WHITE PAPER | FREIGHT, LOGISTICS, AND INFRASTRUCTURE EQUIPMENT

Why Freight Costs Are Rising Right Now

A current-market analysis of why freight pricing moved sharply higher in spring 2026 - with freight terms explained in plain English for buyers moving large cabinets, enclosures, and infrastructure equipment.

$5.06	LMI 96.0	LMI 31.7	+7.5%	+$0.90
U.S. diesel per gallon on June 15, 2026	Transportation Prices: a record-high signal that freight prices were rising fast	Transportation Capacity: a contraction signal showing fewer available options	Cass freight expenditures year over year	DAT spot van rate increase vs. May 2025

Diesel spike – fuel surcharges

Carrier exits – less capacity

Driver supply – attrition + compliance

Spot repricing – higher open-market rates

Project freight – less flexibility

The market changed quickly

Prices are not moving because of one normal seasonal factor. Fuel, capacity, driver supply, enforcement, and spot-market repricing are stacking at the same time.

What the LMI number means

LMI is a monthly Logistics Managers Index. A Transportation Prices reading of 96.0 does not mean dollars per mile. It means surveyed logistics managers broadly reported prices rising sharply.

This is not just an informational freight issue.

The recent increase is a live market condition: diesel is elevated, transportation capacity is contracting, carriers are shifting behavior, and truckload rates are repricing faster than many project budgets expected.

Source note: Current market figures are drawn from EIA, LMI, Cass, DAT, C.H. Robinson, FleetOwner, FreightWaves, and ATRI sources listed in the Research Notes. Numbers should be refreshed before publication because diesel and spot rates update weekly.

Executive Overview: Why Freight Prices Moved So Fast

Freight prices have moved sharply higher because the market is no longer dealing with a single pressure point. The current increase is being driven by a stack of related problems: high diesel, tighter truck capacity, reduced driver availability, rising non-fuel operating costs, equipment constraints, and a faster rebound in certain freight lanes than the market was prepared to handle.

The most important point is that the current rate movement is largely supply-driven. Freight demand is showing signs of improvement, but the faster change is on the capacity side. Carriers that survived the long freight downturn are no longer willing or able to run below sustainable cost. At the same time, enforcement actions, driver attrition, equipment constraints, higher insurance exposure, and fuel volatility have reduced the amount of reliable capacity available in the open market.

That is why pricing can rise even when freight volumes do not appear dramatically higher. DAT reported that May spot rates increased across van, refrigerated, and flatbed equipment even though its truckload volume index fell from April. Cass also pointed to supply constraints - equipment and drivers - as the main reason for accelerating rates.

The short version for buyers

Freight costs are rising because transportation has less available, reliable capacity at the same time fuel and operating costs are high. When project freight needs a specific appointment, large equipment, jobsite delivery, LTL handling, FTL capacity, or special unloading, the effect is magnified.

Current signal	Plain-English meaning	Why it matters
Diesel	EIA listed U.S. on-highway diesel at $5.059 per gallon on June 15, 2026, up $1.488 from a year earlier.	Fuel surcharges remain high and can move quickly in quotes.
LMI prices	The LMI Transportation Prices Index reached 96.0. This is an index reading, not a freight bill or a dollars-per-mile rate.	It signals broad price pressure across logistics networks.
LMI capacity	The May LMI Transportation Capacity Index was 31.7. In index terms, below 50 means contraction.	Capacity is tight even when shippers expect normal seasonal service.
Cass spend	Cass expenditures rose 7.5% year over year while shipments were down 1.2%.	Spend is rising faster than shipment activity, pointing to cost and rate pressure.
DAT spot rates	DAT reported May spot van, reefer, and flatbed rates rose month over month despite lower TVI volumes.	Open-market shipments can get expensive quickly when capacity is disrupted.

Freight Terms Buyers Need to Know

Freight language can make a simple shipment sound more complicated than it is. The terms below are included because they directly affect how freight is quoted, routed, handled, and delivered.

LTL: Less-Than-Truckload

A smaller shipment shares trailer space with other freight. Cost is sensitive to class, dimensions, rehandling, liftgate, and limited-access delivery.

