

3.12.26

# Q1 Market Update Report

Uber Freight

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Across modes, early signals point to a common theme: in an environment shaped by capacity shifts, policy uncertainty, and localized disruptions, planning and flexibility are becoming critical advantages for shippers.

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<p><b>06. Bulk</b></p> <p>Persistent constraints from aging drivers and specialized equipment costs.</p>	<p><b>07. International</b></p> <p>Imports ~5-6% below YoY; schedule reliability ~63% with 5+ day delays.</p>	<p><b>08. Mexico</b></p> <p>Cross-border demand growing despite ~56k driver shortage.</p>	<p><b>09. Canada</b></p> <p>Southbound demand pushing spot and contract rates higher on cross-border lanes.</p>	<p><b>10. Europe</b></p> <p>Overcapacity in ocean trades, but volatile spot rates due to Red Sea disruptions.</p>

# Market Disruptions



# Tariffs and trade policy uncertainty

## What we're seeing in the network

- The Trump administration introduced new 10% global tariffs after the Supreme Court rescinded IEEPA tariffs. The current average tariff rate is settling around 10.5%—the highest since 1943 according to the [Yale Budget Lab](#).
- Shippers are shortening booking lead times and increasing spot exposure as [tariff uncertainty](#) compresses decision cycles.
- Customers are selectively splitting carrier allocations to avoid overexposure to a single trade lane or sourcing geography.
- Hybrid contract + spot strategies are becoming more common as customers aim to be flexible under shifting tariff policy.



## Key actions for shippers

- Monitor corridor-level exposure and define alternate ports, carriers, and modes before policy shifts force rapid change.
- Balance contract commitments with flexible spot capacity in lanes exposed to tariff review.
- Align sourcing, procurement, and transportation teams, and run scenario analyses ahead of major trade-policy milestones.

# Weather disruptions

## What we're seeing in the network

- During recent cold snaps, there were increased tender rejections in specialized networks—particularly bulk—where equipment and driver availability are already tight.
- Carriers are shifting toward higher-paying spot opportunities during weather events, increasing rejection risk for freight with strict appointment or dwell requirements.
- Some customers are maintaining ambitious service expectations that may not reflect specialized capacity realities.



- Build weather contingency playbooks that define service tradeoffs in advance and broaden carrier benches in specialized modes.
  - Unrelated to weather: Expect and plan for similar tightening during DOT week in May.
- Revisit service-level targets on vulnerable lanes and document acceptable flexibility internally.
- Align on accessorial structures and equipment allocation expectations before disruption hits.

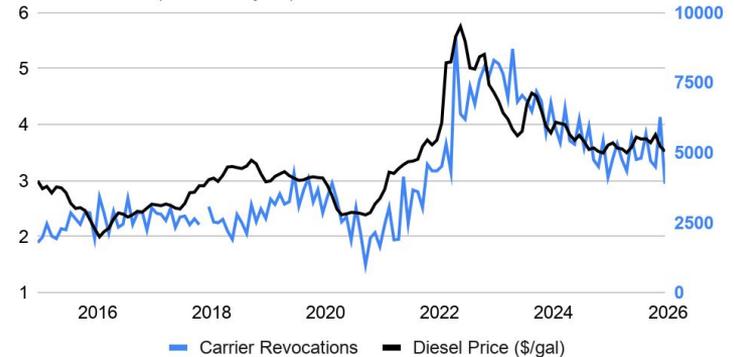
# Fuel prices

## What we're seeing in the network

- Crude oil volatility:** Oil prices nearly hit \$120/barrel over the weekend of March 7-8, 2026, driven by tensions in the Middle East and concerns over supply disruptions in the Strait of Hormuz. However, prices began to decrease on Monday as diplomatic efforts were announced and global markets processed reports of higher-than-expected inventories.
- Contract rates:** Contract freight rates typically include a Fuel Surcharge (FSC) to protect carriers from price swings. Shippers should expect this specific portion of their total cost to increase immediately.
- Spot rates:** Spot rates do not include a separate FSC. Instead, carriers "bake" fuel costs directly into their all-in quotes. Given the current tight market, carriers are likely to increase spot prices rapidly to cover surging fuel costs. However, spot rates may not decrease at the same speed if fuel prices fall.
- Long-term effects:** Rising fuel costs put financial pressure on smaller carriers and owner-operators who lack the protection of formal FSC. Sustained high diesel prices often lead to an increase in carrier exits and bankruptcies, further tightening market capacity.

## FMCSA Carrier Net Revocations and Diesel Price

Sources: FMCSA (FTR Analysis), U.S. EIA



# Carrier trends

## What we're seeing in the network

- The FMCSA projects 194,000 drivers will leave the market due to its revised Non-Domiciled CDL rule. While the agency initially expected all affected CDLs to terminate within two years, it now expects a milder timeline of 5 years, indicating about 40,000 carriers will exit the market annually on average due to this rule.
- Customers are initiating mini-bids earlier in the year in anticipation of tightening, with over 100 submitted in network across 2026..
- Routing guides are being proactively adjusted rather than waiting for visible rate spikes.



