

Bankruptcies in the Trucking Industry

Since 2022, the trucking industry has been dealing with a freight recession following the pandemic-driven boom in 2020-2021. This prolonged market downturn has forced many carriers out of business, including notable exits from R&R Express, Montgomery Transport LLC, and STG Logistics. While attrition in the trucking industry is normal, losing larger fleets like Montgomery, which had approximately 637 power units across their branded companies in 2025, impacts capacity. Until the market rebounds, we may continue to see more bankruptcies due to increased operating costs, low spot market rates, and depleted cashflows.

PGT remains in a strong financial position, backed by 45 years of successful business experience in a tumultuous industry. Led by Pat Gallagher, PGT has strategically navigated through various market shifts, often improving our circumstances even during periods of economic downturns.

English Language Proficiency (ELP)

Since the 1930s, the Federal Motor Carrier Safety Administration (FMCSA) has required that commercial vehicle drivers display a sufficient understanding of the English language to safely complete the functions of the job, including written and verbal communication. While this provision has been in place for 90 years, a 2016 government policy changed the enforcement of this provision, and a lack of proficiency in English was no longer considered an out-of-service violation. In May 2025, the U.S. Department of Transportation began to reinforce this qualification, considering it an out-of-service violation again. This enforcement is designed to improve highway safety, ensuring that commercial truck drivers can effectively understand road signs and communicate with safety officers and personnel.

[More than 13,000 commercial truck drivers](#) were placed out-of-service in 2025 for not displaying a proficiency in English. As the DOT continues to reform its enforcement policies, more drivers and carriers will exit the industry, leading to lower capacity for shippers.

PGT ensures that all drivers display a proficiency in English during the recruitment process, and this is further evaluated in person during our mandatory Driver Orientation and Training. We also offer advanced training courses and videos for drivers to continue their development of the English language.

Non-Domiciled CDLs

As part of the federal government's continued focus on highway safety and enforcement, FMCSA has increased pressure on states improperly issuing commercial driver's licenses (CDL). Nineteen states so far have been put on notice by FMCSA for non-compliance with federal regulations, and federal funding may be withheld without corrective action. As federal standards become more restrictive, FMCSA will continue pressuring states to change their licensing practices. CDLs are issued at the state level and not by the federal government.

Non-domiciled CDL holders refer to non-U.S. citizens living and working in the U.S. with a commercial driver's license.



In addition to ordering states to revoke non-compliant licenses, FMCSA has made it nearly impossible for non-U.S. citizens to receive a CDL or renew an existing CDL. Some estimates show that these actions will remove [194,000 CDL drivers over the next two years](#), further tightening capacity in the industry.

PGT closely monitors all driver licensing and certification through our in-house compliance department, with strict enforcement of all DOT rules and regulations.

CDL Mills

In line with FMCSA's continued enforcement within the trucking industry, 7,500 CDL training schools across the U.S. were shut down over the past year for failing to meet federal requirements. Commonly referred to as "CDL mills," these training programs focus on quick issuance of a CDL (sometimes within a few days) without proper classroom or behind-the-wheel instruction, putting untrained drivers into the workforce. The continued evaluation and removal of these schools from the federal registry will help to improve the quality of new entrants in the trucking industry.

New student drivers without any tractor-trailer driving experience go through a five-week training program at PGT, including two weeks of classroom orientation and three weeks spent over-the-road with a driver trainer. PGT continues to maintain one of the best flatbed training programs in the industry, contributing to PGT's most recent recognitions as a 2026 Best Fleets to Drive For® company, a 2026 TCA Elite Fleet certification, and a TCA Fleet Safety Award for 2025.

Electronic Logging Devices (ELD)

Over the past year, 38 electronic logging devices (ELD) were removed from the FMCSA's approved device list for failing to meet minimum requirements. ELDs were mandated in 2017 for drivers to track their Hours of Service (the number of hours drivers can legally work/drive). ELD manufacturers were permitted to self-certify their devices; however, the federal agency now believes that the self-certification process has allowed companies to improperly register devices that do not meet federal standards. Using a non-compliant device allows truck drivers to illegally exceed their Hours of Service.

In addition to other recent enforcement practices, FMCSA is planning to overhaul the ELD vetting process in 2026. Removing ELDs that permit carriers to operate illegally will help to improve the quality of transportation options available to shippers while reducing overall capacity.

PGT uses Geotab as our ELD provider, which is authorized by FMCSA and has been in operation for 26 years. PGT also maintains a strict Hours of Service compliance policy with daily monitoring.