FTL: Full Truckload

A shipment uses most or all of a trailer, or needs dedicated truck space. Often better for large, non-stackable, or time-sensitive cabinets.

Spot freight / spot rate

A one-time open-market freight quote outside a long-term contract. Spot rates move quickly when fuel, weather, or capacity changes.

LMI: Logistics Managers Index

A monthly survey index. Above 50 generally signals expansion; below 50 signals contraction. A price reading of 96.0 means strong price pressure.

Intermodal / IMDL

Freight moves by more than one mode, often rail plus truck. It can help on some long lanes but requires planning and drayage coordination.

OTR: Over-the-Road

Long-haul truck movement over highways. OTR can involve dry van, reefer, flatbed, step deck, or specialized equipment.

Drayage

Short-haul trucking between a port, rail ramp, warehouse, plant, or jobsite. Port delays, chassis availability, and appointments can affect cost.

TMS: Transport Management System

Software used to rate, route, book, track, and audit freight. A TMS works best when dimensions and delivery requirements are accurate.

FAK: Freight All Kinds

An LTL pricing/class agreement that groups different freight under simplified terms. It helps only when the shipment fits the agreement.

Tariffs

Import duties or taxes on goods. Tariffs are not a freight charge, but they affect landed cost and can shift sourcing, timing, and volume.

Cross docking

Freight moves from inbound dock to outbound truck with little or no storage. It can save time, but adds handling and scheduling pressure.

Deadheading

A truck runs empty to get to the next pickup or after delivery. Carriers price those empty miles into difficult or low-backhaul lanes.

Why these words matter

A freight quote is not only miles and weight. LTL class, FTL capacity, spot pricing, drayage, deadheading, embargoes/embargos, accessorials, tariffs, and TMS data quality can all change the final delivered cost.

Embargoes / Embargos: When Freight Is Barred

In freight, an **embargo** is a temporary carrier restriction that bars freight from moving into, out of, or through a lane, terminal, zip code, region, or freight type. It is different from a tariff: a tariff changes cost, while an embargo can stop or limit service until capacity, access, or safety conditions improve.

Think of an embargo as a BAR or temporary ban on certain freight.

A carrier may say, in effect: "We are not taking that type of freight to that area right now," or "We can only accept it with special approval, delay, or different routing."

Why freight embargoes happen

Embargo trigger	Plain-English meaning	Buyer impact
High demand / low access	The carrier temporarily bars new freight into a lane, zip code, terminal, or region because trucks cannot cover the area reliably.	Quotes may be unavailable, delayed, or priced with a large premium.
High-cube or oversized freight	Bulky freight uses trailer space even when it is not extremely heavy. A carrier may restrict shipments above a cube or handling threshold.	Large cabinets may need FTL, special approval, or a different ship date.
Fuel, traffic, DOT, and driver friction	Drivers may avoid lanes with high fuel cost, congestion, strict enforcement, difficult parking, or poor backhaul options.	Fewer accepted loads, shorter quote validity, and higher all-in cost.
Terminal, port, rail, or cross-dock congestion	Backlogs can force carriers to slow or stop new freight moving through a crowded node until the network catches up.	More risk of storage, re-routing, appointment delays, or re-delivery.
Weather, disaster, or safety events	Storms, fires, road closures, safety events, or emergency conditions can temporarily suspend service.	Freight may need to hold, re-route, or move after the embargo lifts.

Operational examples customers may recognize

Carrier discussions often describe embargo-style limits in high-demand or low-access markets. A regional surge can make high-cube freight into areas such as Midland/Odessa harder to cover. California-bound lanes can also become more difficult when fuel cost, traffic, driver preference, DOT/compliance friction, and backhaul limitations reduce available carrier interest. These conditions should always be confirmed lane-by-lane because embargoes are carrier-specific and can change quickly.

Embargoes are a service warning, not just a price warning.

When an embargo is active, a higher rate may not solve the issue. Accurate dimensions, delivery details, alternate routing, and earlier scheduling give the carrier more ways to cover the shipment.

