

## Is This the Year of the Trucker?

by Gerry McDevitt - Wednesday, July 25, 2012



Companies in the full truckload industry are now in the driver seat (no pun intended), while facing the challenges of new regulations, recruiting, and retaining good employees. This was the most frequently discussed topic at a recent 3PL Logistics Summit that I attended in Chicago. I thought that clients might be interested in learning the how's and whys of the situation.

### **The recession and the turning point**

Full truckload carriers were hit hard during the recession. Companies were forced to lean out their fleets, eventually selling or scrapping older equipment just to stay solvent. According to one presenter, about 30% of drivers left the workforce at that time.

Then something interesting happened. The economy started to improve, and so did demand. Market conditions had swung back in favor of truckload carriers. Reduced capacity combined with increasing demand caused rates to increase as much as 15% in 2011.

### **It's a trucker's market**

Capacity shortages and driver rates will likely increase as the economy improves. Truckers now have the advantage of picking their routes by offering good pricing for desirable lanes and a premium for others.

Driver shortages continue and are expected to get worse, as older drivers retire and replacements become harder to find. According to one speaker at the conference, over 18% of FTL carriers report driver shortages. It is estimated that the driver turnover rate is currently averaging 88%.

The situation could be even worse next year, when new hours of service rules go into effect. The new law

reduces the maximum amount of hours a trucker may work per week from 80 to 72.

## **How Mohawk can help**

Shippers can expect to pay more for truckload service as the economy improves. Indeed, even finding a trucker to handle your freight may be difficult.

This is where Mohawk Global can help. We have access to thousands of truckers from large nationwide carriers to regional and specialized carriers. We can take the time consuming and frustrating task of finding truckload carriers to meet your supply chain needs.

Find out what we can do for you. Contact our domestic department or your Mohawk account representative for more information.

## **Contact our domestic department**

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