

Transportation and Supply Chain Roundup



Here are some of the latest transportation happenings of interest to procurement and supply professionals.

Over the last few weeks there's been a whirlwind of activity on the transportation front. A port strike continues as the various entities attempt to come to an agreement, a looming UPS strike was averted at the 11th hour, and one of the nation's largest and oldest freight companies ceased operations due to financial problems.

These are just some of a few of the most visible happenings in the national transportation space in recent weeks—events that surely put procurement professionals on alert about the potential supply chain and delivery impacts. Here's a run-down of the top stories we've been watching here at *Supply Chain Connect*.

UPS Avoids a Strike

Parcel shippers were on edge for most of July as UPS worked toward a tentative deal with the Teamsters union. The goal was to strike a contract deal by Aug. 1, at which point 340,000 workers vowed to strike if such an agreement wasn't reached. This could have created widespread disruptions for deliveries nationwide—a threat that likely put many procurement and supply chain professionals on alert.

According to *NBC News*, a 10-day UPS worker walkout would have potentially cost the US economy some \$7 billion, with workers losing \$1.1 billion in wages and UPS experiencing an \$816 million loss. "Logistics experts warn that even a few days of halted UPS deliveries would trigger widespread disruptions," NBC reported in July.

"A walkout would likely delay the flow of more packages than top rivals such as FedEx or the US Postal Service could absorb, threatening to upend the back-to-school shopping season," NBC continued.

On July 25, UPS and the Teamsters reached a tentative deal on a new contract, thus averting a strike. According to *CNBC*, the labor agreement is subject to a ratification vote by more than 300,000 workers. The deal includes wage increases for both full- and part-time UPS employees.

"The union went into this fight committed to winning for our members. We demanded the best contract in the history of UPS, and we got it," Sean O'Brien, the Teamsters' general president said in a [statement](#).

Port Strike Update

In Canada, workers at two different ports voted to accept a new deal this month. The successful negotiations put an end to the "industrial action and the threat of widespread supply chain disruption," *Air Cargo News* reports. The potential strike would have involved more than 7,000 dockworkers who belong to the International Longshore and Warehouse Union (ILWU) Canada.

In the U.S., the lengthy West Coast port strike negotiations came to an end when the ILWU and the Pacific Maritime Association (PMA) agreed to a tentative new contract that includes a pay raise. This was another piece of good news for global supply chains that depend heavily on West Coast ports for both imports and exports.

“The union and the Pacific Maritime Association, an industry group for port operators and shipping companies, announced they had reached a deal in a joint statement published late Wednesday night,” the [Washington Post](#) reported. “If both parties ratify the agreement, they would end a bitter labor dispute that had temporarily shuttered some of North America’s most important ports of entry.”

Yellow Folds its Operations After Nearly 100 Years

In a final piece of transportation-related news for the month, one of the nation’s largest trucking firms recently shut down its operations. According to [USA Today](#), Yellow Corp. declared bankruptcy “following a tense standoff with the Teamsters Union and after a massive pandemic-era federal loan failed to stave off the company’s mounting debt.”

Based in Nashville, the company was [founded in 1924](#) and employed about 30,000 workers. Upon approval by the Bankruptcy Court and the satisfaction of the conditions set forth in the agreement, [Yellow says](#) it will receive the liquidity it needs to be able to support the businesses throughout the marketing and sale process, including payment of certain pre-petition wages.

“It is with profound disappointment that Yellow announces that it is closing after nearly 100 years in business,” the company’s CEO Darren Hawkins said in a [statement](#). “Today, it is not common for someone to work at one company for 20, 30, or even 40 years, yet many at Yellow did. For generations, Yellow provided hundreds of thousands of Americans with solid, good-paying jobs and fulfilling careers.”