

Hurricane Helene to tighten truckload capacity beyond US Southeast



Hurricane Helene killed at least 128 people and caused billions in damages, including the collapse of a portion of I-40 near the North Carolina-Tennessee border. Photo credit: Sean Rayford / Getty Images.

William B. Cassidy, Senior Editor | Oct 1, 2024, 3:03 PM EDT

CHICAGO — The devastation caused by Hurricane Helene will send ripples throughout US supply chains, tightening truck capacity, as efforts to restore and rebuild severely damaged infrastructure in the affected states will be superseded by rescue operations still under way.

Shippers and other attendees at the *Journal of Commerce* Inland Distribution Conference 2024 (Inland24) Monday said they expect demand for freight to support reconstruction efforts from Florida to Tennessee and North Carolina to tap into spot market truckload capacity for weeks, if not months.

The Class 4 hurricane killed at least 128 people across several states after it made landfall in Florida Sept. 26 and caused billions of dollars in damages that are still being calculated, including the collapse of a portion of I-40 near the North Carolina-Tennessee border.

A storm of this magnitude, similar to Hurricane Harvey in 2017, will affect supply chains and shipping far from the Central South. Trucks will be needed for relief and reconstruction, and normal supply operations in and through the region will be disrupted and delayed.

Immediately, the largest spike in demand — and, in turn, the largest drain on capacity — will be in the flatbed sector. As efforts to reopen roads and bridges closed or destroyed across the region get underway, earthmoving equipment and other construction supplies that tend to move via flatbed trucks will get priority.

“This week, road closures, power outages and delays in getting fuel from racks to gas stations will make it hard for anything to move across the Southeast,” load-board operator DAT Freight & Analytics said in a statement. DAT expects that to change by next week.

The closure of container ports up and down the East and Gulf coasts due to a strike by the International Longshoremen’s Association (ILA) may already be having an effect on hurricane reconstruction efforts. Goods that would aid reconstruction may be stuck in those ports, Paul Brashier, vice president of global supply chain at ITS Logistics, said during Inland24.

“I have a client who ships electrical equipment related to infrastructure repair, and his equipment is in containers on ships at Savannah,” Brashier said.

Spot loads soaring

Spot market load posts on the DAT platform rose across the southeast last week as shippers repositioned goods ahead of the storm. Flatbed load posts in Tallahassee, Fla., for example, spiked 81% week over week, according to DAT.

Dry-van loads rose 10% from the previous week across the Southeast region, 16% in Florida’s “Big Bend” region and 18% in Tallahassee, DAT said in a statement. Refrigerated load posts were up 16% in the Southeast from the previous week and 52% in Tallahassee.

Damage to highways and bridges is widespread enough that relief and rescue supplies are still being flown in by helicopter rather than delivered by truck. And it’s unclear when normal traffic through the region, including truck traffic on I-40, will be restored.

That means shippers moving goods through the Southeast, especially along its highways, can expect significant delays.

“Shipments that were next-day will be two- or three-day,” Dean Croke, principal analyst at DAT, told the *Journal of Commerce* Monday.

There will be indirect impacts on supply chains as well, with long-haul freight that typically moves through the region being rerouted or shipped with different carriers. That will absorb some excess capacity in the truckload market, putting upward pressure on rates that have been struggling to get off the floor for more than two years.

Whether the impact of the storm — along with that of the ILA strike and rising retail sales — will be enough to significantly boost truckload pricing remains to be seen.

“We’re still in a recovery phase with some major interstates closed and capacity restricted,” Jim Filter, group president of transportation and logistics at Schneider National, said at Inland24. “It’s a little too early” for any long-term forecasts.

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