

An aerial photograph of a multi-lane highway curving through a forested landscape. The highway is the central focus, with several vehicles visible. To the left, a herd of cattle is grazing in a clearing. The surrounding area is densely wooded with green trees. The overall scene is a mix of natural and man-made elements.

RXO

State of the Industry Report

March 2023

Industry Insight from RXO Experts

RXO Drive Market Update

“ The adoption and growth of RXO Drive™, our mobile app for drivers and carriers, continues to be strong. We regularly break new records for total downloads, registered users, weekly active users, user retention, buys, bids, quotes, orders and more. Our strategic technology approach and strong product and engineering execution empowers RXO’s growth and directly contributes to our bottom line. In areas like Managed Transportation, our technology allows us to engage with carriers that don’t have their own in-house apps or integration capabilities. It also enables us to provide our customers with real-time updates about their shipments. This past month, we hit a major milestone when we reached one million downloads of our app.

RXO Drive, which is part of the RXO Connect™ platform, allows us to create stickiness and loyalty with our carrier base, which helps us improve the capacity and dependability that we provide to some of the world’s largest shippers. ”

Sudhakar Kunji
Vice President of Technology
Marietta, GA



RXO IN THE NEWS

To learn more about RXO and see our current news releases, please use the following link:

<https://rxo.com/news/>

[RXO Leader Named to “Top Women to Watch in Transportation” List](#)

[Three RXO Leaders Win Supply & Demand Chain Executive 2023 Pros to Know Award](#)

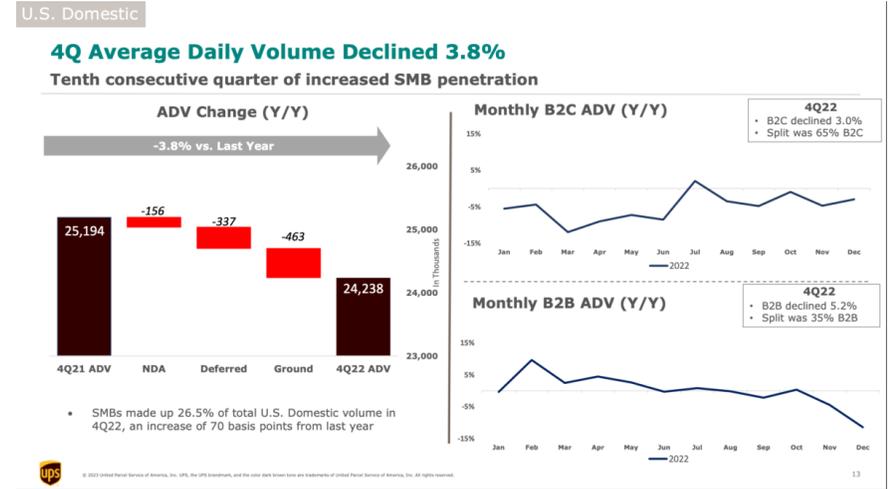
[RXO Truck Driver App Surpasses One Million Downloads](#)

Top Industry News

Is Inflation Crushing E-Commerce Volume Growth?

There's some evidence that e-commerce volume growth is slowing significantly. UPS was already seeing a drop in domestic parcel volume in the fourth quarter of 2022 — business-to-consumer volumes were down 3% y/y and business-to-business volumes were down 5.2% y/y.

[Read more from FreightWaves.](#)



Source: UPS earnings presentation)

Labor Shortage, Retention Top List of Supply Chain Concerns

MHI-Deloitte report says tech investments will be pivotal in building agile organizations, attracting qualified talent. Much of that investment is geared toward creating high-productivity roles that will appeal to people entering the field or transferring from another field, the report said.

[See more from FreightWaves.](#)