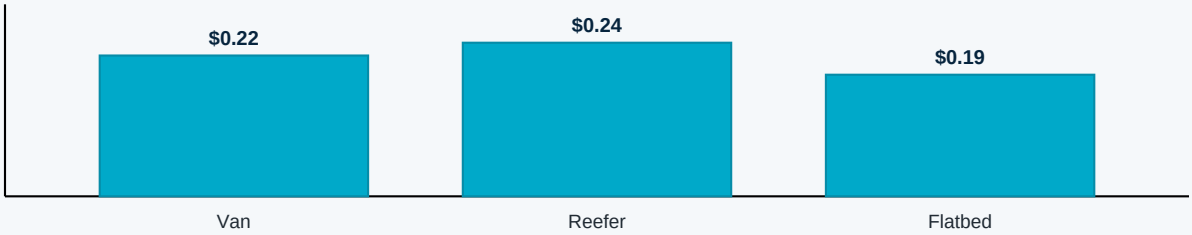
What Changed in the Last Few Months

The freight market spent several years in a downturn after the pandemic-era surge. Rates were pressured, many carriers operated with thin or negative margins, and some capacity stayed in the market longer than expected. That background matters because it left the industry fragile.

In spring 2026, several pressures hit together. Diesel prices rose to levels that changed the math on every mile. Carrier behavior shifted toward freight with better fuel-cost recovery. Capacity was disrupted by inspection activity, holiday timing, driver-pool reductions, and a long period of carrier exits. At the same time, industrial, intermodal, flatbed, and certain project-related freight demand began to look healthier.

The result is a market where shippers may see higher quotes, shorter quote validity, less carrier flexibility, higher fuel surcharges, more attention to accessorial charges, and tighter delivery windows.

May 2026 spot rate increases vs. April - DAT reported all-in rates



Source: DAT May 2026 market release; dollars per mile increase from April.

Recent pressure	Current-market explanation	Effect on freight quotes
Fuel shock	Diesel remains high versus last year, and fuel surcharges stay elevated even when weekly prices ease slightly.	Higher all-in rates and shorter-lived quotes.
Capacity contraction	LMI capacity remains in contraction and Cass points to equipment and driver constraints.	Fewer trucks available at old pricing levels.
Spot-market repricing	Spot means open-market, one-time pricing. DAT reported higher spot rates despite lower May volumes.	Open-market loads get expensive quickly when capacity is disrupted.
Contract pressure	Contract rates rose modestly in May, and spot-contract gaps narrowed in some equipment types.	Old contracted rates may not hold if routing guides fail.
Project freight complexity	Large, non-stackable, jobsite, or appointment freight needs more coordination.	More exposure to detention, re-delivery, liftgate, or special handling costs.

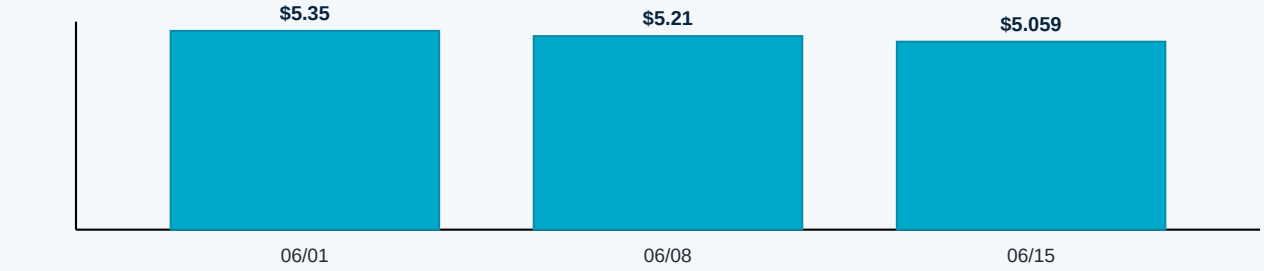
Fuel Is the First Shock, But Tariffs and Landed Cost Also Matter

Diesel pricing is the most visible reason freight has become more expensive. Every FTL truckload, LTL shipment, drayage move, and many intermodal movements are affected by diesel either directly or through fuel surcharge formulas. Even when the base linehaul rate does not change, the fuel component can raise the final invoice.

