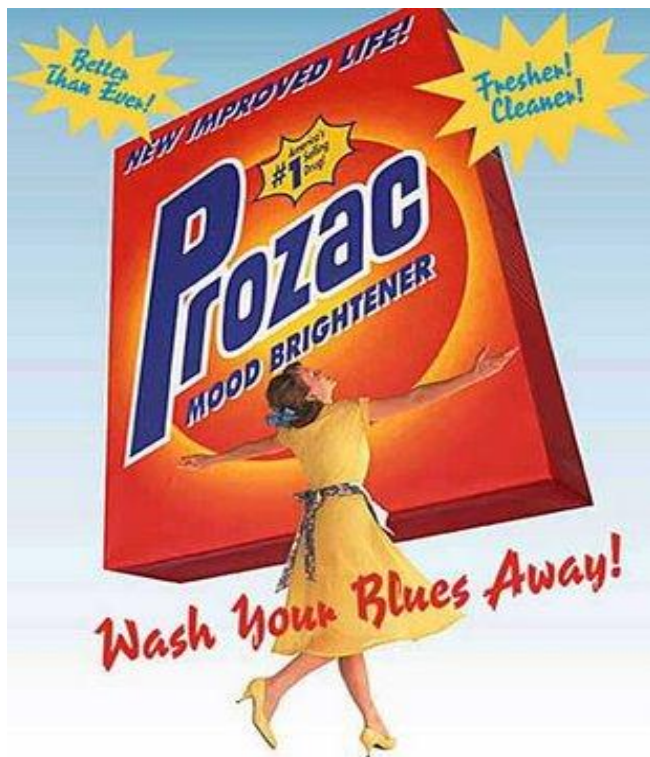


TJOCARGO NEWS

Issue 06 Jacksonville, Florida



No News is Good News?

Breaking with the age old, five issues so far, tradition of starting the newsletter out with a transportation related story, I decided to make the lead story something not related to moving things from here to there. Recently I sat and watched the national news and wondered if things could get any worse with the economy. It appears the economy is bad enough to have replaced the weather, sports, and infidelity as our favorite national conversation fodder, as well as replaced M&M's as are favorite candy with Prozac. There's no doubt about it, it's on all of our minds all of the time. I was watching the news when I decided to stop watching the news; all this bad news just can't be good for me. I've already developed a demeanor making me a threat to beat the bejezus out of the dog and not even know why. In the interest of being kind to animals, I settled on the logic I am better off being kept in the dark. If only there were some good news mixed in to the daily media flood of information I'm sure I would cope much better. There hasn't been much good news as of late, or has there?

There has to be good news somewhere. Babies are being born, weddings are still happening, and people are finally realizing Paris Hilton has no real talent in any area. Yes, the world is still turning and there had to be good news somewhere; it's just no one wants to report it because bad news pays better. I then set out to fulfill my newest passion, to find good news. Since I didn't want to leave the house to pursue my newest passion, my first stop was the Internet. After ignoring the bad news page, formally known as my home page, I simply typed in "positive economic news" into a popular search engine, which I would happily name if the popular search engine would pay me to do so, and presto,

www.positiveeconomicnews.com came right up. Delighted fulfilling my passion was so easy, I clicked away to see the good news.

Here's just some of what I found from the June postings. Through the miracle of cool modern technology, which I don't understand, double click on the links below to view the subject articles. If it doesn't work or the links are dead, sorry, I stole the set up from the site this article is based on. E-mail them and complain.

[Consumer Confidence Rises Again](#)

In another bit of positive news for the economy, the U of Mich consumer confidence survey that I've posted on here frequently has risen yet again in June to 70.8, up from 68.7 the previous month. Read the full story here:

<http://www.reuters.com/article/businessNews/idUSTRE55P3J820090626>

[Summary Of Positive News](#)

June 24, 2009

I've been very busy with my company, but wanted to scrape up a few stories that are supporting our comeback. I think it is apparent to most by now that we are either at the bottom of the recession, near it, or even creeping very slowly out of it. This lends a little ease to consumer's mindset and allows them to contribute to our comeback.

