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TRUCKLOAD AND LTL

Annual Transportation Statistics Report Released
The U.S. Transportation Department's Bureau of Transportation Statistics has just released the Transportation Statistics Annual Report for 2012. The 17th edition of this congressionally mandated report presents key transportation indicators along with an overview of the transportation system. It also includes data and information about freight movement, transportation and the economy, system reliability, transportation safety, energy use and environmental impacts.

JOC Truckload Capacity Index Rises to 81.3
The Journal of Commerce Truckload Capacity Index rose 1.6 points to 81.3 in the second quarter, its highest reading in a year, as freight demand increased. The index had been flat at 79.7, its historic low, for the previous two quarters, indicating truckload capacity levels were 20.3 percent below their peak in 2006. With the increase, capacity as measured by the index is down 19 percent from that peak. The index uses fleet capacity in the fourth quarter of 2006 as its base value.
July Spot Freight Level Beats June for First Time on Record

The number of loads available on one of the nation's biggest spot markets saw its best July, but new figures also show freight levels over the past week is down from the week before. DAT reports total load volume for July beat out June's level for the first time on record, going back to 1996. It was up 3% compared to an average decline of 20% over the past ten years. Also, when July is compared to the same time a year ago, the overall number of loads available was 20% higher, with gains being seen in reefer and flatbed load-to-truck ratios while van were down.

Source: JOC analyses, company reports
FMCSA Stops Enforcing Break Requirement on Short-Haul Drivers
Moving quickly to enforce last week’s court decision on hours of service, the Federal Motor Carrier Safety Administration will no longer enforce the 30-minute break requirement for short-haul operations. The agency is defining short-haul drivers in two ways. First, those with or without commercial licenses who operate within 100 air miles of their normal reporting location. Second, those who operate without a commercial
license within a 150 air-mile radius of where they report for duty.

**New Research Adds to Hours-of-Service Mix**
Just as the hours-of-service changes take effect, here's new research on how the rules could affect operations and safety. Two academics, Asvin Goel of Jacobs University in Bremen, Germany, and Thibaut Vidal of MIT and the Centre for Research on Transportation in Montreal, studied how carriers can use route optimization to get the most out of their operations under the new rules. In a separate study they analyzed the impact of the new 34-restart and rest break requirements, finding that they will reduce accident risk by up to 2% while increasing costs by less than 0.2%.

**Class 8 Truck Orders Hit Lowest Level Year-to-Date**
North America's Class 8 net truck orders in July reached 17,307 units, the lowest level since September 2012, dropping 7 percent compared with the previous month, according to FTR Associates' preliminary data. However, July orders were 38 percent better than the same month a year ago. Class 8 orders for the full year of 2012 totaled 224,600 units, while current year orders from January to July annualize to 251,700 units.

**Freightliner Adds Sleepers, Aero, Long-range Tanks to NG Lineup**
Freightliner plans to increase the operating range of some natural-gas-fueled trucks out to 800 miles. Beginning in 2014, the NG Cascadia 113 will come with an optional aerodynamic package and a 48-inch sleeper option, company officials told reporters at a press event last week. It has been just five years since the Cummins Westport ISL G made natural gas a viable fueling option for a handful of industry segments, such as port-based container trucks, refuse trucks, and some vocational and construction applications.

**RAIL, INTERMODAL & INTERNATIONAL**

**AAR Reports Increased Intermodal, Lower Carload Rail Traffic for July**
The Association of American Railroads (AAR) today reported that total U.S. rail traffic was mixed for July 2013, with intermodal setting a new July record for average weekly volume and carload volume decreasing slightly overall compared with July 2012. Intermodal traffic in July totaled 1,218,625 containers and trailers, up 2.5 percent (29,328 units) compared with July 2012. The weekly average of 243,725 units in July 2013 was the highest for any July in history. Carloads originated in July totaled 1,384,742, down 0.5 percent (7,532 carloads) compared with the same month last year.