FMCSA CDL Drug and Alcohol Clearinghouse

In 2021, FMCSA launched the CDL Drug and Alcohol Clearinghouse, which is a national database to identify CDL drivers with failed drug screen results from previous employment. Prior to the Clearinghouse, failed employment drug screens could go unreported, allowing truck drivers to change carriers without the new company having knowledge of the failed drug screen. Since 2024, state licensing agencies have been required to remove CDL privileges from drivers listed in a “prohibited” status on the Clearinghouse. As of July 2025, [190,000 drivers](#) were in a prohibited status with a downgraded license (unable to work until they complete Return to Duty requirements).

With more drivers leaving the workforce due to FMCSA’s targeted safety programs and increased enforcement, capacity will continue to tighten.

PGT performs a mandatory Clearinghouse check on all incoming drivers before they attend our Orientation and Training program, and we require two drug screens prior to employment: urine analysis (DOT requirement) and hair follicle (beyond DOT requirements).

Increased Operating Costs

The cost of running a trucking company continues to increase during this freight recession. At PGT, from 2019 to 2024, we have seen significant increases in costs:

Category	Cost Increase for PGT
Insurance	45%
Purchase Price of Trailers	36%
Purchase Price of Tractors	26%
Tolls	36%
Maintenance Parts	41%
Maintenance Labor	47%
Tires	18%

These increases have greatly outpaced the consumer price index (CPI) during that same time period, which noted a 23% increase in costs.

During the ongoing freight recession, higher costs are forcing carriers to make cuts or go out of business entirely. In an industry with historically thin operating margins, these rising costs are leading to tightened capacity.

As our operating costs continue to rise, PGT focuses on controlling costs through operational efficiency and safety management. Our Fleet Managers (operations dispatch) are extensively trained to fully utilize our equipment by enforcing a five-day dispatch policy (drivers work five days a week at PGT). In addition, PGT maintains a modern fleet, purchasing 250 new tractors and 400 new trailers in 2025. While the purchase price of the equipment has increased, we plan to recoup savings by lowering our overall maintenance costs.



PGT also takes a proactive approach to fleet safety, ensuring that our trucks have the latest technology and safety features. Our dash camera system, backed by artificial intelligence, helps to provide a clear picture for risk management and driver coaching, and advanced features like collision mitigation systems are now standard in our company units.

Additional Resources

Bankruptcies in the Trucking Industry

R&R Becomes Latest Trucking Company to Fall - <https://www.ttnews.com/articles/rr-family-cos-shuts-down>

STG Logistics Files Chapter 11, Charts Path Forward - <https://www.freightwaves.com/news/stg-logistics-files-chapter-11-charts-path-forward>

Freight Recession Claims Another in Montgomery Transport - <https://www.ttnews.com/articles/montgomery-transport-shutters>

10 Roads Express to Shut Down After Losing USPS Business - <https://www.ttnews.com/articles/10-roads-express-shuts-down>

Nashville-Based Quickway Transportation, Affiliates File for Chapter 11 Bankruptcy - <https://www.freightwaves.com/news/nashville-based-quickway-transportation-affiliates-file-for-chapter-11-bankruptcy>

English Language Proficiency (ELP)

Tightening the English Proficiency Requirement for Truck Drivers - <https://www.ckflaw.com/blog/tightening-the-english-proficiency-requirement-for-truck-drivers/>

U.S. Transportation Secretary Sean P. Duffy Signs Order Announcing New Guidance to Enforce English Proficiency Requirement for Truckers - <https://www.fmcsa.dot.gov/newsroom/us-transportation-secretary-sean-p-duffy-signs-order-announcing-new-guidance-enforce>

Non-Domiciled CDLs

FMCSA Continues Focus on State Issuance of Non-Domiciled CDLs - <https://www.truckinginfo.com/news/fmcsa-continues-focus-on-state-issuance-of-non-domiciled-cdls>

CDL Mills

Duffy Closes 7,500 CDL Schools in 'Wild West' Crackdown - <https://www.ttnews.com/articles/duffy-cdl-schools-crackdown>



Electronic Logging Devices (ELD)

ELD Purge Continues: FMCSA Pulls the Plug on Several Devices -

<https://landline.media/eld-purge-continues-fmcsa-pulls-the-plug-on-several-devices/>

FMCSA CDL Drug and Alcohol Clearinghouse

FMCSA Commercial Driver's License Drug and Alcohol Clearinghouse -

<https://www.fmcsa.dot.gov/regulations/commercial-drivers-license-drug-and-alcohol-clearinghouse>

FMCSA Clearinghouse Rule Puts Bullseye on Freight Capacity -

<https://www.freightwaves.com/news/capacity-shakeout-coming-down-the-pike>

Increased Operating Costs

New ATRI Report Shows Trucking Profitability Severely Squeezed by High Costs, Low Rates -

<https://truckingresearch.org/2025/07/new-atr-report-shows-trucking-profitability-severly-squeezed-by-high-costs-low-rates/>