- Stress-test routing guides under scenarios where smaller or marginal carriers exit.
- Diversify carrier exposure on critical lanes before ahead of reactive sourcing.
- Evaluate carrier compliance readiness as part of ongoing performance reviews.
- Prepare targeted mini-bids rather than assuming stability will persist.

# Fraud



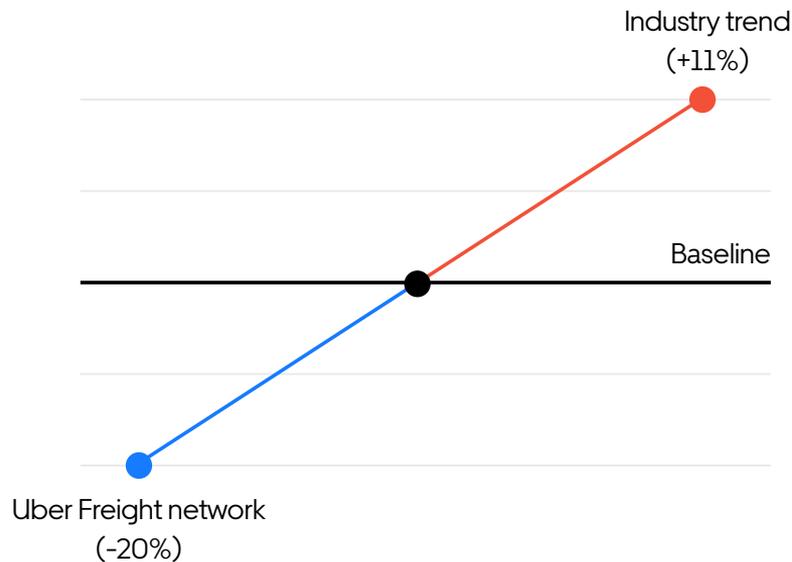
# Q1 Snapshot: Supply, demand, & policy at a glance

- **Cargo theft and fraud remain elevated nationally.** Cargo theft and extortion are driving significant operational risk in Mexico and North America more broadly; industry-wide incidents have risen even as some networks have improved security.
- **Policy and legislative focus is increasing.** There is progress on proposed U.S. federal legislation such as the Combating Organized Retail Crime Act (CORCA) and the Household Goods Shipping Consumer Protection Act, which aim to curb organized theft and protect shippers and consumers.



# What we're seeing in the network

- **Fraud mitigation improving on-network.** Across the Uber Freight network, we've seen fraud incidents fall ~20% while industry incidents rose ~11%, driven by tightened carrier-onboarding, monitoring, and partnerships like CargoNet.
- **Shippers leaning on flexibility.** We see more tenders and reroutes when theft and fraud shocks hit, with shippers leaning on flexible routings, backup carriers, and consolidation to maintain service in the face of disruptions.



# Key actions for shippers

## Strengthen security on high-risk corridors.

Continue to use strategic route planning to avoid high-risk areas. Prioritize daytime transit where possible, and engage escorts/professional security for high-value cargo. Maintain continuous communication with trusted logistics partners.

## Prepare corridor-level disruption playbooks.

Build plans with alternate ports, modes, and pre-approved backup carriers, supported by strong visibility so you can shift quickly when tariffs, customs issues, or weather disrupt your primary routing.

# Full Truckload

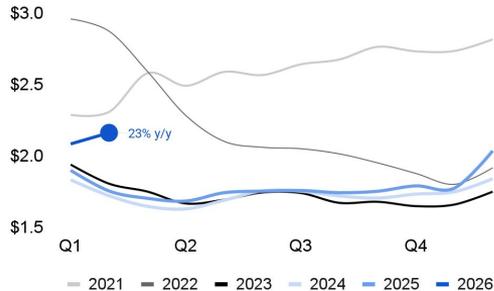


# Q1 Snapshot: Supply, demand, & policy at a glance

- **Tight market despite seasonal headwinds.** Spot rates are easing slightly, but remain materially elevated year-over-year (more than 25%). First-tender acceptance (FTA) is holding around 85%, below last year's 92% level, signaling tighter capacity and elevated shipper costs.
- **Demand split by sector.** Consumer-oriented lanes (retail, CPG, food) are driving volume growth, while industrial sectors (manufacturing, chemicals, packaging) remain stagnant. However, recent positive signs in manufacturing output and orders (e.g. the [ISM PMI index](#)) suggest potential recovery.
- **Supply-side pressure building.** Fleets are delaying equipment purchases while regulatory/compliance shifts and organic carrier exits are tightening supply further. As spot rates increase, carriers are placing more orders for Class 8 tractors, but this is not expected to improve capacity in 2026 due to long lead times.

