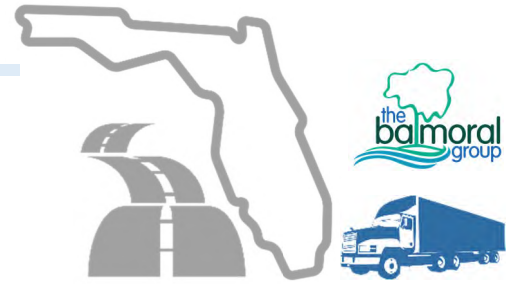


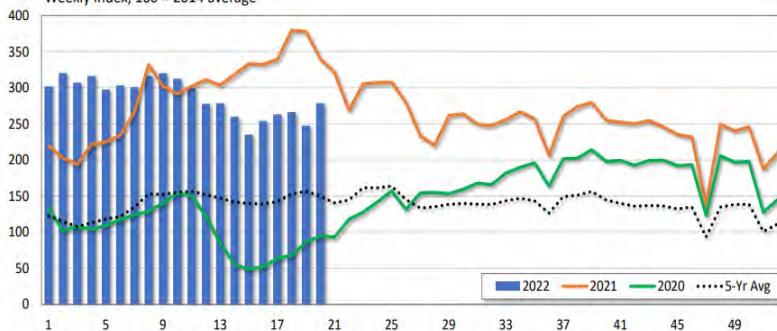
# May 2022: Fuel Surcharges Changing Environment



**U.S. freight spot rates are at record levels in the week ending May 27th.** This comes as summer is approaching, which is when rates are typically at their highest. In addition, FTR transportation intelligence is reporting that there are low inventories of distillate fuels on the East Coast, which is expected to keep diesel prices high in the short-term. The increasing price of fuel is expected to put pressure on smaller trucking companies and, while the number of new trucking carriers is at an all-time high, the number of revocations of operating authority have surged as well. The good news is this declining number of operators is not expected to decrease overall trucking capacity, it most likely means these drivers will shift to become leased owner-operators or will join larger companies. Trucking capacity most likely will become more contract-based, rather than spot-based.

## Total spot loads

Weekly index, 100 = 2014 average



Source: Truckstop.com, FTR - <http://freight.ftrintel.com/spotmarketinsights>

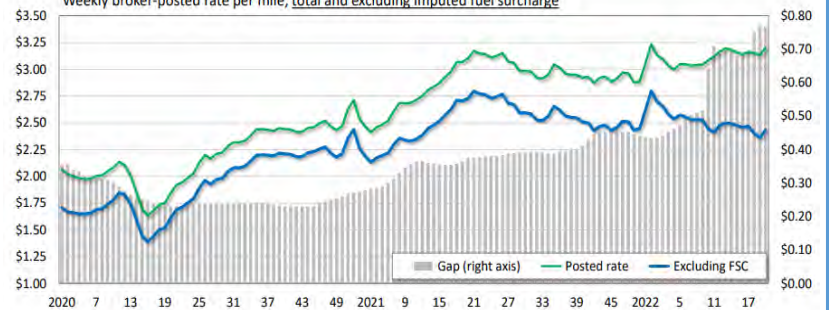
Source: FTR Weekly Report, May 23<sup>rd</sup>, 2022

- Volumes increased by 12.5% over the past week, but still remain lower than 2021 levels and significantly higher than the 5-year average.
- As truck postings declined, the Market Demand Index (ratio of loads to trucks) rose to its highest level in 7 weeks.
- Volume is still double the 5-year average for flatbed loads while rates are about \$1.20 per mile higher than last year.
- The number of smaller carriers may be decreasing as fuel prices increase.

- Total spot rates have continued to increase, primarily due to the impact from fuel costs.
- Rates were up 3% compared to the same week last year. Excluding fuel surcharges, rates would have actually fallen 11% year-over-year.
- Flatbed rates continue to be high and are 10% higher than the same week last year. Without a fuel surcharge, flatbed rates would be down 3%.
- Loads were up 4% from last week, but down 25% compared to this week in 2021.

## Total spot rates

Weekly broker-posted rate per mile, total and excluding imputed fuel surcharge



Source: Truckstop.com, FTR - <http://freight.ftrintel.com/spotmarketinsights>

Source: FTR Weekly Report, May 23<sup>rd</sup>, 2022