

The Blueprint for Freight Survival: Why Identity is the New Currency in Transportation

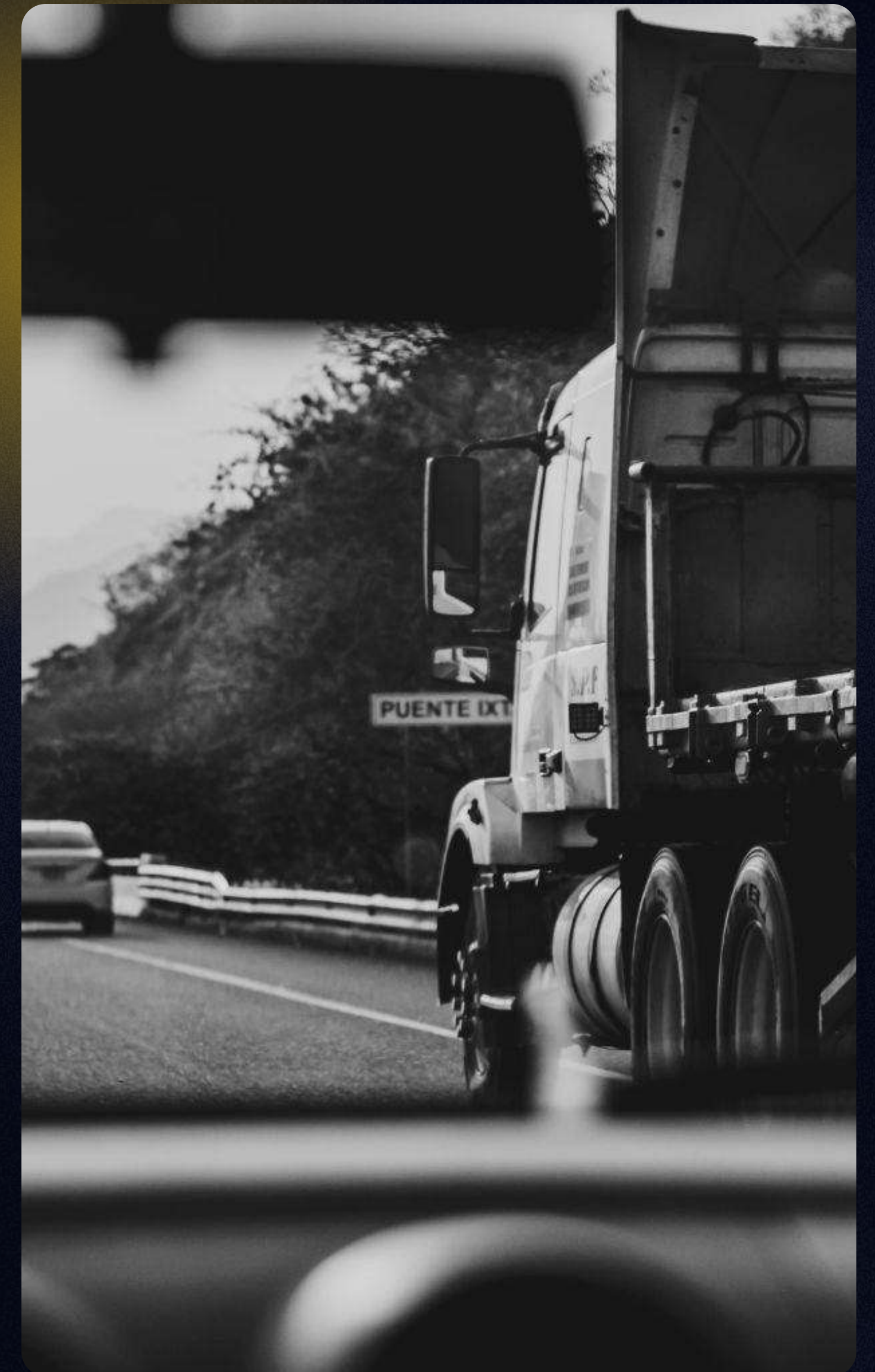
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Introduction

The North American transportation industry is currently navigating what I refer to as the **Great Reconfiguration** — a period of structural uncertainty where traditional, linear supply chains are no longer sufficient to survive. As we move through 2026, the era of static, cost-focused operations has ended. In this new landscape, agility and trust are the only currencies that matter.