[Bright Spots On Housing Horizon](#) (thanks to Rich Roedger for this contribution)

[Orders for Big Ticket Items Surge](#)

[U.S. Recession To Bottom Out This Year](#)

[My Twitter Search Results for "Positive Economic News"](#) (caveat, I do not review all these entries and can not speak for the veracity or sources)

Now, back to family vacation in Tampa...Have a positive week. We're on our way back.

[New: Twitter Results For Positive Economic News](#)

June 9, 2009

Tried something new this morning. Using Twitter's search engine www.search.twitter.com I came up with plenty of recent posts to positive economic news. I can't speak for the veracity of all of them, because I can't edit out less than desirable results, but there's the link:

[Positive Economic News On Twitter](#)

[Walmart Adding 22,000 Jobs This Year!](#)

June 4, 2009

Read the full story here:

[Bernanke sees recession ending soon; warns on debt](#)

June 3, 2009

By [Emily Kaiser](#) and [Mark Felsenthal](#)

Don't you feel better now? I sure do. I'm not sure what I'm going to do with all this ammunition and gasoline I've been hoarding, I guess we may not be headed for the economic Stone Age just yet.

Publishers Note

Just when you thought you couldn't re-read issue 05 anymore, here's issue 06 of TJOCARGO NEWS! Enjoy the new "on screen" format that has replaced the pdf. version. Feel free to forward this edition to 300 of your closest friends. I believe TJOCARGO can now be categorized as a publishing dynasty. We're still waiting for the call from Rupert Murdoch's people offering to buy us.

All the members The United States Congress have already ordered copies for themselves, although they refuse to pay for them with their own money, so we're betting issue 06 will fly off the shelves as all the previous editions have. TJOCARGO NEWS is published on a strict schedule of whenever I stumble across some interesting information and have time to write about it.

If you would like to contribute to the effort, contact us by e-mail. As long as your contribution is related to the transportation industry in some, even loose way, not offensive, and not obvious advertising (that's our territory) we can throw it in. Of course we reserve judgment on what goes in. As the publishers, we get to make or break rules as we go along, so anything and everything can change without notice. If for some deranged reason you wish not to receive this newsletter, let us know and we can remove you from the mailing list.

Enjoy,

Tom O'Malley

tom@tjocompany.com

Sign of the times

If you missed the morning news this morning, I will update you. While there have been a few "green sprouts" reported, the economy is still a little flat. According to a quarterly report from market analyst Donald Broughton at Avondale Partners, in the first quarter of this year 480 more carriers went out of business. Although that's about one percent of the total capacity, it's not enough to raise prices just yet according to Broughton. To match up demand with capacity another five percent of capacity would have to exit the market. Yes there will be more casualties in the battle of empty trucks. That's not to say 2400 more carriers will have to fall before capacity matches demand. There are the "green sprouts" I mentioned.

One bright spot is reported by the American Trucking Association for the tonnage numbers from April to May. Tonnage jumped 3.2% in May. Taking into consideration the March and April index fell by 6.7% the modest tonnage increase could be a signal the bottom may be close if not in reaching distance. By comparison to May 2008 in which the tonnage contracted by 11%, it's plain to see we're not falling as fast. In the event the tonnage starts a slow climb up after summer, and capacity continues to shrink through summer, we could start seeing indications of capacity matching demand by the end of the year. Is there some "connecting the dots" going on to start seeing the end of the year as the time the industry begins becoming more balanced? Oh heck yeah. To see it you have to sort of squint your eyes and tilt your head to the right, but the possibility is there.

Since the trucking industry is a great pulse of what the economy is doing, the market could begin the slow climb up at years end. Let's look into our crystal ball for a moment to see what that would mean to us; less capacity + slowly increasing tonnage + predicted inflation = higher transportation costs. Looking at the math as an indication, in this environment, if you're a carrier or 3PL selling to a client, it might not be the best time to sign long fixed rate contracts with only fuel surcharge as the adjustable. You will make no friends in early 2010 if you have to look at your client and tell them you can't move their freight for the number you signed a contract for eight months ago. Instead try selling your soul for shorter time periods or with no contract at all. Let someone else burn alive down the road while you're signing a sustainable contract with your client early in 2010.

Shameless Advertising

What, you thought this was really free?

