

# EVOLVING CAPACITY DYNAMICS IN A VOLATILE MARKETPLACE

2020 has been a crazy year for all of us. COVID-19 and a number of other circumstances have caused changes across industries. In trucking, that includes volatility in both capacity and price. Here are just a few of the shifting market factors driving it all:

## AN INDUSTRY-WIDE DRIVER SHORTAGE

4 primary factors have caused our seated tractor count to decrease from our peak in April/May: low enrollment in CDL schools, a federal requirement for drivers to enter drug/alcohol violations into the Drug & Alcohol Clearinghouse, increased unemployment benefits, drivers taking time off to recover from COVID-19, and a robust housing market in Q3 and Q4 that is pulling drivers from trucking to construction.



LOW ENROLLMENT  
IN CDL SCHOOLS



REQUIRED TO ENTER  
DRUG & ALCOHOL  
CLEARINGHOUSE



INCREASED  
UNEMPLOYMENT  
BENEFITS



RECOVERING  
FROM COVID-19

## DRIVER PAY RAISES

To ensure drivers are being paid for their hard work and dedication in a difficult career path, we have increased wages 15% for OTR solo drivers and 20% for Teams.



15% OTR INCREASED  
WAGES

20% TEAMS INCREASED  
WAGES

## INCREASED RECRUITING COSTS

Whether it's through advertising or man hours, hiring experienced drivers with safe driving records is an expensive endeavor, but an important investment, as they lead to higher retention rates, fewer preventable accidents, and better service for our customers.



HIGHER RETENTION  
RATES



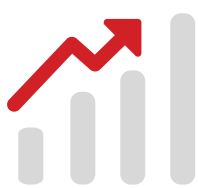
FEWER PREVENTABLE  
ACCIDENTS



BETTER CUSTOMER  
SERVICE

## SURGES IN FREIGHT

Due primarily to the industry-wide driver shortage, in July alone we were forced to decline 17,000 loads – more than all of 2019. In August, that increased to 40,000 loads. Since then, in September and October, we've continued to see sequential increases.



40,000  
AUGUST LOAD  
INCREASE

## INFLATIONARY COSTS

Providing updated, top of the line equipment to our drivers is a priority. But, with inflationary costs of raw materials and manufacturing, it is a cost that incurs quickly and only increases over time.



INFLATION IN  
MAINTENANCE  
INCUR QUICKLY

## ADDITIONAL INSURANCE COSTS

Despite the fact that 80% of accidents involving tractor trailers are not the truck driver's fault, costs associated with the highly litigious and predatory environment driving nuclear verdicts are continuing to rise and costing some trucking companies millions.



INSURANCE COSTS  
HAVE INCREASED  
DRASTICALLY