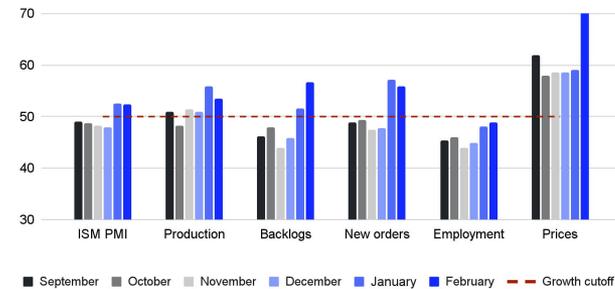
Dry Van Spot Rates (Excl. Fuel)

Source: DAT, UF analysis



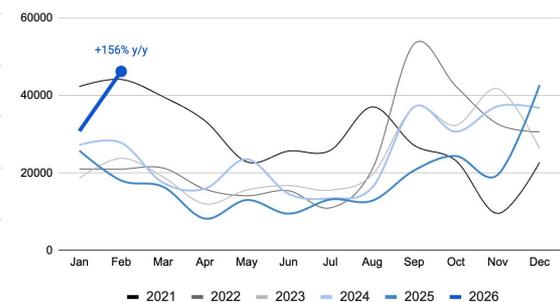
Manufacturing PMI (ISM)

Values above 50 imply expansion and below 50 imply contraction



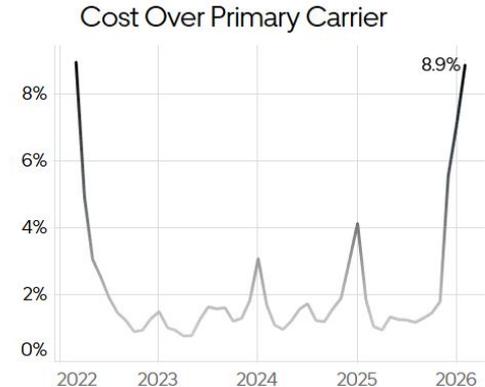
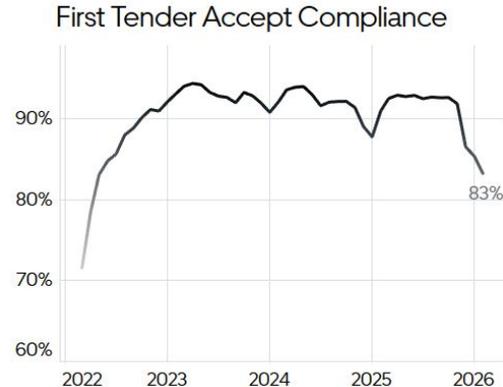
Class 8 Tractor Orders (U.S.)

Source: ACT Research



# What we're seeing in the network

- **Routing guides are holding—for now.** At ~85% FTA, many routing guides are still performing, but spot share has settled at a higher floor than last year, indicating that tightness is already being managed through off-contract moves.
- **Signs of tightening on key lanes.** On specific consumer lanes and weather-sensitive corridors, there are [rising](#) tender rejections and small (but persistent) spot-rate increases vs. contract; plus more rolled loads and service slippage, even though macro demand is only slowly recovering.
- **Shippers pre-positioning for an upcycle.** More mini-bids, shorter tender lead times, and faster volume reallocation across carriers signals that sophisticated shippers expect today's "okay" market to tighten and are locking in [reliable capacity](#) before rates move materially higher.



# Key actions for shippers

## Strengthen routing guides while FTA is still ~85%.

Use the current window to reduce unnecessary spot exposure, tighten primary guides, optimize high-dwell sites, and address higher-risk carriers, so preferred carriers keep accepting as the market firms.

## Use spot softening tactically, not as a long-term bet.

Leverage near-term softness with short (30–90 day) pricing **resets** on the right lanes without over-committing long term. Avoid chasing the absolute lowest price in a tightening environment—routing-guide performance and reliability will suffer if carriers are underwater.

## Prioritize and diversify capacity on critical lanes.

Focus [capacity commitments](#) and backup plans on growing consumer lanes. Keep flexible options on softer industrial flows, and regularly review carrier risk so you're not over-exposed to fleets vulnerable to upcoming compliance and capacity pressures.

## Create a live playbook for rejected awards.

When RFP awards are rejected, tools like [UFx: Contract](#) allow you to run mini-bids with your carrier list without a full, high-cost procurement event—use this to adjust quickly instead of defaulting to unmanaged spot.

