



Trucker Success

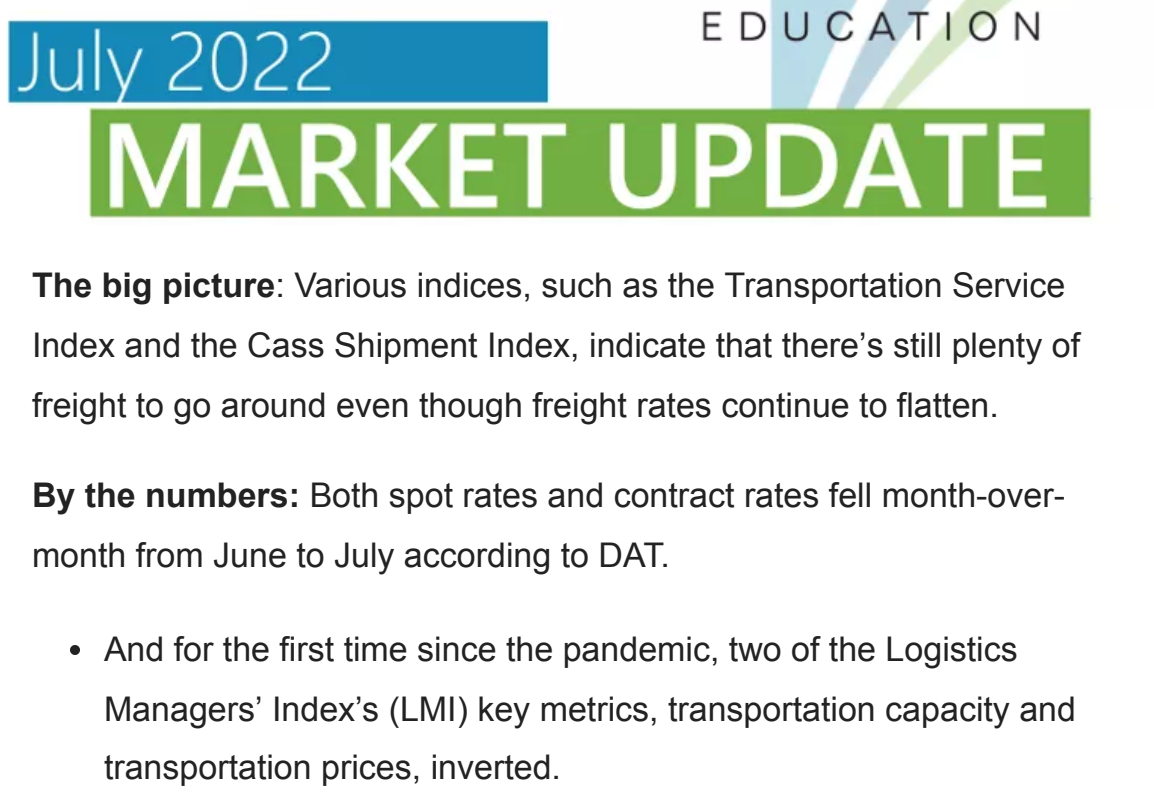
By OOFI • Aug 24, 2022

Smart Brevity® count: 2.5 mins... 598 words

Welcome to Trucker Success. Today we'll focus on:

- OOFI's trucking market update for July
- Spot rates are falling
- Hot Topics
- Our new AB5 video