ADOPTION TRENDS - PREDICTED USE

Predicted adoption of technologies within 5 years

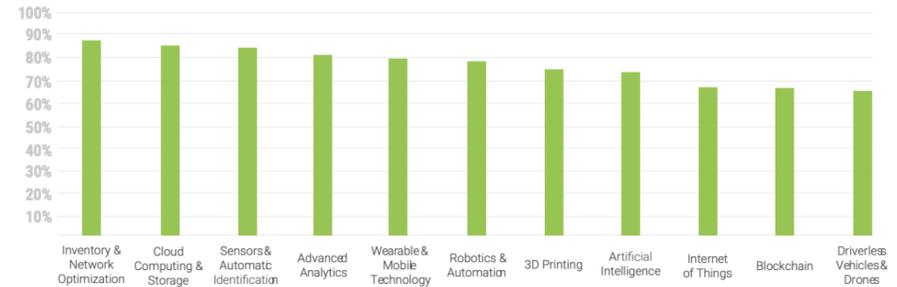


Figure 7: Predicted adoption of key supply chain technologies

Source: MHI, Deloitte



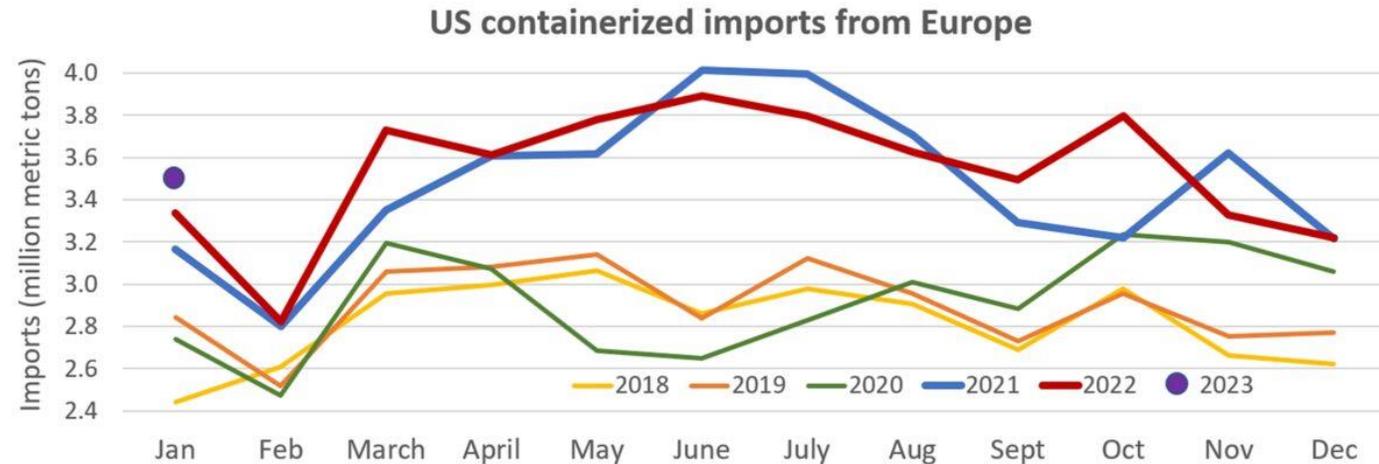
US and Global Macroeconomics

EV Battery Aid Hangs in Balance as U.S. Finalizes Climate Law

[Transport Topics](#): At stake over the coming weeks is the extent to which a critical part of the battery supply chain will end up being made in North America or remain where it's currently concentrated, in Asia.

Trans-Atlantic Container Rates Still Double Pre-COVID Levels

[FreightWaves](#): Europe-to-US volumes remain elevated, driven by building materials.



Source: FreightWaves based on data from U.S. Census Bureau

Milwaukee Airport to Build Cargo Hub with Private Financing

- [FreightWaves](#): Investors see Chicagoland as target-rich environment for cargo diversion.

DOE/EIA Diesel Price Nears Pre-Ukraine-Invasion Level with Latest Drop

- [FreightWaves](#): But in the futures market, news from abroad sends prices higher after a quiet week.

Fed Raises Key Rate by Quarter-Point Despite Bank Turmoil

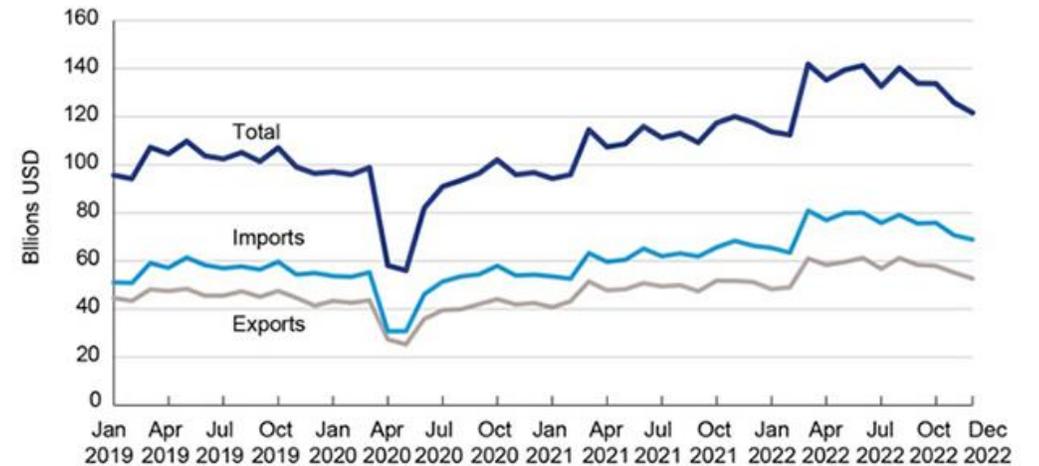
- [Transport Topics](#): Central Bank Indicates It Is Nearing the End of Aggressive Rate Hikes.

