

ISSUES FACING THE TRUCKING INDUSTRY AND SUPPLY CHAIN

PGT BULLETIN - DECEMBER 2021

The PGT Bulletin addresses notable issues facing the trucking industry, supply chain, and our organization. Consequently, these issues impact our customers. PGT Trucking monitors the following market challenges closely, and for your reference, we've highlighted and linked those that are most concerning.

California AB5 and the PRO Act US Congress. This legislation threatens the Independent Contractor model, which is embedded into trucking and America's supply chain, in an attempt to reclassify those Independents into employee status. AB5 is currently up for consideration in the U.S. Supreme Court. The PRO Act may become law should the U.S. Senate vote in favor.

Increase in Tolls and Conversion of Non-tolled Roads. 2022 could be a year when tolling by states for roads, bridges and tunnels increases dramatically. Technology is making it easier to identify owners of vehicles and pursue payment via mail.

Insurance Cost and Nuclear Verdicts. We've seen several examples of Nuclear Verdicts in the last few months. Notably, Texas has taken steps to curtail this trend by passing legislation to limit punitive damages. Tactics now include financing the costs to pursue these large awards, which provides Private Equity groups with profit motivation.

Click on a Link to Learn More

[California Trucking Association Takes AB 5 Case to Supreme Court](#)

[ATA, Freight Stakeholders Push Back on US Senate's PRO Act](#)

[Open house for proposed I-81 bridge tolls](#)

[Central Texas tolling agency moves forward with 5% toll increases for 2022](#)

[Trucking industry imperiled by spike in nuclear verdicts](#)

[The marriage between fleets and insurance providers](#)

ISSUES FACING THE TRUCKING INDUSTRY AND SUPPLY CHAIN

PGT BULLETIN - DECEMBER 2021

Diesel Technician Shortage. Trucks in need of service are sitting longer, waiting for an open bay with qualified technicians. The BLS estimates that by 2022, the commercial trucking sector will need approx. 67,000 trained technicians and 75,000 more diesel engine professionals.

Supply Chain Challenges. PGT, like other motor carriers, cannot obtain parts and supplies to keep our trucks on the road. Additionally, new truck orders are delayed and the trucks ordered in 2020 may not be delivered until Q2 2022.

Inflation Rates. How should businesses prepare for inflation in 2022? Anti-energy government policies will push more than just fuel prices up. Infrastructure legislation is also a wild card, as it will certainly add inflationary pressures. Be prepared to build in a 5%-6% budget increase for growing costs.

Fuel Costs. Diesel prices have risen to their highest levels since 2014. Experts anticipate continued volatility in diesel pricing due to constrained production output by OPEC and lost production and refinery capacity as a result of Hurricane Ida. These issues force an upward pressure on pricing as post-COVID demand for oil products exceeds expectations.

PGT Trucking's Strategy. Our partnerships and purchase orders for both semi-autonomous technology through Locomation and hydrogen fuel cell powered trucks through Nikola Corporation are giving us the tools to confront insufficient labor pools and the reduction of CO2 emissions.

Click on a Link to Learn More

[Seeking More Technicians to Keep Trucks Moving](#)

[Demand for Technicians Has Nearly Doubled in 12 Months](#)

[No End In Sight For The COVID-Led Global Supply Chain Disruption](#)

[OEMs face multi-headed serpent as supply chain issues converge](#)

[Inflation in the economy today is different. Here are four charts that can explain why.](#)

[What Does Inflation Mean For Trucking?](#)

[If soaring fuel prices weren't enough ... 'diesel shortage' shuts truck stops across the country.](#)

[Global Oil Consumption in 2022 Likely Above Pre-Covid Levels, Says OPEC](#)

[Locomation and PGT Trucking Inc., Agree to Autonomous Relay Convoy Deployment](#)

[Nikola, PGT Trucking sign LOI for 100 Nikola FCEV Trucks](#)