1 big thing: Monthly Trucking Market Update

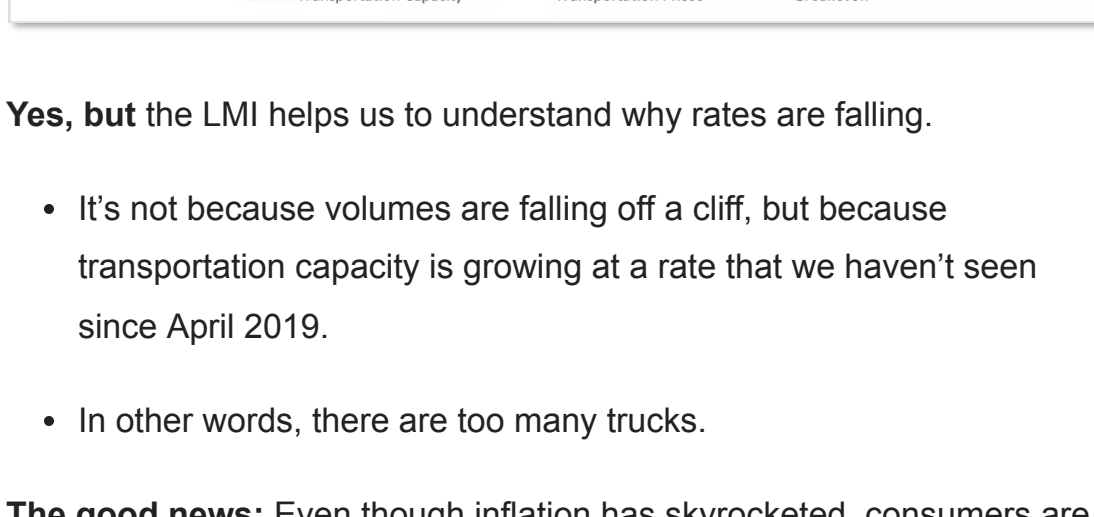


The big picture: Various indices, such as the Transportation Service Index and the Cass Shipment Index, indicate that there's still plenty of freight to go around even though freight rates continue to flatten.

By the numbers: Both spot rates and contract rates fell month-over-month from June to July according to DAT.

- And for the first time since the pandemic, two of the Logistics Managers' Index's (LMI) key metrics, transportation capacity and transportation prices, inverted.

- This typically signals bad news for freight rates.



Yes, but the LMI helps us to understand why rates are falling.

- It's not because volumes are falling off a cliff, but because transportation capacity is growing at a rate that we haven't seen since April 2019.
- In other words, there are too many trucks.

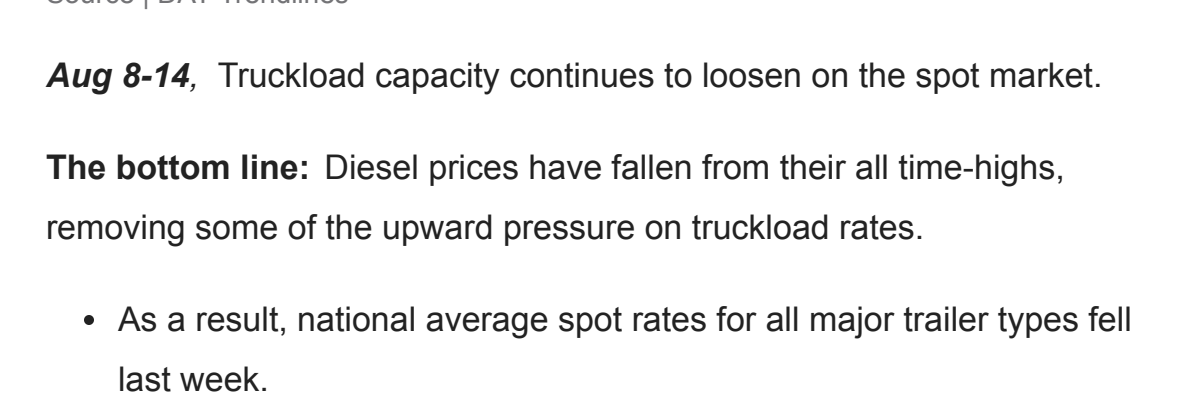
The good news: Even though inflation has skyrocketed, consumers are still purchasing things, which will help to keep volumes high for the time being.

- Consumer spending for durable goods increased 1.5% in July to \$2.1 trillion following seasonal adjustment,
- while spending for non-durable goods increased 1.7% to \$3.8 trillion.



Go deeper: Find this months full [trucking market update here](#).