EIA listed U.S. on-highway diesel at $5.059 per gallon on June 15, 2026. That was lower than the previous two weekly readings, but still $1.488 per gallon higher than the same week a year earlier. West Coast and California prices were substantially higher than the national average, which matters for inbound freight, ports, regional delivery, and long-haul lanes that touch high-cost fuel markets.

Tariffs are different from freight rates, but buyers often feel both at the same time. A tariff is an import duty or tax on goods. It can raise the landed cost of materials or components, change sourcing decisions, and shift freight timing or routing when suppliers try to avoid delays or cost exposure.

EIA diesel price snapshot - June 2026



Source: EIA U.S. on-highway diesel prices. Prices include taxes, dollars per gallon.

Fuel changes the behavior of the market

High diesel does more than add a surcharge. It changes which freight carriers want, how long rates are valid, whether spot capacity is available, and how aggressively carriers price lanes with poor backhaul or long empty miles.

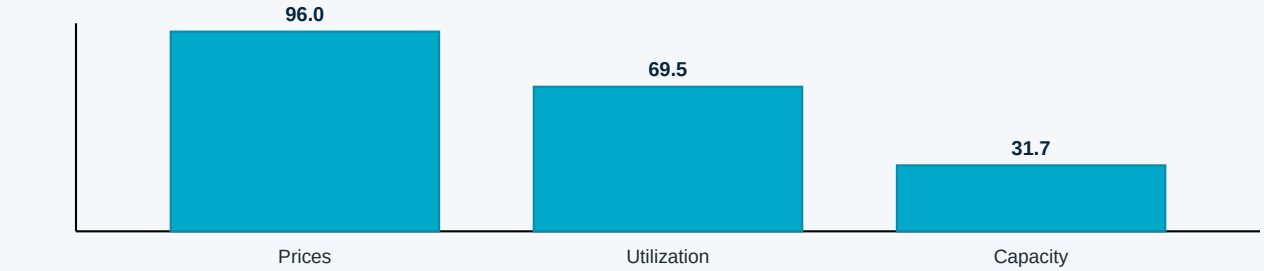
Cost driver	What it is	How it can affect delivered cost
Fuel surcharge	A charge tied to diesel price or a carrier fuel table.	Can change week to week even when the product price is stable.
Tariffs	Import duties or taxes on goods, materials, or components.	Can raise landed cost and affect sourcing, supplier timing, and inbound freight choices.
Backhaul gap	A lane where a carrier has limited freight to pick up after delivery.	Raises the chance that empty miles or deadheading are built into the quote.

Capacity Changed Faster Than Demand

A normal freight explanation would start with demand: more freight, higher rates. That is not enough to explain the current increase. The better explanation is that supply became tight faster than many shippers expected.

The Logistics Managers Index showed transportation capacity contracting for the sixth consecutive month in May 2026. Its Transportation Capacity Index was 31.7, while Transportation Utilization remained elevated at 69.5 and Transportation Prices hit a record 96.0. In plain terms, capacity was harder to find, the trucks still in the market were being used heavily, and prices were rising sharply.

Cass reached a similar conclusion. Its May report said volumes were beginning to recover, but supply constraints - both equipment and drivers - were the main reason rates were accelerating. The ACT Driver Availability Index remained in shortage territory in May. This helps explain why costs can rise even when shipments are not booming.



Source: Logistics Managers Index, May 2026. Readings above 50 indicate expansion; below 50 indicate contraction.

Capacity factor	Why it tightened	Impact
Carrier exits	Years of low margins forced many smaller or marginal carriers out of the market.	Less truck supply available when demand stabilizes.
Driver-pool reductions	Enforcement activity, compliance pressure, and attrition reduce available drivers.	Loads compete for a smaller compliant driver base.
Equipment constraints	Higher tractor, trailer, maintenance, repair, tire, and financing costs limit expansion.	Carriers become disciplined about lanes and rates.
Deadheading risk	Some lanes do not offer enough return freight or backhaul.	Carriers may price empty repositioning miles into the rate.
Roadcheck/holiday disruption	Inspection events and holiday timing pulled equipment from the open market in May.	Short-term disruptions had a larger pricing effect in an already tight market.

