



Current Challenges Facing Shippers and the Trucking Industry

Limited Supply + Increasing Demand = Rising Prices

- The trucking industry is running at capacity due to a strong economy, shortage of drivers, and the impact of the new federal law requiring an electronic logging device (ELD) for truckload carriers.
- The limited supply of drivers has forced drivers to pay more to recruit drivers and carriers are passing on these costs to customers.
- Some shippers have changed their distribution model and are now shipping truckload orders as LTL, and this has caused LTL carriers to experience growth and now their systems are running at capacity.

Impact on Your Business

- With no extra capacity, freight carriers are looking to utilize all of the volume in the trailer. This means that even though shipments may be labeled – DO NOT STACK – they may be double stacked by carriers and damage could result.
- If a carrier has too much freight for at their terminal for a delivery, pallets that are oversized may get pushed aside for shipments that are standard size because it will load more efficiently in the truck. This may cause oversized shipments to take additional days in transit.
- Many LTL carriers have added new excessive length charges to their pricing tariff to gain additional revenue for items that cost more to move, and some carriers have significantly increased these charges to show that they do not want this type of freight.

What You Can Do

- Talk with your contact at Superior Transport to make sure you are using a strategic mix of LTL carriers that are performing well in this environment.
- Order early. Just-time-time keeps inventory costs low, but it may cost more for a job if the stock order does not arrive on time.
- Select freight carriers based on service and performance, not on price.