

MARKET

- Less-than-Truckload (LTL) carrier Yellow Corp ceased all operations at noon on Sunday, July 30. The carrier, which is the third largest LTL carrier in the industry with over \$5 billion in revenue in 2022, officially filed for bankruptcy on Aug. 6. The bankruptcy is the biggest bankruptcy in U.S. trucking history. ([FreightWaves August 2023](#))
- By a vote of 161-1, Teamsters Local Unions representing 340,000 full- and part-time workers at UPS Inc. voted July 31 to endorse the tentative five-year agreement reached with the delivery giant on July 25 and recommend its passage by its full membership. The endorsement averts a strike that would have been potentially catastrophic on the transportation industry. ([FreightWaves August 2023](#))
- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported that shipment counts fell 1.6% month over month (m/m) in June and fell 4.7% year over year (y/y). Freight expenditures fell 2.6% m/m and 24.5% y/y. ([Cass Information Systems July 2023](#))
- The average price for a gallon of diesel fuel was \$4.127 the week of July 31. Increasing for the fourth straight week and reaching its highest point since March 27, 2023. ([U.S. Energy Information Administration July 2023](#))

Less-than-Truckload (LTL)

- The closure of Yellow immediately left tens of thousands of Yellow customers looking for LTL capacity and facing significant rate increases. Even shippers that didn't work with Yellow are likely to see LTL rates climb by mid-single-digit percentages, according to SJ Consulting Group. "If there's no Yellow, watch what happens over the next six to 12 months with your LTL rates," said Mike Regan, chief relationship officer of shipping software and consulting firm TranzAct Technologies. "If the market rebounds, it's going to make 2021-2022 look like a walk in the park." ([JOC August 2023](#))
- XPO announced plans to ramp up terminal and equipment additions to meet the higher level of demand. XPO is benefiting from the industry wide capacity shake-up of Yellow's bankruptcy. For the full month of July, XPO's shipments were up 9% y/y and tonnage

increased 4%. ([FreightWaves August 2023](#))

- Teamster employees at TForce Freight have ratified a proposed five-year contract, with 81% of rank-and-file members voting for the agreement, the International Brotherhood of Teamsters announced July 31. Due to the collapse of Yellow, TForceFreight is now the largest unionized U.S. trucking company, with \$4 billion in annual revenue in 2022. TForce employs about 7,800 Teamsters. ([JOC August 2023](#))

TRUCKLOAD (TL)

- U.S. truckload rates remained mostly flat in July. Dry van spot rates were down 0.5% from June to July. The number of spot loads posted in July declined 24.7% from June, and are down 53.6% y/y. ([DAT Freight & Analytics August 2023](#))
- The 40 largest U.S. and Canadian truckload carriers increased revenue a combined 18.7% to \$50.9 billion in 2022, but with rates tumbling in late 2022 and early 2023, they're unlikely to repeat that feat this year. Average selling prices for truckload services, including base rates and surcharges, were down 27.3% in June from their peak in May 2022, according to the U.S. Bureau of Labor Statistics' Producer Price Index (PPI) for long-distance truckload. Jim Gattoni, president and CEO of Landstar System says "I would not declare a bottom yet," Gattoni said. "We're still seeing a little more pressure on the contract side and the spot prices aren't coming up yet." ([JOC August 2023](#))

PARCEL

- UPS Inc. should be able to offset the higher labor costs from its tentative five-year contract with the Teamsters Union with manageable domestic price increases over the life of the agreement, according to Deutsche Bank. UPS will need to raise domestic prices by \$1.11 per package, or 8.8% cumulatively, to offset the entire cost increase over the contract's five-year duration. ([FreightWaves August 2023](#))
- The U.S. Postal Service recently launched a new service: USPS Ground Advantage. It is designed to compete with Ground service from UPS and FedEx, offering an alternative option for packages under 70 lbs. ([TransImpact July 2023](#))

MARITIME

- Maersk, the second largest container shipping company in the world, is sharpening its focus on cost cutting in what the carrier says is a contracting container shipping market. The shipping giant expects global container volumes to decline between 1% and 4% this year, and does not see any sign of an expected volume rebound in the second part of the year. ([WSJ August 2023](#))
- The Drewry WCI composite index, which measures the bi-weekly ocean freight rate movements of 40-foot containers in seven major maritime lanes, was \$1,761.33 per 40-foot container on Aug. 3 and is down 73.4% y/y. The average composite index for the year-to-date is \$1,770 per 40 ft. container, which is \$914 lower than the 10-year average. ([Drewry August 2023](#))