

Weekly Trucking Insight

JULY 13, 2022

TALENT INTELLIGENCE

70,000 California Owner-Ops Out of Work??

 **RANDALL
REILLY**



Overview

Job Board Searches and Clicks

- Last week, search activity rose by 7%, while click activity increased by 23%.

Spot Freight Market

The July 4th holiday caused sharp declines in the spot market.

- Overall average spot rates (including fuel) decreased by 13 cents from the previous week.
- Total load postings declined by 28%.
- Overall truck availability fell by 28%.

Story of the Week

The Supreme Court will not hear California's AB 5 independent contractor law, so the law has taken effect.

AB 5 effectively bars motor carriers from contracting with owner-operators.

- The California Trucking Association (CTA) says California has 70,000 owner-operators who have seven days to cease their independent businesses.

More details on page 6.

Numbers at a Glance

SPOT RATES (INCLUDING FUEL)

WoW: ▼ Down 13¢ per mile

SPOT RATES BY SEGMENT (INCLUDING FUEL)

WoW: Dry Van ▼ Down 6¢ per mile

WoW: Refrigerated ▼ Down 22¢ per mile

WoW: Flatbed ▼ Down 13¢ per mile

LOAD POSTING VOLUME

WoW: ▼ Down 28%

LOAD VOLUME BY SEGMENT

WoW: Dry Van ▼ Down 28%

WoW: Refrigerated ▼ Down 23%

WoW: Flatbed ▼ Down 28%

TRUCK AVAILABILITY

WoW: ▼ Down 28%

TRUCK DRIVER SEARCHES

WoW: ▲ Up 7%

MoM: ▲ Up 7%

YoY: ▲ Up 7%

CLICKS ON TRUCK DRIVER POSTINGS

WoW: ▲ Up 23%

MoM: ▼ Down 4%

YoY: ▲ Up 16%

This Week in Job Board Searches & Clicks

Searches and Clicks on Job Aggregator Partner Network¹

TRUCK DRIVER SEARCHES

vs. 1 Week Ago:

▲ Up 7%

vs. 1 Month Ago:

▲ Up 7%

vs. 1 Year Ago:

▲ Up 7%

CLICKS ON TRUCK DRIVER POSTINGS

vs. 1 Week Ago:

▲ Up 23%

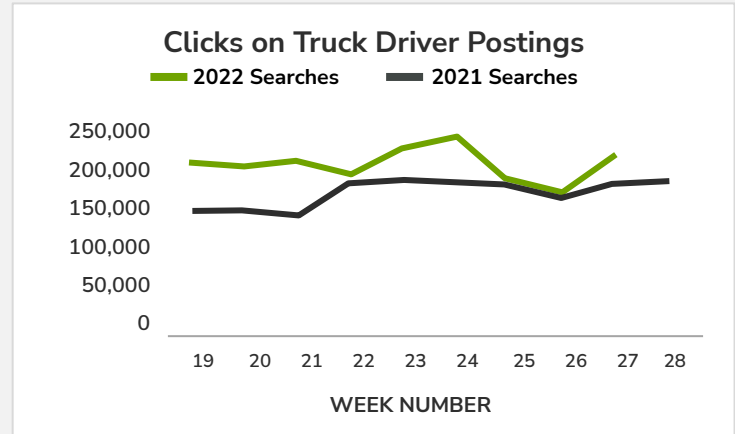
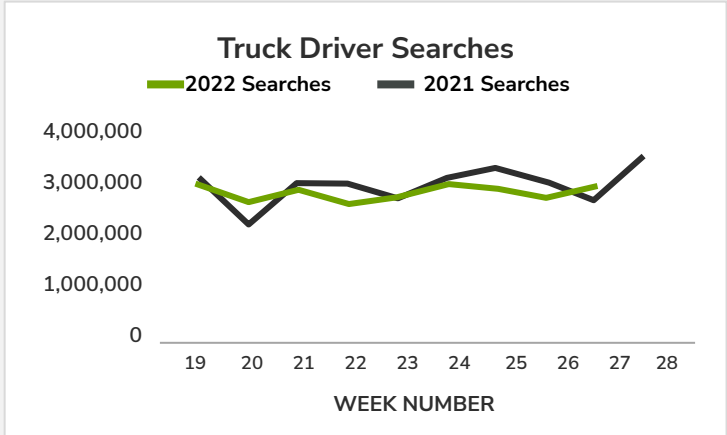
vs. 1 Month Ago:

▼ Down 4%

vs. 1 Year Ago:

▲ Up 16%

¹ Job board data is aggregated from many partners.



This Week in Spot Freight

Spot rates plunge during the July 4th holiday week.²

Total spot rates in the Truckstop.com system saw one of their largest drops ever during the week ending on July 8 (week 27). The decline in dry van rates was not unusually large, but the decreases in flatbed and refrigerated rates were among the largest ever in each segment. Big drops in spot volume are typical for the week that includes the July 4th holiday, but declines in spot rates tend not to be so large. Volume was right on trend, however, as load postings fell nearly sharply in all segments.

Overall spot rates (including fuel) decreased by 13¢ from the previous week.

Dry Van: -6¢ CPM | Refrigerated: -22¢ CPM | Flatbed: -13¢ CPM

- This was the largest decrease since the beginning of 2021 and the third largest on record.
- The Refrigerated and Flatbed declines were some of the largest drops on record.

Total load postings declined by 28% from the previous week.

Dry Van: -28% WoW | Refrigerated: -23% WoW | Flatbed: -28% WoW

- This is a typical decrease for the July 4th holiday week, but it is weaker than performance in 2020 and 2021. This is a further indication that the spot market is normalizing.
- Load postings were lower in all regions.

Overall truck availability fell by 28% from the previous week.

- The overall load-to-truck ratio was unchanged.



WoW Spot Freight

Spot Rates Including Fuel Charges

▼ 13¢ WoW

Total Load Postings

▼ 28% WoW

Overall Truck Availability

▼ 28% WoW

² Data is taken from FTR via Truckstop. To read the full weekly report, [click here](#).

Story of the Week

Supreme Court will not hear California's AB 5 case; the law takes effect.³

The Supreme Court has denied the California Trucking Association's petition regarding California's AB 5 independent contractor law.

- The injunction to the law was lifted last week, and the law applies to the trucking industry.
- This likely ends the traditional leased owner-operator model in the state.

AB 5 effectively bars motor carriers from contracting with owner-operators.

- These common trucking practices are now banned:
 - ◆ Owner-operators will not be able to lease their equipment to a carrier and run under their authority.
 - ◆ Owner-operators will not be able to retain their own authority and contract to haul freight for a larger carrier.

- The California Trucking Association (CTA) says California has 70,000 owner-operators who have seven days to cease their independent businesses.
 - ◆ The state has provided no guidance to owner-operators about how they can work as independent contractors under the law.

The CTA warns that this will have “devastating repercussions” on the supply chain.

The International Brotherhood of Teamsters calls AB 5 “a significant victory in the Teamsters’ decades-long battle against misclassification in trucking.”

³ Cole, Matt. [“Supreme Court will not hear trucking's AB 5 case, law will take effect for industry.”](#) 2 Jul 2022, overdriveonline.com.



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