



BACK IT UP

Monthly Review on All Things Market,
Economy and Transportation.





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At PGT Services, we want you to have the information you need to make educated decisions. These bite-sized market updates allow you to spend less time digging through news outlets and more time focusing on your core competencies.

IN THIS NEWSLETTER:

- **BORDER CARGO THEFT**
- **CAPACITY REMAINS TIGHT**
- **CA EMISSIONS RULES SCRUTINY**
- **IMMIGRATION CRACKDOWNS LOOM**
- **STEEL / ALUMINUM TARIFFS**
- **FREIGHT LAYOFFS RISE**





FEBRUARY 2025

February presented a complex picture for the transportation sector, marked by both security concerns and regulatory shifts. Cargo theft, fueled by organized crime along the U.S.-Mexico border is on the rise, demanding increased vigilance from carriers. Domestically, truckload capacity remains tight, as evidenced by persistent high rejection rates, indicating ongoing challenges for shippers. Adding to the complexity, California's stringent emissions regulations are facing congressional scrutiny, potentially leading to significant changes in compliance requirements for trucking companies. Furthermore, the industry is bracing for potential immigration crackdowns, which could exacerbate existing driver shortages.

The broader economic landscape is also impacting transportation. The announcement of substantial tariffs on steel and aluminum imports is poised to disrupt trade flows and increase material costs, with potential ripple effects across various sectors. Additionally, layoffs within the freight industry are mounting in both the U.S. and Canada, signaling potential economic headwinds and highlighting the sector's vulnerability to market fluctuations. These developments underscore the need for transportation companies to navigate a challenging landscape marked by security concerns, regulatory uncertainty, and economic volatility.

**BORDERLANDS MEXICO: ORGANIZED
CRIME GROUPS FUEL RISE OF US
CARGO THEFTS**

We're seeing a concerning trend: organized crime groups in Mexico are increasingly targeting cargo shipments crossing the border into the U.S., leading to a rise in cargo thefts. This issue highlights the need for heightened security measures and vigilance along the southern border for transportation companies.

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**RESILIENT REJECTION RATES
ILLUSTRATE TRUCKLOAD CAPACITY'S
DECLINE**

Despite fluctuations, truckload rejection rates are remaining stubbornly high, indicating a tightening of available capacity. This resilience suggests that shippers are still struggling to secure trucks, pointing to ongoing challenges within the truckload market.

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**CALIFORNIA'S TRUCK EMISSIONS
RULES UNDER CONGRESSIONAL
MICROSCOPE**

California's stringent truck emissions regulations are facing increased scrutiny from Congress. Concerns are being raised about the potential impact of these rules on interstate commerce and the overall supply chain. This is a development that trucking companies nationwide should watch closely.

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**TRUCKING BRACES FOR
IMMIGRATION CRACKDOWNS**

The trucking industry is preparing for potential immigration crackdowns, which could significantly impact the availability of drivers. Given the industry's reliance on immigrant labor, this situation poses a potential risk to operational stability and workforce availability.

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**TRUMP ANNOUNCES 25% TARIFFS ON
ALL IMPORTS OF STEEL AND
ALUMINUM**

Major trade news: The administration has announced a 25% tariff on all imports of steel and aluminum. This move will have ripple effects across various industries, including transportation, as it directly impacts the cost of materials and potentially alters trade flows.

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**LAYOFFS HIT MORE THAN 7,100
WORKERS TIED TO FREIGHT
INDUSTRY IN US, CANADA**

The freight industry is experiencing workforce reductions, with over 7,100 layoffs reported across the U.S. and Canada. This development signals potential economic headwinds and underscores the volatility of the freight sector.

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