# LTL

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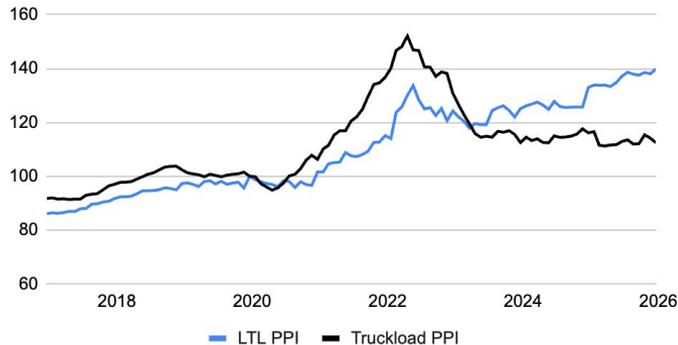


# Q1 Snapshot: Supply, demand, & policy at a glance

- **LTL rates are at an all-time high.** Up 5.2% YoY, the LTL sector saw a milder recession than truckload and an earlier recovery.
- **Growing headcount.** LTL carriers have downsized their headcount in the last three years following weak demand, but volumes might start ramping up as the truckload market tightens and shipments overflow to the LTL market.
- **Rethinking service expectations.** Multiple CPG and large industrial shippers are [rethinking legacy LTL strategies](#), accepting that not all segments of their network need 98–99% OTD; some lanes can operate successfully at ~95% OTD with different capacity options.
- **More consolidation strategies.** Shippers are using sailing schedules and zone-skip strategies to reduce daily LTL into certain markets, enabling consolidation and efficiency.

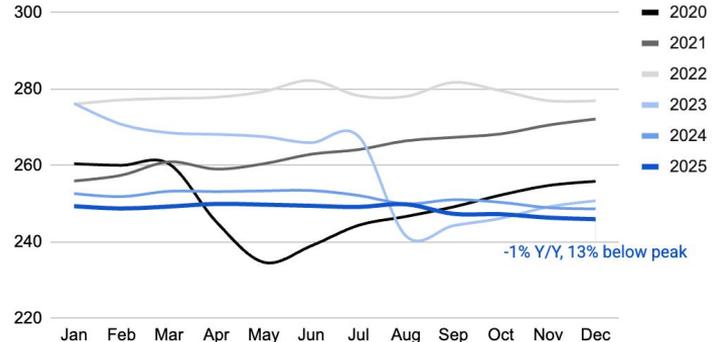
Producer Price Index: LTL and Truckload

Source: U.S. BLS (Indexed to Jan 2020)



LTL Employment (Thousands)

U.S. BLS



# What we're seeing in the network

- **Shipping hygiene matters.** There is currently more attention to origin performance and detention at pickup, with evidence that poor “shipping hygiene” can swing rate evaluations by 10% or more when carriers assess accounts.
- **Increased segmenting.** Leading shippers are segmenting their networks by service need, reserving premium [LTL](#) for the lanes that truly require it and pushing more volume into consolidated or deferred options elsewhere.



# Key actions for shippers

## Run a segmentation exercise.

Map lanes by required service level (e.g., 99% vs 95% OTD), then align each segment with the right LTL/carrier mix, sailing schedule, or consolidation strategy.

## Audit shipping hygiene.

Look at key origins (dock readiness, paperwork, detention patterns) and treat detention reduction as a cost lever, not just a service metric—start with the origins driving the most rate pressure.

## Watch public carrier earnings.

If volumes rise but yield declines, carriers may be buying share — not signaling structural recovery.

# Intermodal

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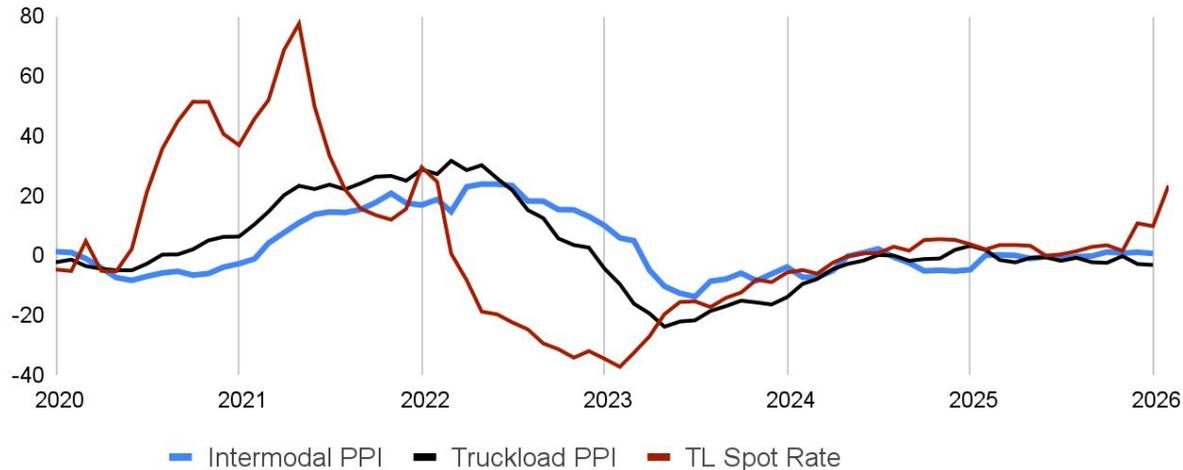


# What we're seeing in the network

- **Intermodal economics can flip quickly.** Shippers are watching [intermodal](#) as a cost lever, but many still benchmark it to current OTR rates rather than where OTR is likely headed, underestimating how fast relative economics can flip.
- **Timing matters.** We're seeing some customers take advantage of current conditions by locking in lower intermodal rates.