**Emergency U.S. Rail Rules Imposed After Deadly Quebec Disaster**
U.S. regulators imposed emergency rules to prevent parked trains from breaking loose, responding to last month's derailment in Quebec that killed dozens of people and raised questions about rail safety. The order yesterday from the Federal Railroad
Administration prohibits operators from leaving trains carrying hazardous materials unattended without prior authorization and requires employees to tell dispatchers the number of hand brakes used. It also mandates that workers responsible for securing trains participate in daily job briefings.

**Rail Agency Investigates Safety of Shipping Fracked U.S. Crude**
The Federal Railroad Administration said it is investigating the safety of transporting crude oil by rail, including whether chemicals used in hydraulic fracturing are corroding tank cars. Regulators in July 29 a letter to the American Petroleum Institute, a Washington-based lobbying and standards-setting group for the oil and gas industry, said the chemical composition of the crude is sometimes misclassified at a lower hazard level, violating existing safety rules.

**Crude-by-Rail Terminal to Be Developed in Alberta**
U.S. Development Group and Gibson Energy have partnered to expand USDG’s crude-by-rail development to Canada, in turn boosting transportation optionality for Gibson’s Hardisty Terminals customers in Alberta. USDG, a Houston-based developer of rail logistics and terminal facilities, and Gibson Energy, an Alberta-based energy company, have jointly secured customer term commitments to construct a new unit train rail loading facility near Hardisty, Alberta, with pipeline connectivity from Gibson’s Hardisty Terminal.

**2Q Intermodal Volume Rises 2.4%, IANA Reports**
Intermodal container volume rose 2.4% to 3.8 million units in the second quarter from a year ago, the Intermodal Association of North America said. Domestic container volume jumped 9% to 1.52 million units on strong performance by the big box segment, according to IANA. Trailer volume fell 2.5% to about 397,000 units. International container volume fell 1.3% to 1.94 million units.

**East-West US Intermodal Rate Index Falls for a Second Straight Week**
Westbound U.S. intermodal rates slipped again in the week of August 5, pulling down the overall national index, according to data on all-inclusive 53-foot door-to-door spot pricing quoted by railroads and provided by the 3PL IDS. The composite index edged down 0.3 percent or $5 to $2,018. The top 12 and top 18 combined lanes, which include the big-city lanes serving Los Angeles, Chicago, New York, Dallas, Atlanta and Seattle, experienced marginally larger declines this week. The top 18 index fell to $1,936, down $12, while the top 12 dropped $17, to $2,100.

**Port of Baltimore Handles Record Amount of Cargo**
The Port of Baltimore said it handled a record amount of cargo in its fiscal year 2013, beating the previous record set last fiscal year. The port handled 9.55 million tons of cargo for the fiscal year ended in June. In fiscal year 2012, the port handled 9.33 million tons. The port said it also set a record for exported cars in one month, exporting 22,997 in June, from a previous record in May of 22,897.
**FUEL UPDATES**

**US Diesel Prices Slip**
U.S. diesel prices edged down 0.2 percent in the week of August 5, following four straight weeks of increases, according to the U.S. Energy Information Administration. Prices fell in most regions of the United States. The national average price is currently $3.909 per gallon, slipping 0.6 cents from the previous week. During the four previous weeks, prices had risen 3 percent or 10 cents. The current price is 0.2 percent or 1 cent below where it stood at the beginning of 2013, and 1.5 percent above the same week in 2012.

