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**National Carrier Survey Reveals Expectations for Lower Volumes and Rate Pressures Coupled with Staff Reductions, Fuel Surcharge Changes, Desires to Sell by Some and Others Seeking Acquisitions.**

February 27th -- A national carrier survey conducted recently by Transport Capital Partners (TCP) revealed that carriers are adjusting to the new economic environment. Most expect decreased volumes, shipper pressures for lower rates, staff adjustments and interest in both buying and selling companies, according to TCP Managing Partner Richard Mikes.

The share of carriers expecting volumes to decrease in the next 12 months was 37 percent, compared to 34 percent reporting declining expectations in November. Steady volumes were expected by 42 percent, compared to 38 percent in November's survey. Those expecting volumes to improve rose from 16.5 percent in November to 21 percent this month. The "no response" answer dropped from 12 percent in November to 0 percent, showing that all respondents chose to express an opinion and that there is most likely not a real shift in expectations.

Freight rate expectations over the next 12 months dropped significantly from the last survey, with 58 percent expecting a decrease, compared to 20 percent in November. Almost a third of carriers expect rates to remain the same, with the remainder expecting an increase. A large portion of carriers (62 percent) report a majority of their shippers seeking a reduction in rates, with almost the same percentage (64 percent) reporting shippers are currently seeking to redefine their fuel charge formula.

Almost a quarter of carriers responding indicated they "had given serious consideration to leaving the transportation industry or liquidating if tonnage does not increase in the next six months," while three-fourth answered that they had not. A similar percentage (27 percent) said that they would be interested in selling their company in the next 18 months. A larger share (36 percent) said they would be interested in buying a company in the same time frame.

Shipper credit concerns were indicated by 42 percent, who reported one or two of their major shippers have gone out of business or are operating under bankruptcy protection. Carriers were asked if they have seen their DSO (Daily Sales Outstanding) or accounts receivable increase and 57 percent said "yes"; 43 percent said "no."

Carriers were asked if they had been able to fund equipment acquisitions since September and the majority (52 percent) said "yes," while 30 percent said "yes, but it has been difficult and expensive." About 12 percent reported they had not been able to find credit. This generally follows a survey of truck lenders TCP conducted last fall.

About half of the carriers (45 percent) have not cut any non-driver staff since September. However, 26 percent cut more than 5 percent and 27 percent cut under 5 percent.

TCP's survey, which aimed to summarize expectations for the transportation industry 12 months in the future, received a high response rate from carriers with diverse geographic and operational characteristics.

### **About Transport Capital Partners, LLC**

Transport Capital Partners (TCP) is the leader in advisory services related to transportation mergers, acquisitions, capital sourcing and operational systems. TCP has regional offices in Colorado, Iowa, Florida, Pennsylvania, Tennessee, and Virginia. For more information, please visit <http://www.transportcap.com/>.

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Survey graphs for publication use can be obtained from the following source:

<http://www.transportcap.com/TCP022609.pdf>