## Truckload spot rates lead, contract rates follow, then intermodal

Year-over-year change (Sources: U.S. BLS, DAT)



# Key actions for shippers

## Model intermodal under tighter OTR.

Model OTR vs. intermodal costs under a tighter OTR scenario (3–5% intermodal increases vs potentially larger truckload moves) and pre-negotiate 6–12 month intermodal programs on lanes where service allows.

## Treat intermodal as a governed capacity lever, not an ad-hoc backup.

This way you can shift volume quickly when tender rejections, OTR spot rates, or service volatility tick up.

## Secure intermodal capacity early.

Intermodal rates tend to lag OTR rates by 6-12 months, and they will begin to increase over the coming months. Secure intermodal capacity now while capacity is plentiful and rates are still low.

# Bulk

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# Q1 Snapshot: Supply, demand, & policy at a glance

- **Structural pressure in bulk markets.** Bulk markets are dealing with aging driver demographics, structurally low rates, and rising cost inputs such as tank washes and specialized trailer expenses.
- **Capacity constraints becoming the norm.** Capacity constraints feel persistent, not transient, yet many shippers still treat current constraints as temporary and continue to push for “unattainable” service metrics.
- **Weather exposing network fragility.** The recent national cold snap has led to an uptick in tender rejection rates among primary awarded carriers.

# What we're seeing in the network

- **Carrier concentration risk rising.** We see customers relying heavily on a small set of preferred bulk carriers, even as those carriers face margin pressure and potential exits, increasing concentration risk.
- **Rigid planning amplifies disruption.** In several networks, bulk shipments are being planned with little flexibility on lead times or appointment windows, amplifying the impact of any driver or asset shortage.



# Key actions for shippers

## Expand your carrier bench.

Broaden and formalize your bulk carrier bench, using structured programs and scenario planning so that if a key carrier retrenches, you have immediate alternatives.

## Align service targets with reality.

Revisit service targets and separate “must-have” from “nice-to-have” metrics—design lanes and SLAs that reflect real bulk constraints, then document the trade-offs clearly for internal stakeholders.

# International



# Q1 Snapshot: Supply, demand, & policy at a glance

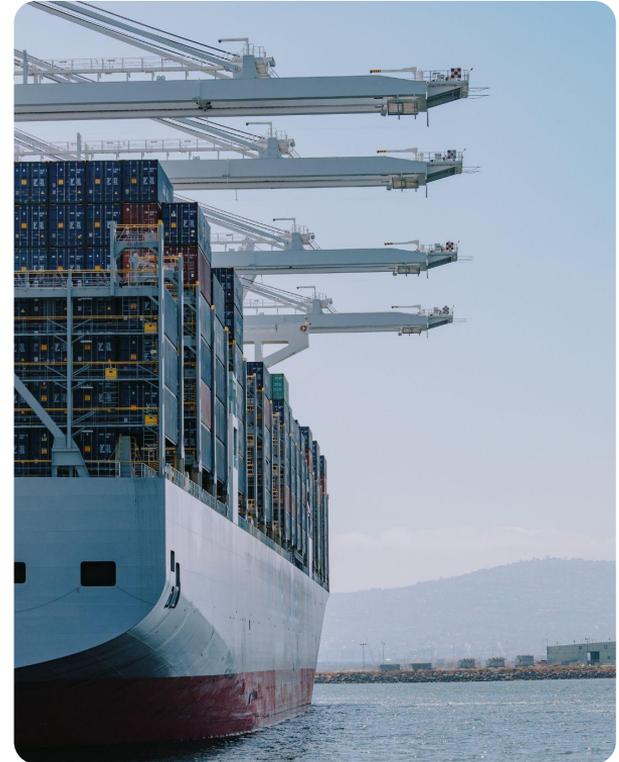
- Imports normalizing but still soft vs last year.** U.S. container imports began 2026 flat MoM, but remain roughly 5–6% below prior-year levels, reflecting a moderated demand environment after 2025's front-loaded, tariff-driven shipping surge.
- Service reliability is better than 2024, but still bumpy.** Global schedule reliability sits around 63%, down modestly MoM. Vessel delays have increased to just over 5 days—second-highest since April. Both metrics remain improved YoY.
- Tariff regime has shifted rather than disappeared.** Rescinding IEEPA tariffs lowered average effective tariffs, but a new 15% tariff pushes many lanes back toward prior levels.

