In this week's issue

Truckload and LTL
Rail, Intermodal & International
Fuel Updates
Economic Headlines
World Headlines

TRUCKLOAD AND LTL

Freight Rates Continue Upward Trend in 2014
While truck availability might be tight at times in some parts of the U.S. this spring and summer, shippers generally should be able to secure transportation for their loads, but at a higher price than last year, industry experts say.

ATA Tonnage Index up 2.8% in February
The American Trucking Associations’ advanced seasonally adjusted For-Hire Truck Tonnage Index increased 2.8 percent in February, after plunging 4.5 percent the previous month. January’s drop was slightly more than the 4.3 percent reported on February 19.

Driver Shortage, Lack of Highway Funding Top Concerns at TCA Meeting
A stronger economy was reason to celebrate at the 76th annual convention of the Truckload Carriers Association, although industry officials cautioned that the driver shortage and concern over the nation's lack of highway funding could curb trucking's ability to grow and meet shippers' demands. Even with diesel prices topping $4 a gallon in recent weeks, the driver shortage was the top issue in meetings, speeches and in hallway chatter at the convention, which ran from March 22 to March 26 and drew nearly 1,400 attendees.

Average Driver Age Rising; Tenure Declines, Report Finds
The average age of drivers has increased two years for males and three years for females as tenure has declined to less than two years, according to a report released by Sylectus. The report also found that on average a carrier will go through a fleetwide turnover every 18 to 24 months.

Freight Reports Show U.S. Economy Recovering from Winter Storms
Transport tonnage and shipment reports indicate that the U.S. economy is recovering from heavy winter weather in January and early February, with
economists remaining optimistic about gains - even if slight - in the U.S. economy during 2014.

**February Trailer Orders Jump 67.6%**
February trailer orders jumped 67.6% from a year ago as fleets moved forward with equipment purchasing plans amid tightening capacity and higher freight demand, ACT Research reported. U.S. manufacturers received 29,947 net orders last month, the largest total since December 2012. It also was the best February total since 2006.

**FMCSA Field-Testing Wireless Roadside Inspection System**
Safety regulators envision a time when they can automatically collect the information they need about trucks, drivers and carriers as the truck goes about its business on the highway. That time may not be too far away. The Federal Motor Carrier Safety Administration is conducting a field test designed to prove that a national wireless roadside inspection system will work.

---

**RAIL, INTERMODAL & INTERNATIONAL**

**AAR Reports Increased Weekly Rail Traffic**
The Association of American Railroads (AAR) today reported increased U.S. rail traffic for the week ending March 15, 2014 with 289,375 total U.S. carloads, up 3.1 percent compared with the same week last year. Total U.S. weekly intermodal volume was 255,991 units, up 11.9 percent compared with the same week last year. Total combined U.S. weekly rail traffic was 545,366 carloads and intermodal units, up 7 percent compared with the same week last year.

**Rail Delivery of Oil Up 2.9 Percent from 2013, AAR says**
Petroleum product delivery on the U.S. rail system for the week ending March 15 was up 2.9 percent year-on-year, the Association of American Railroads said. The AAR said 14,365 railcars of petroleum and petroleum products, or about 10 million barrels, were delivered on the U.S. rail system last week. While a 2.9 percent increase year-on-year, last week's deliveries were 2.8 percent less than the week ending March 8.

**Cargo Being Diverted as Vancouver Strike Continues**
Shippers are diverting cargo from Port Metro Vancouver as a labor dispute enters its third week, even as truck operations at Canada's largest have picked up despite an ongoing truckers' strike.

**CSAV, Hapag-Lloyd to Become Fourth-Largest Container Line**
Cia. Sud Americana de Vapores SA shareholders approved a proposed combination of its container shipping operations with Germany's Hapag-Lloyd AG to create the world's fourth-largest container line. The combined company will reap annual savings of about $300 million, expand its customer base and reach more trade routes. CEO Oscar Hasbun said. CSAV expects to sign a binding agreement
within the next 40 days and close the deal by the end of 2014.

**FUEL UPDATES**

**Diesel Prices Fall below $4 Per Gallon Mark**

Diesel prices dipped for the third time in four weeks, according to the Department of Energy's Energy Information Administration (EIA). The average price per gallon fell 1.5 cents to $3.988, following a 1.8 cent decline to $4.003 last week. During the week of March 10, the average price per gallon was up 0.5 cents to 4.021, which marked the highest average price per gallon since checking in at $4.047 the week of March 18, 2013. And in the seven weeks prior to that prices increased a cumulative 14.0 cents.
## ECONOMIC HEADLINES

**Capital Goods Orders Drop as Business Spending Cools**

Orders for U.S. business equipment fell in February for the second time in three months, signaling corporate investment will be slow to gain momentum following an unusually harsh winter that put a damper on demand.