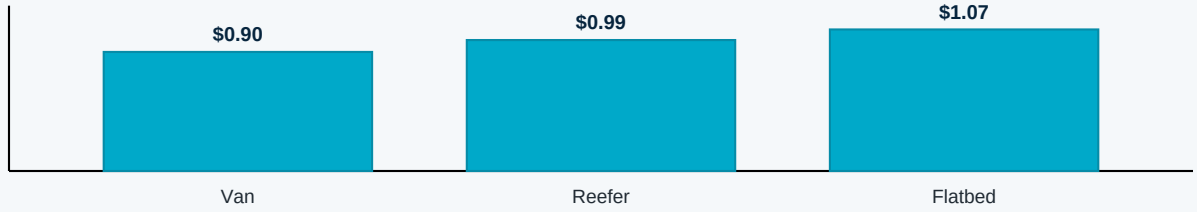
Rates Are Moving Before Budgets Can Catch Up

One reason this increase feels dramatic is that spot markets reprice faster than budgets, contracts, and customer expectations. A spot rate is a one-time open-market freight quote. It adjusts immediately to fuel, enforcement events, available drivers, holiday slowdowns, and regional capacity shortages.

Contract rates usually move more slowly, but they eventually follow when routing guides fail or carriers can no longer cover costs at prior rates. This matters for both FTL and LTL freight. A shipment that looked predictable when planned can become more expensive when the buyer needs a truck quickly, needs a specific appointment, or has unusual handling requirements.

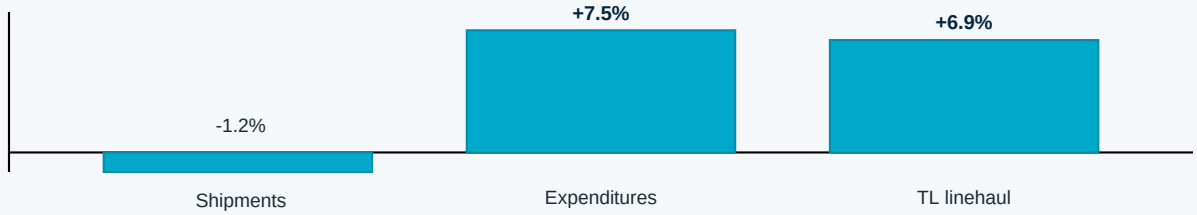
DAT reported that May 2026 spot rates rose across van, refrigerated, and flatbed equipment. The average spot van rate reached $2.89 per mile, reefer reached $3.35, and flatbed reached $3.65, with year-over-year increases of $0.90, $0.99, and $1.07 per mile respectively. Cass showed the broader effect in paid freight bills: expenditures rose 7.5% year over year while shipments were down 1.2%.

DAT May 2026 spot rates - year-over-year increase



Source: DAT May 2026 market release; dollars per mile increase vs. May 2025.

Cass May 2026 indicators - year-over-year change



Source: Cass Transportation Index, May 2026; percent year-over-year change.

What spot means in plain English

Spot freight is the quote you get when the load has to be priced right now in the open market. When capacity tightens, spot pricing usually reacts first, then contract pricing and accessorial scrutiny can follow.

The Pressure Is Spreading Across Freight Modes

The current cost increase is not limited to one type of freight. Truckload is the clearest pressure point, but LTL, FTL, ocean, air, intermodal, IMDL, ports, drayage, OTR, and cross-border transportation are also affected by capacity, fuel, equipment availability, and timing risk.

C.H. Robinson described North American truckload markets as tight across dry van, refrigerated, and flatbed segments, with LTL gradually tightening and fuel volatility affecting networks. The same update noted that June ocean conditions were tightening earlier than seasonal norms because of booking activity, allocation controls, blank sailings, and inland disruption. It also noted rising intermodal volumes as shippers look for alternatives to higher truckload costs.

For large equipment buyers, modal pressure matters because freight options are connected. When truckload prices rise, more freight shifts to intermodal. When ocean bookings tighten, imported components and inbound materials become less predictable. When LTL networks tighten, bulky palletized freight faces higher accessorial scrutiny.