## 2022-2026 U.S. Container Import Volume (TEUs)



# What we're seeing in the network

- **Disruptions show up as lane-level shocks, not a smooth “global average.”** Tariff moves, new rules, carrier exits, and severe weather are driving sudden closures, delays, and rate spikes on specific corridors, even when headline indices suggest a relatively stable market.
- **More reroutes and contingency plans in play.** Uber Freight is seeing more tenders, diversions, and last-minute mode/port changes as shippers lean on flexible routings, backup carriers, and consolidation to keep freight flowing through these shocks.
- **Structural over-capacity + tactical volatility.** On key trades like Asia–Europe, the vessel orderbook points to medium-term downward pressure on rates, but Red Sea/Suez disruptions and carrier network changes are keeping spot levels and reliability volatile—“downward bias with high volatility” is a fair description of what we see in the data.



# Key actions for shippers

## Build corridor-level playbooks, not one global plan.

Treat each major trade lane as its own scenario: define alternate ports and modes, pre-approved backup carriers, and consolidation options so you're not designing workarounds on the fly when tariffs, customs issues, or weather hit.

## Tighten visibility and lead-time discipline.

[Prioritize tools and processes](#) that improve schedule visibility, exception monitoring, and short-lead re-planning so you can move quickly when a lane closes or a sailing is rolled.

## Use the mixed tariff picture to your advantage.

Where effective tariff rates are lower, consider selective pull-forward of strategic orders; where new 15% tariffs are in play, stress-test landed-cost assumptions and rebalance sourcing and routing to avoid sleepwalking into structurally higher costs.

# Mexico



# Q1 Snapshot: Supply, demand, & policy at a glance

- **Capacity available on key corridors.** Export volumes in sectors like automotive, manufacturing, and consumer goods have softened or declined, increasing equipment availability and keeping capacity relatively open along major cross-border corridors.
- **Driver shortages persist.** Mexico faces an estimated shortage of [~56,000](#) freight truck drivers, with experienced, security-compliant drivers especially constrained in some regions, extending onboarding timelines and concentrating capacity in key industrial corridors.
- **Development hubs driving investment.** New federal welfare hubs aim to boost manufacturing and regional investment through tax incentives and infrastructure planning. Industry groups note they could strengthen multimodal connectivity and complement [USMCA](#)-driven cross-border trade growth.



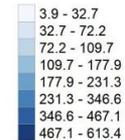
# What we're seeing in the network

- **Shippers moving earlier on capacity.** We see shippers moving earlier than usual on capacity: increased mini-bids, benchmarking, and early Q3 conversations, particularly on cross-border lanes; many are shifting toward hybrid contract + spot strategies as rates stabilize.
- **Qualified capacity clustering.** Qualified capacity is becoming more clustered in high-value and high-security lanes, and onboarding times for compliant carriers are stretching, which matters for shippers that rely on rapid network changes.
- **Regional specialization shaping flows.** Northwest states (Baja California, Chihuahua, Coahuila) are located close to the US West Coast and are globally competitive in Computer and Electronics, Machinery and Equipment. The Northeast is close to Texas and the rest of the US East Coast, with potential in Transportation Equipment, Machinery and Equipment, and Basic Metals.

**TRANSPORTATION EQUIPMENT**  
(FIRMS DISTRIBUTION)



**COMPUTER AND ELECTRONICS**  
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# Key actions for shippers

- **Plan ahead for cross-border demand.** Maintain a Mexico demand forecast and schedule shipments with enough lead time for partners to secure qualified capacity, rather than relying on last-minute coverage.
- **Work with trusted logistics partners.** Prioritize established transportation providers and 3PL/4PL partners with strong technology, security, and carrier validation processes to improve visibility and control across the supply chain.
- **Leverage Mexico's manufacturing strength.** Tap Mexico's competitive industrial base to deepen U.S. supply chain participation and optimize cross-border logistics.
- **Evaluate nearshoring opportunities.** Assess strategies supported by Mexico's strategic location, domestic market, and trade agreements.

Sector	Mexico: Global manufacturing		Top 1 / Top2	
	RCA	Ranking	RCA	Country
Textile Mills	0.44	9	0.9	Cambodia
Wood Products	-0.26	49	0.8	Latvia
Paper and printing	-0.08	37	0.51	Finland
Petroleum and Coal Products	0.06	20	0.64	Russia
Chemical Manufacturing	0.12	14	0.52	Singapore
Pharmaceutical products	-0.69	57	0.88	Ireland
Plastics and Rubber Products	0.61	2	0.62	China
Nonmetallic Mineral Products	0.19	6	0.5	China
Primary Metal	0.73	1	0.6	Chile
Fabricated Metal Products	0.48	2	0.49	Slovenia
Computer and Electronic Products	0.83	2	0.94	China
Electrical Equipment and Components	0.79	2	0.91	China
Machinery	0.57	2	0.66	China
Transportation Equipment	0.93	1	0.56	Czech rep
Miscellaneous Transportation Equipment	0.59	2	0.8	China
Miscellaneous Manufacturing	0.62	3	0.77	China