<table>
<thead>
<tr>
<th>U.S. Regular Gasoline Prices* (dollars per gallon)</th>
<th>Change from</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>03/10/14</td>
</tr>
<tr>
<td>U.S.</td>
<td>3.512</td>
</tr>
<tr>
<td>East Coast (PADD1)</td>
<td>3.493</td>
</tr>
<tr>
<td>New England (PADD1A)</td>
<td>3.593</td>
</tr>
<tr>
<td>Central Atlantic (PADD1B)</td>
<td>3.597</td>
</tr>
<tr>
<td>Lower Atlantic (PADD1C)</td>
<td>3.385</td>
</tr>
<tr>
<td>Midwest (PADD2)</td>
<td>3.538</td>
</tr>
<tr>
<td>Gulf Coast (PADD3)</td>
<td>3.252</td>
</tr>
<tr>
<td>Rocky Mountain (PADD4)</td>
<td>3.437</td>
</tr>
<tr>
<td>West Coast (PADD5)</td>
<td>3.755</td>
</tr>
<tr>
<td>West Coast less California</td>
<td>3.509</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>U.S. On-Highway Diesel Fuel Prices* (dollars per gallon)</th>
<th>Change from</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>03/10/14</td>
</tr>
<tr>
<td>U.S.</td>
<td>4.021</td>
</tr>
<tr>
<td>East Coast (PADD1)</td>
<td>4.158</td>
</tr>
<tr>
<td>New England (PADD1A)</td>
<td>4.362</td>
</tr>
<tr>
<td>Central Atlantic (PADD1B)</td>
<td>4.353</td>
</tr>
<tr>
<td>Lower Atlantic (PADD1C)</td>
<td>3.974</td>
</tr>
<tr>
<td>Midwest (PADD2)</td>
<td>4.013</td>
</tr>
<tr>
<td>Gulf Coast (PADD3)</td>
<td>3.814</td>
</tr>
<tr>
<td>Rocky Mountain (PADD4)</td>
<td>4.000</td>
</tr>
<tr>
<td>West Coast (PADD5)</td>
<td>4.042</td>
</tr>
<tr>
<td>West Coast less California</td>
<td>3.960</td>
</tr>
<tr>
<td>California</td>
<td>4.112</td>
</tr>
</tbody>
</table>

*prices include all taxes

Source: Energy Information Administration
**U.S. Durable Goods Orders, Shipments Rebound in February**
Orders for long-lasting U.S. manufactured goods rebounded in February and shipments snapped two straight months of declines, providing fresh signs the economy was shaking off some of its winter gloom. The Commerce Department said on Wednesday durable goods orders rose 2.2 percent as demand increased almost across the board, ending two consecutive months of declines.

**U.S. Services, Private Sector Growth Accelerate in March: Markit**
U.S. private sector economic activity growth accelerated in March at a faster clip than in February as the services sector picked up, even as business creation showed warning signs, an industry report showed on Wednesday.

**Sales of New Homes Fall to Five-Month Low**
Purchases of new homes in the United States fell in February to the lowest level in five months, a sign the industry may take time to pick up after inclement weather damped demand earlier in the year. Sales declined 3.3% to a 440,000 annualized pace, after a 455,000 rate in the prior month that was the strongest in a year, figures from the U.S. Commerce Department showed today. The median forecast of 77 economists surveyed by Bloomberg News called for 445,000.

**Winter Hits Housing Recovery**
Cold weather hurt home prices in January, as a closely watched measure of housing values posted its third straight monthly decline.

**The Supply Side: CPG Growth Shifts to Smaller Companies**
The consumer packaged goods (CPG) industry reported total sales growth of 1.5% in 2013, down from 2.8% in 2012 and lower than the 3.4% in 2011. Last year's growth was nearly on par with the same increase coming out of the recession in 2010.

**WORLD HEADLINES**

**Manufacturing expands in U.S, Slows in China; Euro Zone gears up**
U.S. manufacturing growth was solid in the first quarter and a return to expansion in French business activity this month suggested a recovery was taking shape in the euro zone, though China's factory sector stuttered in the early part of 2014, surveys showed.

**West, Russia Signal Line Drawn in Ukraine Crisis**
Russia and the West drew a tentative line under the Ukraine crisis on Tuesday after U.S. President Barack Obama and his allies agreed to hold off on more damaging economic sanctions unless Moscow goes beyond the seizure of Crimea.

**China's Factories Hit 8-month Low**
China's factories continued their dramatic slowdown in March, with manufacturing
activity falling to an eight-month low amid a slump in the world's second largest economy.

**Park Looks to Once-Divided Germany to Spur Korean Reunification**
South Korean President Park Geun Hye is turning to a reunited Germany for inspiration as she pushes for an end to the Korean peninsula's six-decade divide.

**Euro Weakens Versus Most Peers on Economic Concern; Real Climbs**
The euro fell against most of its 16 major counterparts as below-forecast European business data fueled speculation that the region’s economy may struggle further to recover.

[www.modetransportation.com](http://www.modetransportation.com)