Mode / term	Current pressure	Buyer impact
FTL / truckload	Elevated spot rates, route-guide strain, fuel volatility, driver and equipment constraints.	Fewer low-cost options for large or time-sensitive freight.
LTL	Stable but gradually tightening as shipment mix, class, dimensions, and fuel volatility affect networks.	More attention to freight class, liftgate, appointment, and limited-access delivery.
Flatbed	Continued strength tied to project, industrial, construction, and equipment freight.	Large cabinets or oversized freight may face higher premiums.
Intermodal / IMDL	Volumes rising as shippers shift freight away from higher truckload costs.	Can help on some lanes but requires planning time and drayage coordination.
Drayage	Port and rail-ramp moves depend on chassis, appointments, dwell time, and local capacity.	Short moves can still become expensive if pickup or delivery windows are tight.
Ocean / inbound	Earlier-than-normal tightening, allocation controls, blank sailings, and inland disruption.	Imported components and inbound materials can affect production and delivery timing.

The market is connected

A truckload problem can become an LTL problem. An ocean problem can become a production and inland delivery problem. A diesel problem can become an accessorial, quote-validity, and schedule-risk problem.

Cross Docking, Deadheading, TMS, and FAK: Hidden Cost Drivers

Some freight costs do not show up as a simple linehaul rate. They come from the way freight is handled, the way trucks are positioned, and the quality of the shipment information used to quote the load.

Inbound
supplier, port, rail, plant

Cross dock
rehandle, sort, reload

Outbound
LTL, FTL, OTR, drayage

Delivery
dock, jobsite, yard

Backhaul
loaded return or deadhead

Term / practice	What it does	Cost risk	Planning question
Cross docking	Moves freight from inbound dock to outbound truck with little or no storage.	Can add handling, dock labor, appointments, rehandling damage risk, and waiting time.	Does cross docking actually save time or would direct FTL be cleaner?
Deadheading	A truck drives empty after delivery or before the next pickup.	The carrier still pays driver, fuel, insurance, and equipment costs for empty miles.	Is the destination lane easy for carriers to reload from?
TMS	A transport management system rates, routes, books, tracks, and audits freight.	Bad dimensions, class, or accessorial data can produce a quote that will not hold.	Are cabinet dimensions, pallet count, stackability, and delivery conditions correct?
FAK	Freight All Kinds simplifies LTL pricing by grouping commodities under negotiated terms.	If the product does not fit the agreement, reclass or rebill risk can appear later.	Does the shipment fit the FAK agreement and freight class rules?
Accessorials	Extra services such as liftgate, detention, limited access, inside delivery, storage, or re-delivery.	Can add cost quickly, especially when receivers are not ready.	What does the delivery site require before the carrier arrives?

The cheapest quote is not always the cheapest delivery

When dimensions, freight class, receiving equipment, or appointment needs are wrong, the final bill can change after pickup. Better data upfront helps the TMS, carrier, distributor, and customer work from the same assumptions.

What This Means for Cabinets and Infrastructure Equipment

Large cabinets and outdoor enclosure shipments are especially exposed to freight-market pressure because they are often bulky, non-stackable, project-timed, and delivery-sensitive. The shipment may not be heavy compared with dense industrial freight, but it can take up trailer space, require careful securement, or need a specific delivery appointment.

The biggest risk is treating freight as a final step after the product is ready. In the current market, late freight planning can create quote changes, limited carrier options, accessorial charges, jobsite delays, re-delivery costs, or missed installation windows.

DDB can support customers and distributor partners by helping clarify shipment size, packaging expectations, receiving conditions, and timing needs early in the order process. The goal is practical planning: matching the enclosure, the packaging, the shipping method, and the delivery site before the freight market forces last-minute decisions.

Project freight variable	Why it matters right now	Planning action
Final dimensions	Rates can change when the shipment takes more trailer cube than expected.	Confirm cabinet dimensions, pallet footprint, and stackability early.
LTL vs. FTL choice	LTL may save money for smaller shipments; FTL may be better for large, non-stackable, or appointment-critical freight.	Choose the mode around size, handling risk, and delivery requirements.
Receiving equipment	Liftgate or driver-assist needs can add cost and limit carrier options.	Confirm dock, forklift, site contact, and unloading method before booking.
Delivery location	Jobsites, utility yards, farms, and field locations can trigger limited-access or detention risk.	Classify the delivery point accurately before quoting.
Packaging	Damage risk rises when freight is rehandled, cross docked, or routed through tight networks.	Use packaging appropriate for size, route, and handling risk.
Quote validity	Fuel and spot rates are moving quickly.	Refresh freight quotes close to ship date and avoid stale freight assumptions.

