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TRUCKLOAD AND LTL

Logistics Report Predicts "Banner Year"
This is going to be a banner year for the logistics industry, says Rosalyn Wilson in the 25th Annual State of Logistics Report. The economy last year was not stellar and business inventories plummeted in the first period this year as a consequence of bad weather, but freight is gaining now.
Logistics Costs Rose 2.3% in 2013
Total U.S. business logistics costs in 2013 rose to $1.39 trillion, a 2.3% increase from 2012, according to the 25th annual "State of Logistics Report" released June 17. The report said logistics as a percent of gross domestic product declined for the second year in a row, indicating that the sector is not keeping pace with the growth in the overall economy.

June Surge in Truckload, LTL Freight Squeezes Pricing, 3PLs
(This article requires registration at the Journal of Commerce. To access, please click on the above link.)
The U.S. freight economy is humming in June. Rising industrial demand is colliding with tight truckload capacity, sending spot market truck rates rising.

ATA Truck Tonnage Index Rose 3.4% in May
Truck tonnage rose 3.4% last month, helped by growth in all sectors of the trucking industry, American Trucking Associations reported. The trade group's advanced seasonally adjusted index reached 129.7, remaining near the all-time record of 131.0 that was set in November. The index on a sequential basis rose 1% from April.
Cass Reports 5.8% Truckload Cost Increase in May
The truckload cost index published by Cass Information Systems showed a 5.8% increase last month, continuing the overall pace of increases. The announcement by Cass, which also publishes freight index reports, followed increased costs of 5.7% in April and 6% in March.

Tight Capacity Still Driving U.S., Canadian Trucking Industry
(This article requires registration at the Journal of Commerce. To access, please click on the above link.)
Spot market freight volumes, as measured by the DAT North American Freight Index, have started to normalize after a harsh winter that drove the index to new heights. The DAT North American Freight Index stood at 2,194 in May, 2.1 percent lower than it was in April.

DOT Freight Index Reaches Second Highest Level Ever
The amount of freight carried by the for-hire transportation industry rose 0.4 percent in April from March, increasing for the third consecutive month, according to the U.S. Department of Transportation’s Bureau of Transportation Statistics’ (BTS) Freight Transportation Services Index (TSI) released Wednesday.

Truck Cargo Thefts Drop, Value of Heists Jumps
The number of truck cargo thefts in the U.S. decreased by 25% February through April, but the average loss value increased 98%, according to a new report from the logistics security services provider FreightWatch International.

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 June 7, 2014 with 292,924 total carloads, up 5.3 percent compared with the same week last year. Total U.S. weekly intermodal volume was 269,823 units, up 6.8 percent compared with the same week last year. Total combined U.S. weekly rail traffic was 562,747 carloads and intermodal units, up 6 percent compared with the same week last year.

**New York Port’s PNCT Moves into 'Path of Growth'**
(This article requires registration at the Journal of Commerce. To access, please click on the above link.)
The Port of New York and New Jersey’s Port Newark Container Terminal is undergoing a major expansion that includes super-post-Panamax cranes, a jump in container lift capacity, double intermodal railyard capacity, and a 300-acre footprint.

**Port of Los Angeles Container Volume Rises 7.8% in May**
The Port of Los Angeles said import container volume rose 7.8% in May from a year ago. Loaded imported containers rose to 351,403 Twenty-Foot Equivalent Units, and outbound containers rose 2.3% to 158,473 TEUs.

**Wait Times to be Reduced at Vancouver, Canada Port**
The Canadian government said Thursday it is contributing $3 million to reduce trucker wait times by using new technologies to better link operations across Port Metro Vancouver's four terminals. The project, which costs approximately CA$6 million, will receive CA$3 million over two years under Transport Canada’s Clean Transportation Initiative on Port-Related Trucking, with the port contributing the other half.

**China Blocks European Shipping Pact, Sending Maersk Down**
China blocked formation of a global alliance by the world's three biggest shipping lines, ignoring Western approval of the plan and sending A.P. Moeller-Maersk A/S (MAERSKB) shares tumbling the most in two years.

**FUEL UPDATES**

**Diesel Falls for 7th Straight Week**
The national retail diesel average continued to decline even as crude oil futures remained above $105 a barrel. The U.S. Department of Energy said diesel slipped by 1 cent a gallon from the previous week to $3.882 on June 16. A year ago, the average from trucking's main fuel was $3.841.

**Diesel Cost Moves Lower for Seventh Week, Oil Near Nine-Month High**
The average price of on-highway diesel has moved lower for the seventh consecutive week, hitting a level not seen since January, according to U.S. Energy Department figures. It's declined 1 cent from a week ago to $3.882 per gallon, but is still 4.1 cents higher than the same time a year ago. Over the past seven-weeks diesel has moved down 9.3 cents.
ECONOMIC HEADLINES

U.S. Economic Growth Expected to Accelerate, ATA Says
The U.S. economy will accelerate during the remainder of this year after a tough first quarter, but rising operating costs will continue to limit fleets' profitability, according to the latest forecast from the chief economist at American Trucking Associations.