![U.S. Diesel Fuel Prices Graph](image)

**Diesel to Average $3.92 This Year, DOE Says**
Diesel fuel will average $3.92 a gallon this year, about equal to its current pump price, the Department of Energy said Tuesday. Trucking's main fuel, which averaged $3.97 a gallon last year, will slide to $3.89 in the second half of the year before falling to $3.76 next year, DOE said in its monthly short-term energy outlook. The 2013 full-year diesel projection is up from last month's $3.88, while the 2014 forecast matches July's outlook.
### Gasoline and Diesel Fuel Update

**Gasoline Release Date:** August 5, 2013  |  **Next Release Date:** August 12, 2013  
**Diesel Fuel Release Date:** August 5, 2013  |  **Next Release Date:** August 12, 2013

#### U.S. Regular Gasoline Prices* (dollars per gallon)

<table>
<thead>
<tr>
<th></th>
<th>07/22/13</th>
<th>07/29/13</th>
<th>08/05/13</th>
<th>week ago</th>
<th>year ago</th>
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<tr>
<td>U.S.</td>
<td>3.682</td>
<td>3.646</td>
<td>3.632</td>
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<td>East Coast (PADD1)</td>
<td>3.855</td>
<td>3.648</td>
<td>3.628</td>
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<td>New England (PADD1A)</td>
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<td>3.789</td>
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<td>Central Atlantic (PADD1B)</td>
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<td>3.708</td>
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<td>0.071</td>
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<td>Lower Atlantic (PADD1C)</td>
<td>3.562</td>
<td>3.533</td>
<td>3.520</td>
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<td>Midwest (PADD2)</td>
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<td>3.589</td>
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<td>Gulf Coast (PADD3)</td>
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<td>Rocky Mountain (PADD4)</td>
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<td>West Coast (PADD5)</td>
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<td>West Coast less California</td>
<td>3.813</td>
<td>3.805</td>
<td>3.777</td>
<td>-0.028</td>
<td>0.207</td>
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#### U.S. On-Highway Diesel Fuel Prices* (dollars per gallon)

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<th>07/22/13</th>
<th>07/29/13</th>
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<th>year ago</th>
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<tr>
<td>U.S.</td>
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<td>East Coast (PADD1)</td>
<td>3.919</td>
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<td>0.050</td>
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<td>New England (PADD1A)</td>
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<td>0.110</td>
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<td>Central Atlantic (PADD1B)</td>
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<td>Lower Atlantic (PADD1C)</td>
<td>3.857</td>
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<td>Midwest (PADD2)</td>
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<td>-0.006</td>
<td>0.027</td>
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<tr>
<td>Gulf Coast (PADD3)</td>
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<td>3.841</td>
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<td>Rocky Mountain (PADD4)</td>
<td>3.966</td>
<td>3.913</td>
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<td>0.113</td>
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<td>West Coast (PADD5)</td>
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<td>0.095</td>
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<tr>
<td>West Coast less California</td>
<td>3.956</td>
<td>3.970</td>
<td>3.961</td>
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<td>California</td>
<td>4.113</td>
<td>4.122</td>
<td>4.133</td>
<td>0.011</td>
<td>0.110</td>
</tr>
</tbody>
</table>

*prices include all taxes.

Source: Energy Information Administration

### ECONOMIC HEADLINES
**Initial Jobless Claims Decline for Month to Lowest Level Since 2007**
Initial jobless claims rose by 5,000 last week but fell in the past month to the lowest level since November 2007, the Labor Department reported Thursday. Claims for the week ended Saturday increased to 333,000, in line with economists' forecasts, Bloomberg News reported. The number of claims for the four weeks ended Saturday dropped to an average 335,000, the lowest since November 2007, when the recession began, Bloomberg reported.

**Wholesale Inventories Decline in June**
Wholesale inventories fell 0.2% in June, after a decline the prior month, the Commerce Department reported Friday. Sales increased 0.4% in June, after a 1.6% rise the prior month. The drop in inventories followed a 0.6% decline in May that was larger than originally reported. Durable goods stockpiles were little changed, Commerce said. Economists had called for a 0.4% gain in wholesale inventories, Bloomberg News reported. Wholesale inventories account for about one-fourth of total business stockpiles, while retailers and factories account for the rest.