Plan freight before the cabinet is ready to ship.

The best time to prevent avoidable freight cost is before the order reaches the dock. Accurate dimensions, delivery details, freight mode, and site readiness matter more when capacity is tight.

Planning Recommendations for the Current Market

The freight market may remain volatile if diesel stays high, capacity remains tight, and spot rates continue to pull contract pricing upward. Buyers do not control the market, but they can reduce avoidable cost and schedule risk by treating freight as part of the project scope.

Recommendation	Why it helps
Refresh freight quotes close to shipment	Diesel, spot rates, and available capacity can change week to week.
Confirm receiving details before the freight quote	Dock, forklift, site access, hours, contact, appointment needs, and unloading method directly affect cost.
Use correct LTL or FTL assumptions	LTL, FTL, OTR, drayage, and intermodal options price differently and carry different handling risk.
Avoid last-minute urgency where possible	Expedited freight has fewer carrier choices and often pays the highest market rate.
Use realistic packaging assumptions	Crating, pallet footprint, stackability, and protection affect both freight price and damage risk.
Watch accessorial exposure	Liftgate, detention, re-delivery, limited access, storage, and jobsite delivery can add cost quickly.
Separate product cost from delivered cost	A stable product price does not mean the delivered project cost is stable when freight and tariffs move.

Conclusion

Freight costs are rising right now because several market pressures are hitting at once. Diesel remains elevated versus last year. Transportation capacity is contracting. Driver availability is tight. Truckload spot rates are repricing quickly. Contract rates and accessorials are beginning to follow. Ocean, intermodal, drayage, OTR, and LTL conditions are also affected as shippers move freight around the network in search of capacity and cost control.

For customers moving large cabinets, enclosures, and infrastructure equipment, this means freight planning deserves attention earlier in the buying process. Accurate dimensions, packaging, delivery conditions, shipment timing, freight mode, and receiving readiness can make the difference between a manageable freight plan and a costly last-minute scramble.

DDB Unlimited can support that planning by helping customers and distributor partners understand the enclosure package, shipping considerations, and delivery requirements before the freight market forces rushed decisions.

Research Notes and Update Guidance

This white paper was prepared as a current-market analysis and should be refreshed before external publication or quoting guidance. Freight markets can move weekly, especially when diesel, spot capacity, and seasonal demand are changing.

Source	Used for
U.S. Energy Information Administration, Gasoline and Diesel Fuel Update, June 16, 2026 release	Weekly on-highway diesel prices, regional diesel comparison, and fuel-cost context.
Logistics Managers Index, May 2026 report	Transportation Prices Index, Transportation Capacity Index, Transportation Utilization Index, and supply-chain price pressure.
Cass Transportation Index, May 2026 report	Shipments, expenditures, Truckload Linehaul Index, and supply-driven rate pressure.
DAT Freight and Analytics, May 2026 truckload market release	May spot and contract rates, fuel surcharges, linehaul changes, and supply disruption factors.
C.H. Robinson, June 2026 freight market update	Cross-mode context for truckload, LTL, ocean, intermodal, air, drayage, and cross-border pressure.
FreightWaves and FleetOwner June 2026 coverage	Freight rate trend commentary, Cass summary, FTR/DAT weekly rate context, and flatbed strength.
American Transportation Research Institute operational-cost research	Carrier cost structure background: non-fuel costs, maintenance, insurance, labor, and operating margin pressure.
DDB Unlimited product and company materials	Customer-facing positioning around enclosure shipment planning, infrastructure equipment, and distributor support.

Recommended refresh cadence

Before publication: update EIA diesel, DAT Trendlines, Cass Transportation Index, LMI, and any lane-specific freight quotes. Before quoting a project: confirm dimensions, delivery site conditions, carrier availability, fuel surcharge treatment, TMS data, tariff exposure, and accessorial risk.