

BLOOMINGTON, Ind. — Trucking conditions in the US have deteriorated to their worst state since 2011, according to the latest FTR Trucking Conditions Index.

The May reading of 1.69 was down nearly five points from the previous month. FTR says negatively affecting truckers were lower freight rates and capacity utilization that has dropped below 95%.

FTR said if the US reinstates the controversial 34-hour restart conditions which have been under discussion in Congress this summer, capacity could be tightened enough to improve pricing.

“One of the struggles right now is to bridge the gap between what the economic data is telling us and what the anecdotal evidence from carriers is telling us. Part of it has to do with simply how the industry participants feel relative to 2014 and 2015,” explained Jonathan Starks, chief operating officer at FTR.

“The market was way up in 2014. Conditions were ideal for spot market players – regulations tightened capacity and weather exacerbated it. Add in some relatively strong economic growth and carriers were feeling extremely good. Now? Capacity has loosened. Spot rates are down, so revenues are down. And recently the contract market has taken a cue from the looser capacity, and weakness has been seen in this sector as well. Surcharge revenues are also way down – which impacts revenue (even though it generally has less impact on the bottom line). Put it all together and you end up with a market that isn’t extremely favorable for carriers, nor is terribly bad. Revenues are down across the board and that makes business operations more difficult, but freight levels are stabilizing and capacity-sapping regulations are coming down the pike – either this year or next.”

[Source of article click here:Truck News](#)