



PRESS RELEASE
For Immediate Release

Delcan's Rosalyn Wilson Presents the 22nd Annual State of Logistics Report

Washington, D.C., June 20, 2011- Delcan Senior Business Analyst Rosalyn Wilson presented the 22nd Annual State of Logistics Report[®] at the National Press Club in Washington, DC. The report tracks costs associated with moving goods through the U.S. supply chain and gives a broad view of its current and projected performance.

This year's report presents an overview of the 2010 logistics economy, the industry's key trends and the total U.S. logistics costs, along with their percentage of the U.S. Gross Domestic Product (GDP). It also examines which sectors of the industry are recovering well and which are still struggling.

According to the report, overall logistics cost increased in 2010. Transportation rose 10.5 percent and now accounts for 5.2 percent of nominal GDP. The cost of the U.S. business logistics system also increased 10.4 percent in 2010, making up for more than half of last year's decline. Inventory carrying costs increased 10.3 percent last year due to higher costs for taxes, obsolescence, depreciation and insurance, which were offset by a further drop in the inventory carrying rate and warehousing costs. Industrial production was up 5.3 percent in 2010, after declining 11.2 percent the year before.

Railroads performed well in 2010, with a 14.2 percent increase in intermodal from 2009. Railroads made up for their 20 percent decline in costs last year by posting 21.8 percent gains. Railroads are also becoming the choice for long hauls, due to lower costs than truckloads. Rail car and locomotive orders also increased.

The trucking industry, which moves more than 70 percent of freight, lost more than 16 percent of capacity since 2006 and is expected to see significant rate hikes toward late 2011 if the current stall in the economy reverses. Sales of medium and heavy duty trucks are gaining strength, however used truck prices have also soared and supply is dwindling.

Manufacturing and business spending were the bright spots during much of 2010, while consumer goods production was almost flat.

"2010 was certainly a better year than 2009, but did not turn out to be all we had hoped it would be," said Rosalyn Wilson, Delcan Senior Business Analyst and author of the Annual State of Logistics Report[®].

Ms. Rosalyn Wilson has more than 30 years of experience in the transportation and logistics industry. She analyzes the performance of various sectors of the industry and identifies key issues that face the transportation industry. Ms. Wilson has worked on the State of Logistics Report[®] since 1994, and in 2004 she assumed full responsibility for the report. The report is published by the Council of Supply Chain Management Professionals, with major support from Penske Logistics.

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