# Canada

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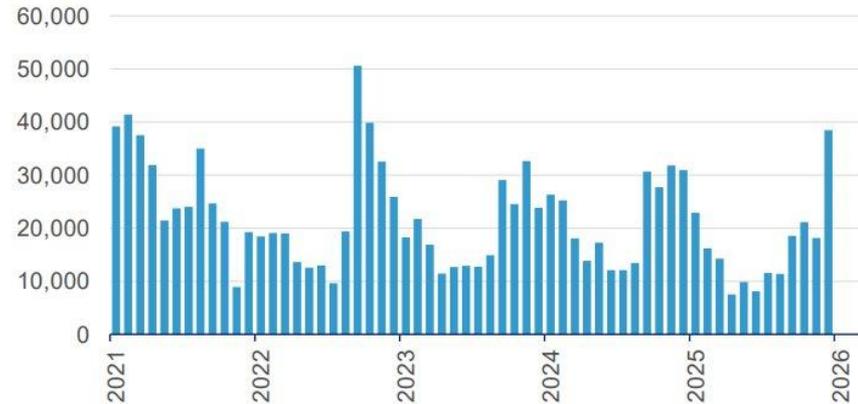


# Q1 Snapshot: Supply, demand, & policy at a glance

- **Consumer demand holds up.** Canadian manufacturing has returned to a neutral outlook for the first time since early March 2025, after an extended period in the red.
- **Driver outlook dips.** New immigration-related policy targets (visa renewals, new issuance, international student caps) and CRA "[Driver Inc.](#)" tax reporting changes are dampening the Class 8 driver outlook. In addition, new Class 8 orders stayed suppressed through 2025 with a single December spike likely tied to year-end incentives.
- **Transport costs on the rise.** New tax laws, visa shifts, border crackdowns, and slowing asset investment are pushing transport costs up, with holiday peak demand and rates lasting longer than usual.
- **Cross-border movement.** Southbound demand is outpacing northbound, visible in sustained spot-rate elevation since mid-2024 and a rising trend in contract rates on cross-border flows.

## New Class 8 Truck Orders<sup>1</sup>

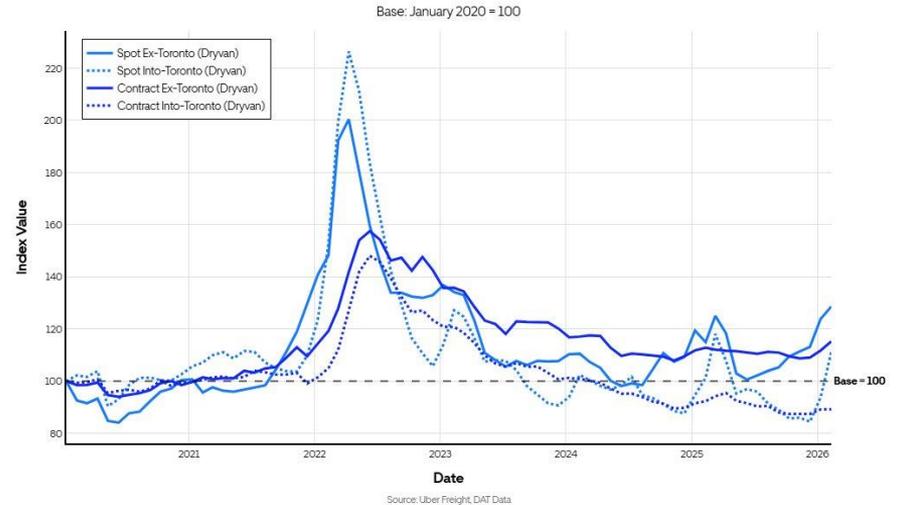
Monthly Orders, Canada & US



# What we're seeing in the network

- **Rates remain elevated.** Our indices show spot rates elevated and persistent, with contract rates grinding higher where cross-border demand is strong and carrier investment has slowed.
- **Shippers adjusting procurement strategies.** There are more mini-bids and routing-guide resets as shippers respond to new Canadian tax rules, immigration constraints, and U.S. border enforcement, especially on lanes exposed to “Driver Inc.” clean-up and cross-border inspections.
- **Fuel price shocks are amplifying market rate volatility, carrier leverage, and budget risk.** April crude futures briefly topped \$100/barrel, driving FCA/NATC fuel indices 20%+ higher in a week, which is spiking fuel-surcharge invoices, increasing spot-market volatility and tender rejections where fuel programs don't cover carriers' true costs, and leaving transportation budgets exposed; with all signs pointing to the long-awaited market turn.