Truckload and LTL

U.S. Transborder Truck Freight Jumps 13% in January

North American transborder truck freight in January jumped nearly 13% from the same month last year, with solid increases in total goods traded both with Canada and Mexico, according to new [Bureau of Transportation Statistics](#) figures released March 22, 2023.

[See more from Transport Topics.](#)

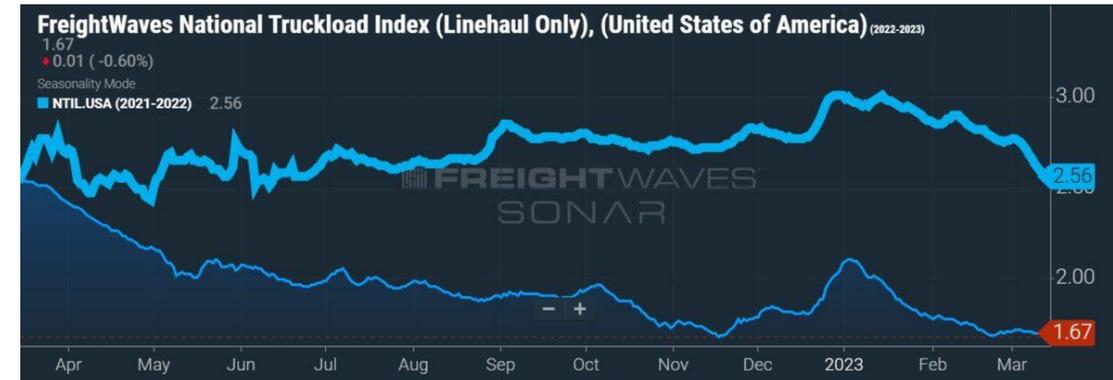


Source: Bureau of Transportation Statistics

Weakness in Freight Shipments to Linger, Cass says

Freight costs fall 10% year over year on lofty comp. Shipment data captured by payment services provider Cass Information Systems was only off modestly in February while freight costs plummeted on a tough comp.

[See more from FreightWaves.](#)



Source: The National Truckload Index (linehaul only – NTIL) is based on an average of booked spot dry van loads from 250,000 lanes and 10,000 daily spot market transactions.

Modes Overview



Parcel and Last Mile

- UPS, FedEx Move Aggressively to Court Regional Parcel Shippers. [More from FreightWaves.](#)
- Last-mile Companies Poised to Shake up the Market. Infographic. [More from FreightWaves.](#)



Ocean, Air and Rail Cargo

- In Search of Shipping's Next Supercycle: Are Tankers Next? [More from FreightWaves.](#)
- Air Cargo Market May Not Improve Even if Economy Does. [More from FreightWaves.](#)
- \$31B Merger Will Make Rail Industry Even More Consolidated. [More from FreightWaves.](#)



Dedicated Transportation

- RXO Makes Dedicated Freight Accessible, Desirable for Shippers and Carriers. [More from FreightWaves.](#)



Refrigerated Transportation

- Delta Cargo Cranks Up Refrigeration at JFK Airport. [More from FreightWaves.](#)