2. Trendlines: National spot rates for van, flatbed, reefer



National Spot Rates: Van, Flatbed, Reefer

Source | DAT Trendlines

Aug 8-14, Truckload capacity continues to loosen on the spot market.

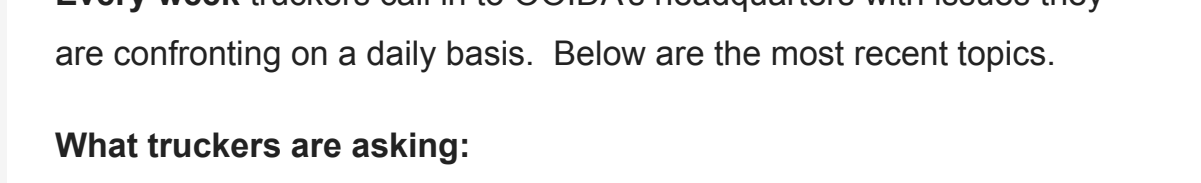
The bottom line: Diesel prices have fallen from their all time-highs, removing some of the upward pressure on truckload rates.

- As a result, national average spot rates for all major trailer types fell last week.

Industry Trends	WEEK AUG 15 - AUG 21 VS. AUG 08 - AUG 14	MONTH JUL 2022 VS. JUN 2022	YEAR JUL 2022 VS. JUL 2021
Spot Load Posts	+0.2%	-26.0%	-34.0%
Spot Truck Posts	+2.2%	-9.3%	+8.1%
Van Load-To-Truck	-0.8%	-0.8%	-33.8%
Van Spot Rates	-0.6%	-1.7%	-3.0%
Flatbed Load-To-Truck	+4.2%	-41.9%	-50.9%
Flatbed Spot Rates	-1.8%	-4.3%	+6.1%
Reefer Load-To-Truck	-8.3%	+3.0%	-42.3%
Reefer Spot Rates	-1.2%	-1.6%	-4.3%
Fuel Prices	-1.6%	-4.7%	+64.3%

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3. Hot Topics



Every week truckers call in to OOIDA's headquarters with issues they are confronting on a daily basis. Below are the most recent topics.

What truckers are asking:

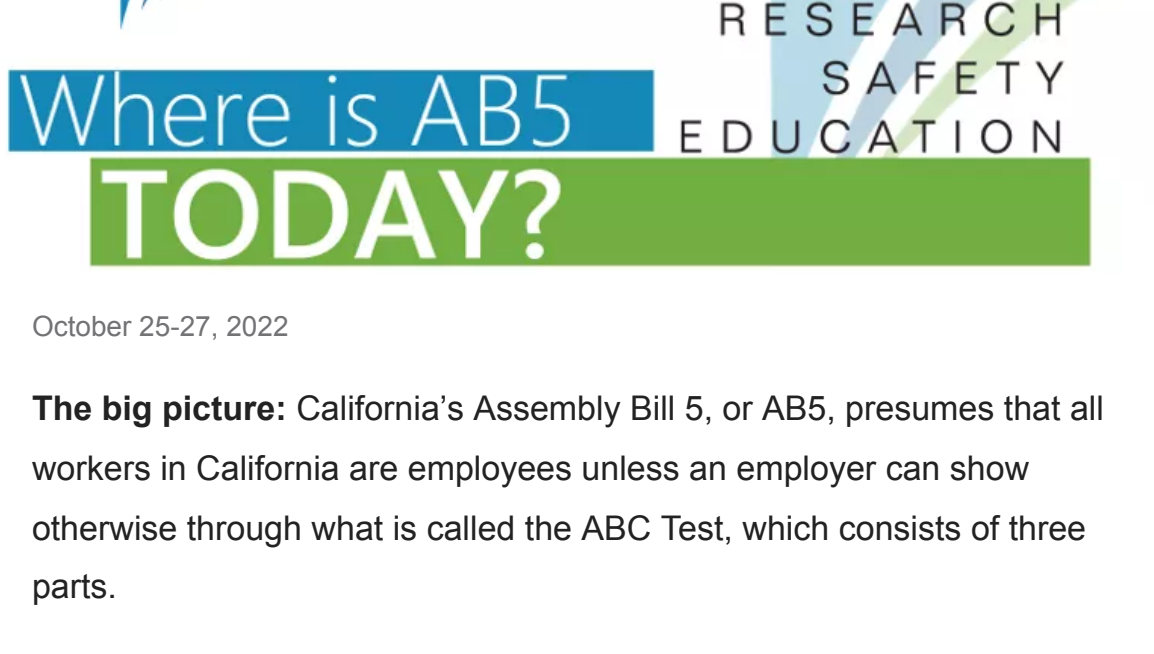
- What happens now that the Supreme Court denied to hear the case against AB5?
- Where are the loads that pay good money?
- What is double brokering and is it legal?