Gasoline and Diesel Fuel Update

Gasoline Release Date: June 16, 2014  |  Next Release Date: June 23, 2014
Diesel Fuel Release Date: June 16, 2014  |  Next Release Date: June 23, 2014

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

<table>
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<th>06/02/14</th>
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<th>06/16/14</th>
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<th>year ago</th>
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<td>West Coast less California</td>
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U.S. On-Highway Diesel Fuel Prices* (dollars per gallon)

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<th>year ago</th>
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<tr>
<td>West Coast less California</td>
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<td>3.893</td>
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<td>California</td>
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<td>4.069</td>
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<td>+0.047</td>
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*prices include all taxes

Source: Energy Information Administration
**Brighter Economic Outlook as Manufacturing Climbs**
Manufacturing output increased in May and factory activity in New York State accelerated sharply this month, buoying hopes of a strong rebound in economic growth this quarter.

**For-hire Trucking Contributed 1,500 New Jobs to the 217,000 New Jobs Added**
About 1.4 million workers are now employed in the for-hire trucking sector, the Bureau of Labor Statistics says. That figure is up 1.6%, or 22,400 jobs, from a year ago, and up 13.6%, or 175,900 jobs from March 2010, the post-recession low. Employment in trucking remains 3.6%, or 52,500 jobs, below the pre-recession peak of January 2007.

**Consumer Prices Increase by Most in More Than a Year**
The consumer price index increased 0.4% in May, the biggest advance since February 2013, after climbing 0.3% the prior month, a Labor Department reported. The median forecast of 81 economists surveyed by Bloomberg News called for a 0.2% increase. Excluding volatile food and energy prices, the gain was the largest in almost three years.

**Housing Starts Beat 1 Million Pace for Second Month**
Builders broke ground on 1 million U.S. homes in May, indicating the industry is picking up this quarter after a weather-induced slump to start the year. The number of housing starts last month was in line with the median forecast of economists surveyed by Bloomberg News and followed April's 1.07 million annualized rate that was the most since November.

**People Want To Buy Green In Asia And Africa More Than In The U.S.**
Companies from Microsoft to Walt Disney spend hundreds of millions of dollars a year on corporate social responsibility initiatives. Do those efforts enhance their brands with consumers? According to a new survey from Nielsen, the answer is yes.

**Medtronic Looks to Succeed Where Pfizer Failed**
Medical device giant Medtronic looks as if it will succeed where the drug behemoth Pfizer failed: it is acquiring a rival in large part to move its tax domicile out of the United States, lowering its tax rate. Medtronic announced Sunday that it has agreed to purchase Dublin, Ireland's Covidien for $42.9 billion in cash and stock.

**WORLD HEADLINES**

**Southern Asia Poised for Export Growth**
Thailand, Vietnam, Indonesia and India are poised to kick their export growth into higher gear over the next five years, as global demand expands and rising Chinese labor costs shift some sourcing elsewhere in Asia. Overall demand for Asian exports won't be nearly as strong as it was in the last two decades. but outbound shipment
growth will hit a faster pace than it has in the last two years.

**China and U.K. Pledge Cooperation for Growth After London Talks**
U.K. Prime Minister David Cameron and his Chinese counterpart, Li Keqiang, agreed to work together to spur growth in their two countries after talks in London. Setting a target for trade of $100 billion by the end of next year, Li said British technology could be deployed in China and harnessed with Chinese markets and labor to benefit both nations.

**Japan Exports Disappoint, Risks Hitting Economy Hard**
Japan's annual exports declined for the first time in 15 months in May as shipments to Asia and the United States fell, threatening to knock the economy hard at a time when domestic consumption is being crimped by a national sales tax increase.

**Euro Zone Robust April Output Boosts Second-quarter GDP Growth Hopes**
Euro zone industrial output rebounded with a twice-as-strong as expected monthly rise in April thanks to energy and non-durable goods production, official data showed on Thursday, pointing to an acceleration of economic growth in the second quarter.

**Canada April Wholesale Sales Rise More Than Expected to Record**
Canadian wholesale sales rose more than twice as fast as economists forecast in April, setting a record on gains in building material and machinery. Sales rose 1.2 percent to C$51.2 billion ($47.1 billion), Statistics Canada said.

**Mexico April Industrial Output Rises by Most in Over a Year**
Mexican industrial production rose in April by the most in over a year as manufacturing and construction expanded, suggesting a strengthening recovery in Latin America's No. 2 economy. April industrial activity MXIP=ECI rose 0.64 percent compared with March, the national statistics agency said on Wednesday.