

# Transport Topics **Online**

Updated:

## FedEx Freight Pres. Duncan Resigns

### Chief Led Carrier 8 Years

*By Rip Watson, Senior Reporter*

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Douglas Duncan, the well-known industry executive who heads FedEx Freight — the second-largest less-than-truckload carrier — will retire from the company he has led since it was created in 2001, FedEx Corp. announced.

The Sept. 22 announcement said Duncan, 58, will step down Feb. 28, the end of the company's third fiscal quarter. No successor was named by FedEx, Memphis, Tenn.

In the eight years since FedEx Freight was formed by combining Viking Freight and the newly purchased American Freightways, Duncan built a company whose revenue nearly tripled. In its first full quarter of operation, FedEx Freight had sales of \$511 million. Its revenue peaked at \$1.35 billion in the first quarter of fiscal 2009 and has dipped since then, along with other LTL carriers.

"He's been instrumental in shaping the LTL solution for FedEx," Robert W. Baird analyst Jon Langenfeld told Transport Topics. LTL "was not an industry that FedEx was interested in during the 1990s. He's developed the industry-leading less-than-truckload platform over the last 10 years."

Since its formation, the freight unit regularly has posted some of the industry's best operating ratios, including a mark of 85.2 in the first quarter of the 2007 fiscal year.

Also over that time period, FedEx Freight moved into second place among LTL carriers as Consolidated Freightways, No. 3, went out of business in 2002, and a year later Yellow Corp. bought Roadway Express in a merger of the two largest LTL services.

Since beginning operations, FedEx Freight has grown from about 10% of the parent corporation's revenue to a peak of 14% in the first quarter of fiscal 2009.

"A great deal of thought went into this decision, and I believe the timing is right for me personally and for our company," Duncan said in an e-mail to co-workers on the day of the announcement. "While I will truly miss this team, I am looking forward to a slower business schedule and a more active personal schedule with family and friends."

Describing his 12 years at FedEx as "the most enjoyable" of his career, Duncan said, "I look forward to working with all of you over the next few months as we lead the recovery. The LTL market is still challenging, but I believe the freight recession is reaching an end."

FedEx Freight reported a \$2 million operating profit for its most recent quarter on Sept. 17, halting a string of two consecutive losses that totaled \$165 million.

"He has been one of the most notable executives in the LTL industry because he created a powerhouse within the portfolio of a global parcel carrier," said Satish Jindel, who heads SJ Consulting, Sewickley, Pa. "That gave FedEx an advantage in bundling and offering a heavy freight service. Their biggest competitor, UPS Inc., had to follow that model, so they went out and purchased Overnite."

FedEx Freight also changed the landscape in the LTL industry by forcing companies whose primary business was freight to broaden their business to compete with a carrier that had the strength of FedEx's brand name and technology, Jindel said. He also noted that under Duncan, American Freightways and Viking were combined successfully, unlike some other consolidations in the industry.

Besides his duties at FedEx, Duncan has been a high-profile advocate for trucking.

"He is involved as chairman of the American Transportation Research Institute and he is an active participant in American Trucking Associations' Executive Committee activities," said Bill Graves, president of ATA. "He is tremendously supportive of, and involved in, the National Truck Driving Championships."

"Doug is a classic lead-by-example kind of person," Graves told TT. "Doug is a committed industry leader — and such a terrific supporter of the ATA."

FedEx Freight swelled in size with the purchase of Watkins Motor Lines in 2006, giving the LTL operator a national longhaul network to accompany its regional service.

Duncan headed Viking Freight System, a regional LTL carrier in California that FedEx bought in 1998, before being named to lead FedEx Freight when it was created in 2001, following the corporation's purchase of American Freightways in 2001 for \$1.2 billion.

Duncan began his trucking career in 1976 at Roadway. He moved to Caliber System, owner of Viking, when that company was split off from the unionized LTL operator in 1995.

By 1998, he moved to the senior vice president's post at Viking Freight, a regional LTL operating in 11 West Coast states, and became the company's president in November of that year.