

USF Holland Shuts Down 11 Terminals

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YRCW subsidiary copes with weak freight demand throughout system

YRC Worldwide regional less-than-truckload subsidiary USF Holland will close 11 terminals, representing 15 percent of Holland's network, by April 6 to cope with weak freight demand throughout its system.

USF Holland, based in Holland, Mich., has been pummeled by the decline in the automotive industry over the last several years and by increasing competition from large and small regional carriers pushing into its market. In early 2008, the company was forced to retreat from previous expansion into the southeast in the face of stiff competition and declining revenue.

USF Holland terminals that will shut down are in Richmond, Va.; Wichita, Kan.; Albany and Syracuse, N.Y.; Allentown, Bedford, DuBois, Harrisburg, Wilkes-Barre, and Philadelphia, Pa., and Baltimore.

Regional LTL New Penn and YRC, the newly branded long-haul network, will begin making deliveries on behalf of Holland beginning April 6. Holland will continue making pickups at the 11 affected locations through April 2, YRC said.

YRC expects to get \$25 million to \$30 million in annual savings at the regional division, while incurring \$8 million to \$10 million of one-time shutdown costs, according to documents filed with the SEC.

The Holland closings come a day after competitor FedEx Freight posted a loss of \$59 million on revenue of \$914 million in its fiscal third quarter.

"We believe USF Holland's terminal closures and FedEx Freight's (third quarter) results highlight a very challenging LTL marketplace," said Wachovia's Justin Yagerman. "Unfortunately for the industry, we view these terminal closings as a rationalization of under-utilized capacity and not an opportunity for freight to be redistributed to the industry."

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