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Silly me, I always thought the people in California had no zip. The idea below sounds like my new family tradition if my wife will go along with it.

Train-mooning draws smaller, calmer crowd

8,000 caused problems last year, but this time just 400 show up

STOLEN FROM  Associated Press

LAGUNA NIGUEL, Calif. - The pants were down but so was the size of the crowd for a bizarre ritual in Southern California. It's the annual "Moon Over Amtrak" event in the Orange County community of Laguna Niguel in which people line up to moon passing commuter trains.

It began as a bar bet in 1979 and has continued ever since. Sheriff's Lt. Ted Boyne says as many as 400 people showed up for Saturday's mass mooning. Last year, about 8,000 showed up, mostly out-of-towners. And deputies shut it down after things got ugly, with traffic jams, drinking and public nudity.

This year's crowd in contrast is described as mellow. A couple of cars got towed, but deputies say nobody got drunk and there were no arrests.

The night they drove old diesel down....

By now you have noticed there seem to be no biting fuel surcharges hitting your checkbook. Fuel costs have stabilized quite nicely as of late due to lower demand. It's nice to have a bit of breathing room, but don't fall asleep at the wheel with forecasting costs for the future of your, or your customers, transportation costs.

If you read the previous article titled "Sign of the times", and I can't imagine why you wouldn't have, you know not to get caught quoting today's ultra low rates for business well off into the future. As the prophetic writer of "Sign of the times" put it;

"Let's look into our crystal ball for a moment to see what that would mean to us; less capacity + slowly increasing tonnage + predicted inflation = higher transportation costs." and "You will make no friends in early 2010 if you have to look at your client and tell them you can't move their freight for the number you signed a contract for eight months ago."

So we all know not to base our rates on today's low cost high capacity environment. We also have to look at the stability of fuel costs with the same logic. Sure, most of the time we protect ourselves with the fail-safe statement "plus FSC of the day", the one small statement that should be added to all your quotes. To take it one level higher than just covering your butt, make a point to emphasize to your customers rising fuel prices are not a maybe, rising fuel costs are almost a certainty. Below is a quote from a truckinginfo.com article titled "Energy Outlook from 09July.

"While diesel and crude oil prices may have been stable lately, economists predict a spike is ahead, and some fleets may want to consider locking in current prices via fuel hedging. The Department of Energy's latest short-term energy forecast predicts prices will be higher next year, but price spikes could be a problem as speculators sway diesel prices as much as supply and demand, says the Oil Price Information Service"

It will be of little condolence to your customer they were warned by you in the fine print fuel surcharge may change. If the subject is not highlighted and your customer gets caught with higher than expected fuel costs, they will subconsciously blame you even though they should have known as well.

Is the freight business going to the dogs?

I didn't write this one, I stole it straight from the MSN Bad News page.

All-pet airline takes off

Posted Jul 14 2009, 01:29 PM by Kim Peterson



I have subjected my cats to too many long-distance moves over the years, and the process isn't pretty. I'm too paranoid to send them in the cargo hold of an airplane, so I stick them in a huge doggie carrier in the back seat and we hit the road.

Spending hours in the car, staying in weird motels that allow animals -- and having to listen to my road trip music? No wonder my cats still give me dirty looks.

So I am intrigued by Pet Airways, [the all-pet airline that began flying this week](#). Dogs and cats get to travel in carriers in the main cabin of the airplane (pictured), and flight attendants check on them regularly. And even though other airlines are having all sorts of financial turbulence in this economy, Pet Airways says it's booked up for the next two months.

It costs about \$250 for a one-way trip on the airline, according to the Associated Press. Other commercial airlines generally charge between \$100 and \$150 to bring pets into the cabin, and between \$100 and \$275 to check them into cargo hold.

Will an all-pet airline be able to survive? The executive editor of SmartTravel.com wasn't sure.

"I'm not sure how sustainable it is," she told the AP. "But if people are trying to go for a first-class service, it could make sense."

Right now, Pet Airways operates between five cities: Los Angeles, Denver, Chicago, New York and Washington. The airline hopes to expand to 25.

So if I begin using Pet Airways will I still get looks like this from Reggie?



Subliminal Advertising: "Use TJOARGO to insure your freight!"