What truckers are seeing:

- Broker abuse, refusal to pay, incorrect info on the paper work, etc..
- Some drivers are getting real stressed out on rates.

What's next: If you are experiencing any of these situations or have additional ones, contact OOIDA's Business Services Department at BusinessAssistance@ooida.com.

4. Education: Where is AB5 Today?



October 25-27, 2022

The big picture: California's Assembly Bill 5, or AB5, presumes that all workers in California are employees unless an employer can show otherwise through what is called the ABC Test, which consists of three parts.

- The B prong of the test appears to make it impossible for a leased-on owner-operator to be considered an independent contractor,
- leading many in the industry to say that AB5 could force the end of the owner-operator model in California.

The bottom line: On June 30, 2022, after three years of legal limbo, the Supreme Court denied the California Trucking Association's petition against AB5.

So where is AB5 today? Well, it's hard to say...

Go deeper: [Our newest video](#) provides the most up-to-date information available.

5. Diesel Prices



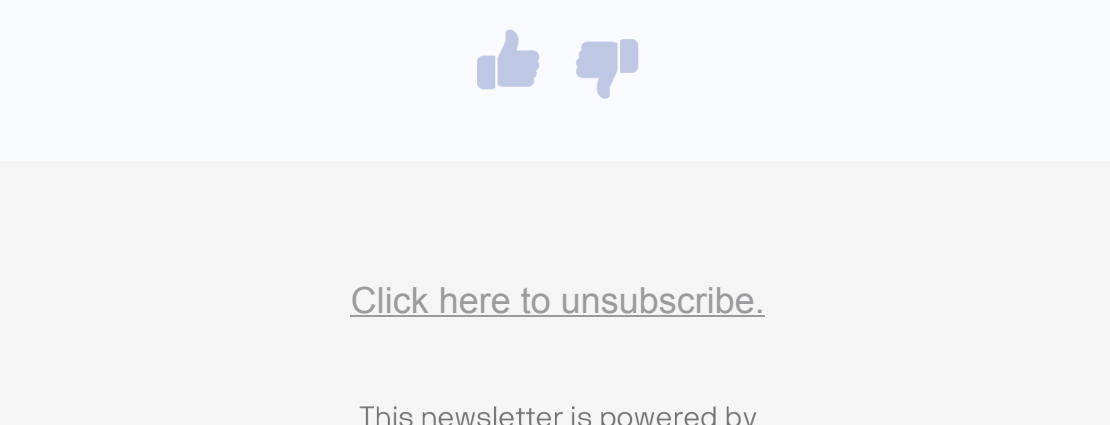
August 23. The average retail price for diesel was down for the ninth consecutive week according to the Energy Information Administration's most recent report.

Yes, but several regions reported the first increase to their average prices in more than two months.

- **Week-to-week:** the national average for a gallon of diesel is now \$4.909, down one-fifth of a cent from \$4.911 last week.
- **That national average** is \$1.585 higher than it was one year ago.
- This week's lowest average price per gallon is \$4.619 (Gulf Coast), down one-half of a cent, and the highest is \$6.029 (California), up 1 cent.

Go deeper

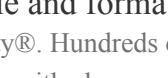
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