	9.5%	5.3%	10.0%
Maintenance costs	0.0%	4.8%	23.8%	21.1%	0.0%
Cost of equipment	0.0%	4.8%	19.0%	21.1%	20.0%
Unionization	0.0%	0.0%	0.0%	0.0%	0.0%
Access to credit	0.0%	0.0%	4.8%	5.3%	0.0%
Cost of credit	0.0%	0.0%	0.0%	0.0%	0.0%
Regulation	4.8%	0.0%	0.0%	21.1%	20.0%
Taxes	0.0%	0.0%	0.0%	5.3%	20.0%
Political climate in Washington	0.0%	0.0%	0.0%	10.4%	10.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%

Top concerns for carriers with more than 100 power units

	1 - (Biggest concern)	2	3	4	5
Freight volume	20.0%	21.6%	27.4%	10.2%	8.0%
Freight pricing	22.0%	37.2%	19.6%	14.3%	2.0%
Cash flow	0.0%	0.0%	2.0%	2.0%	4.0%
Fuel costs	0.0%	0.0%	0.0%	0.0%	0.0%
Driver availability	50.0%	23.4%	15.7%	4.1%	2.0%
Cost of labor	6.0%	9.8%	9.8%	16.3%	12.0%
Maintenance costs	2.0%	2.0%	9.8%	12.2%	10.0%
Cost of equipment	0.0%	2.0%	5.9%	18.5%	8.0%
Unionization	0.0%	0.0%	0.0%	0.0%	2.0%
Access to credit	0.0%	0.0%	0.0%	2.0%	0.0%
Cost of credit	0.0%	2.0%	0.0%	2.0%	2.0%
Regulation	0.0%	2.0%	5.9%	8.2%	16.0%
Taxes	0.0%	0.0%	0.0%	6.1%	0.0%
Political climate in Washington	0.0%	0.0%	3.9%	4.1%	34.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%

General comments

Up to 100 power units

- Markets improve but freight cost is still behind what it should be. I guess not enough people have gone out of business yet to let prices rise.

General comments

More than 100 power units

- Flatbed freight is coming back!
- Business was definitely better in April, the best it has been in over a year.
- Business is steady. Could always use more drivers.
- Freight volumes and pricing need to stay strong. Business conditions need to improve over 2016.
- For both months business is way off. We have lost a lot of business due to bids. We have won some as well. We are having to move equipment from the accounts that we lost to the ones we won. Rates have taken a big drop from our view.
- Freight is strong. Rates need to increase.
- There are still too many questions emanating from Washington along with various scenarios of the percentage in the loss of capacity from implementing ELDS!
- hoping everyone gets on e-logs so the playing field is equal, assuming everyone doesn't cheat on e-logs and actually encounters delays due to traffic, weather, flats etc., that on paper never really happened as far as the logs showed.
- The flatbed sector is much improved. Pricing has firmed each of the last three months and productivity levels have increased. We feel optimistic about the remainder of 2017.
- It appears the shippers are not getting concerned about the ELD mandate that is coming December 18th 2017 as a reduction in availability of trucks. Only time will tell and the most astute traffic managers are planning ahead for the loss of available trucks in the way they approach their bids and pricing so far this year.
- Starting to see driver shortages occur in parts of our region.