Infrastructure and Regulation

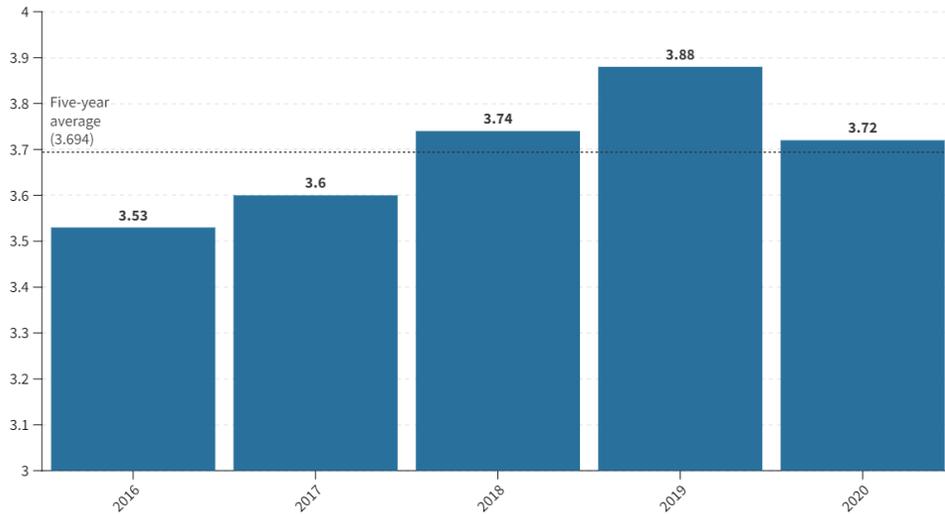
Federal Law Designed to Make Trucking Safer may have Aggravated Worst Issues

- U.S. government can't confirm whether ELD mandate has improved safety on the road, but studies suggest otherwise.

[Read more from FreightWaves.](#)

Truck Accidents

Fatal Crashes Involving Large Trucks, per 100 Million Miles Traveled



Source: Federal Motor Carrier Safety Administration

FREIGHT WAVES
RESEARCH

New Trucking Coalition Focuses on Clean Energy

- A broad-based group representing motor carriers, truck manufacturers and truck dealers has launched a coalition intended to serve as a collective voice for key trucking industry stakeholders.
- [Read more from Transport Topics.](#)



Source: Clean Freight Coalition

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Cross-border: Mexico, Canada and International

Mexico Recorded 237 Cargo Thefts the First Two Months of 2023

Freight crimes across the country totaled 237 cases, with 129 incidents in January and 108 in February, according to Mexico's National Association of Vehicle Tracking and Protection Companies (ANERPV).

[Read more from FreightWaves.](#)

Work Begins to Expand Key Texas-Mexico Entry for Trucks

Construction at a Texas-Mexico border crossing has begun on a new commercial inspection and processing facility to make it easier and faster for truckers to bring freight through [Anzalduas Port of Entry](#).

[Read more from Transport Topics.](#)

RXO Officially Opens Up New Laredo, Texas-Based Cross-Border Facility

This new facility, which has more than 25 employees will provide customers with warehousing and distribution services, leveraging its location “at the center of the nearshoring movement—at the U.S.-Mexico border.

[Read more from Logistics Management.](#)

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Source: Tesla

Tesla's Arrival in Mexico could Boost Cross-Border Trade by \$15B

- New electric vehicle plant in Monterrey seen as accelerating nearshoring boom.
- [Read more from FreightWaves.](#)

Technology

Canada, IBM to Announce Chips Pact Amid Biden-Trudeau Visit

[Transport Topics](#): Plan Would Build Out Microchip Ecosystem in Region, Integrate With US Manufacturing.

Infrastructure Council Presses White House on Cybersecurity

[Transport Topics](#): NIAC Says Drills and Exercises Are Needed to Enhance Cybersecurity.



Source: NIAC

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Electric Vehicle Battery Makers Test a Future Without Lithium

- [SupplyChainBrain](#): While the auto world can expect to see some cars using sodium-ion batteries, they're still at least a few years away from meaningful scale. With so much growth ahead for EV battery demand, sodium-ion has the potential to complement lithium-ion cells and help fill gaps in the global market.

Initiatives – Safety and Sustainability

Norfolk Southern CEO Alan Shaw Grilled on Safety Measures

- A bipartisan consensus that Congress should act to toughen regulations on railroads emerged March 22 as senators [heard fresh testimony](#) on the [fiery hazardous train derailment in February](#) on the Ohio-Pennsylvania border.
- Both Republicans and Democrats on the Senate Commerce Committee peppered [Norfolk Southern CEO Alan Shaw](#) with questions about what enhanced safety measures he would support. At times they aggressively questioned the CEO of one of the nation's largest railroads on what could be done to prevent future derailments like the one that has upended life in the Ohio village of East Palestine.
- [Read more from Transport Topics.](#)

Cooking Oil Shortage Looms as Biofuels Gain Appeal

A global biofuel boom is set to drive a shortage of vegetable oils — used for cooking and now increasingly to power trucks and planes — intensifying a debate over food versus fuel.

[Read more from Transport Topics.](#)



Source: Samples fuels used in road test of 40% palm-based biodiesel in Central Java, Indonesia (Dimas Ardian/Bloomberg)

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Massive capacity. Cutting edge-technology.