Toronto Cross-Border Dryvan Rate Indices



# Key actions for shippers

## Stay proactive on cross-border rates.

Validate contract rates and monitor tender acceptance closely on Canada–U.S. lanes; have a spot playbook ready for rejections rather than scrambling for coverage lane by lane.

## Plan procurement for a tighter market.

Keep access to a broad, compliant carrier base. For 2026 procurement events, price in an inflationary spot market—especially for stochastic, multi-stop freight—rather than assuming 2024–25 conditions will persist.

## Strengthen freight audit controls.

Tighten freight audit processes to catch out-of-contract surcharges and accessorials as carriers respond to higher operating costs and new tax/compliance requirements.

# Europe

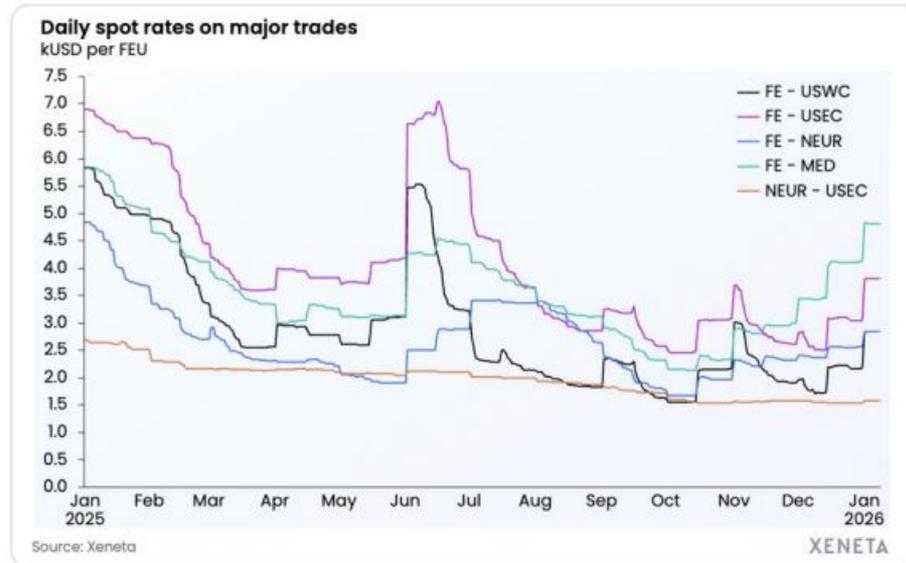


# Q1 Snapshot: Supply, demand, & policy at a glance

- **Demand improving, capacity tight.** Demand remains weak but is slowly improving, while structural capacity is tighter than pre-COVID due to cautious investment and driver constraints; contract rates show modest upward pressure while spot remains flat or soft.
- **Ocean into europe.** Asia–Europe trades face structural over-capacity from a heavy vessel orderbook, which points to medium-term downward rate pressure, but Red Sea/Suez disruptions and carrier network changes are keeping spot rates and reliability volatile—a “downward bias with high volatility” picture.
- **Compliance costs and complexity on the rise.** The extension of tachograph rules to 2.5–3.5t vehicles in international transport from mid-2026 and broader Mobility Package/safety and environmental rules will raise compliance costs and complexity, especially for light commercial fleets.

# What we're seeing in the network

- **Contract–spot divergence.** Shippers are paying slightly more to secure reliable contract capacity on core EU lanes even though spot indices look benign.
- **Compliance shaping freight networks.** Cross-border and urban freight are already feeling early impacts of low-emission zones and reporting requirements, increasing the value of compliant, lower-emission carriers and robust documentation.
- **Sustainability becoming a cost driver.** Regulation and sustainability are moving from background noise to structural cost drivers.



# Key actions for shippers

## Model full lane-level costs.

Build lane-level views of total landed cost that include emerging regulatory and documentation overhead, not just rate-per-km, especially for cross-border and city-delivery flows.

## Prioritize compliance-ready carriers.

Prioritize relationships and contracts with compliance-ready carriers and ensure your own documentation and emissions reporting processes are strong—these will increasingly define who can serve which lanes at what cost.

**In this report, you're seeing the freight market through a true multi-shipper network: billions of dollars in freight moving across industries, 18M+ shipments a year, and one of the largest multimodal carrier networks in North America. Powered by Uber Freight's multi-shipper network intelligence and AI, this view goes beyond spot anecdotes or single-shipper data to surface earlier signals on demand, capacity, facility performance, and carrier behavior — and to show how those signals actually change routing, procurement, and execution decisions.**

**With \$17B+ in freight under management, 125,000+ truckload carriers, and relationships that help 1 in 3 Fortune 500 shippers run more predictable, resilient transportation networks, Uber Freight is uniquely positioned to translate network-level patterns into market insight shippers can trust to plan budgets, navigate volatility, and unlock structural savings.**

Uber Freight