**U.S. Goods Trade Deficit Shrank in June**
In June, the U.S. goods deficit decreased $9.7 billion from May to $53.2 billion. Exports of goods increased $4.0 billion month-over-month to $134.3 billion in June, while imports of goods decreased $5.7 billion to $187.4 billion. The May-to-June increase in exports of goods reflected increases in industrial supplies and materials; capital goods; consumer goods; foods, feeds and beverages; and other goods, offsetting decreases in automotive vehicles, parts and engines.

**Manufacturing Picks Up, Construction Spending Falls**
U.S. factory activity expanded in July at the fastest pace in two years while spending on U.S. construction projects fell in June by the largest amount in five months as government building activity declined to the lowest level since 2006. The manufacturing spike was fueled by surges in new orders, production and hiring. The gains show manufacturing is rebounding and should provide a spark to growth in the coming months.

**Wal-Mart's New Goal: Sell All the Beer**
When Wal-Mart began buying a greater number of locally grown fruits and vegetables in 2010, it made sure its efforts got plenty of publicity. But when Wal-Mart decided it wanted to double its alcohol sales by 2016, it didn't exactly issue a press release. Customers noticed, and those in the alcohol industry—or, as Wal-Mart prefers, the adult beverage business—certainly took note of the change.

**China's Gift to U.S. Homeowners**
They are increasingly rich, hungry for the good things this country has to offer, buying high-end homes, and don't mind paying huge amounts of cash upfront to get them without going into debt. If you don't think this reads like a typical American story today, you're right—these new homeowners are Chinese living in the U.S.
**WORLD HEADLINES**

**U.S. Says Japan Has Long Way to Go to Open Markets**
The top U.S. trade official says Japan still has a long way to go before it can say its markets are open. U.S. Trade Representative Michael Froman has told reporters on Friday that the Japanese market remains closed off in important ways, and he is mindful of the historical difficulties in opening it up. Still Froman says he hopes Japan’s recent entry into the Trans-Pacific Partnership free trade negotiations will provide opportunities to tear down barriers to U.S. and other foreign imports.

**Growth of Japanese Imports Accelerates**
The value of Japan's imports increased 11.8 percent year-over-year June 2013, according to Japan's Ministry of Finance. This was the highest growth rate in four months; import value has increased for the past eight consecutive months. Japanese imports were valued at 6.243 trillion yen (about US$64.2 billion) in June 2013, down 7.7 percent from May 2013, when they were valued at $69.6 billion. This was the lowest import value since February 2013. Import value had increased month-to-month for the preceding three months. In the first half of 2013, imports were valued at $399 billion, 9.2 percent higher year-over-year.

**China Factory Output Tops Forecasts in Stabilizing Sign**
China's industrial output rose more than estimated in July, adding to signs the economy is stabilizing after unexpectedly strong trade figures yesterday. Factory production increased 9.7 percent from a year earlier. the National Bureau of Statistics
said today in Beijing. Retail sales advanced 13.2 percent while fixed-asset investment excluding rural households grew 20.1 percent in the first seven months of the year. Consumer prices rose 2.7 percent in July.

**U.K. Exports Rising to Record Signal Recovery Progress**

U.K. exports rose to a record in the second quarter, adding to signs of a broadening recovery in a week that saw the Bank of England say it plans to keep policy loose to encourage the recovery. Overseas sales increased 4.9 percent to 78.4 billion pounds ($122 billion), the most since the series began in 1998, the Office for National Statistics said today in London. The deficit on goods trade narrowed to 24.9 billion pounds from 26.5 billion pounds. Britain's economy is showing signs of strengthening, with indexes of manufacturing, services and construction all improving in July.

**Canada Dollar Advances to One-Week High on Commodities Prospects**

Canada's dollar strengthened, headed for a five-day gain, as stronger-than-forecast economic data for China fueled bets that demand for raw materials will rise, overshadowing an unexpected drop in Canadian employment. The currency rose against most major peers as commodities including oil, Canada's biggest export, advanced after a report showed Chinese industrial production increased in July. The currencies of New Zealand and Australia, which also export commodities, rallied, while the American dollar headed for a weekly loss as haven demand ebbed.

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