For years, the transportation industry operated on a "handshake" digital equivalent, assuming that a valid Motor Carrier (MC) number and a standard insurance certificate were enough to establish trust. However, the sophistication of organized crime and a rapidly shifting regulatory environment have shattered those assumptions.



An Industry Under Attack

The transportation industry has been under sustained pressure due to a convergence of structural, economic, and technological forces that have exposed long-standing vulnerabilities in the system.

The combined effect is systemic:

- 1 Carriers face tighter margins and higher risk exposure
- 2 Brokers encounter elevated liability and vetting burdens
- 3 Shippers experience service disruptions and cost instability
- 4 Insurers contend with rising claims

What was once a cyclical industry challenge has evolved into a structural reconfiguration, forcing every actor in the transportation ecosystem to rethink resilience, trust, and operational discipline.

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The Capacity Cliff
and the "Loose but
Fragile" Market

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The Structural
Driver Shortage

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Regulatory
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The Carrier Identity
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1 The Capacity Cliff and the "Loose but Fragile" Market

While the market has felt relatively loose following the post-pandemic boom, 2026 marks a turning point where capacity is becoming dangerously thin. Years of thin margins and high interest rates have led to a steady "erosion" of capacity rather than a sudden crash. Thousands of small carriers have exited the market or failed to renew their authority.

This capacity purge has primarily affected small-to-mid-sized fleets that were caught between depressed spot rates and a 6% increase in marginal

operating costs. While the rate of exits began to slow toward the end of 2025, the industry remains in a "grinding correction" phase as it headed into 2026.

With equipment orders hitting historic lows and many fleets running "lean" to protect margins, the industry no longer has the excess "buffer" to absorb sudden demand spikes. A single weather event or seasonal surge now has the potential to flip the market into a state of extreme tightness almost overnight.



+6%
in marginal
operating costs

2 The Structural Driver Shortage

The labor gap has moved beyond simple recruitment issues into a structural imbalance. An aging workforce is retiring at a faster rate than new drivers are entering the field. Where once being a truck driver was a dream job allowing people to travel the country and be free, today's heavily regulated industry makes this job a lot less attractive. Younger generations are increasingly deterred by the lifestyle trade-offs of long-haul trucking, preferring roles in local delivery or technology.

New federal regulations have significantly tightened the criteria for commercial licenses.

The removal of tens of thousands of "non-domiciled" drivers who were previously operating under temporary work authorizations has created immediate regional capacity gaps, particularly in cross-border and long-haul corridors.



3 A New Era of Regulatory Enforcement

Regulations in 2026 have shifted from administrative oversight to strict operational enforcement.

A major catalyst for the current industry volatility is the Federal Motor Carrier Safety Administration's (FMCSA) recent crackdown on **non-domiciled Commercial Driver's Licenses (CDLs)**. As of late 2025 and early 2026, new rules have eliminated the use of Employment Authorization Documents (EADs) as proof of CDL eligibility. This regulatory shift has removed tens of thousands of drivers from

the available workforce almost overnight.

For carriers, particularly mid-sized and smaller fleets, this creates an immediate hiring challenge. For brokers, it introduces a massive risk: the rise of "illegal" or "unqualified" drivers attempting to operate under the radar. Working as a broker with an unqualified carrier or an illegal driver can result in lawsuits and eventual financial demise in an industry that has faced 1000s of bankruptcies in the past few years resulting in even more trucks being removed from the U.S. road capacity.

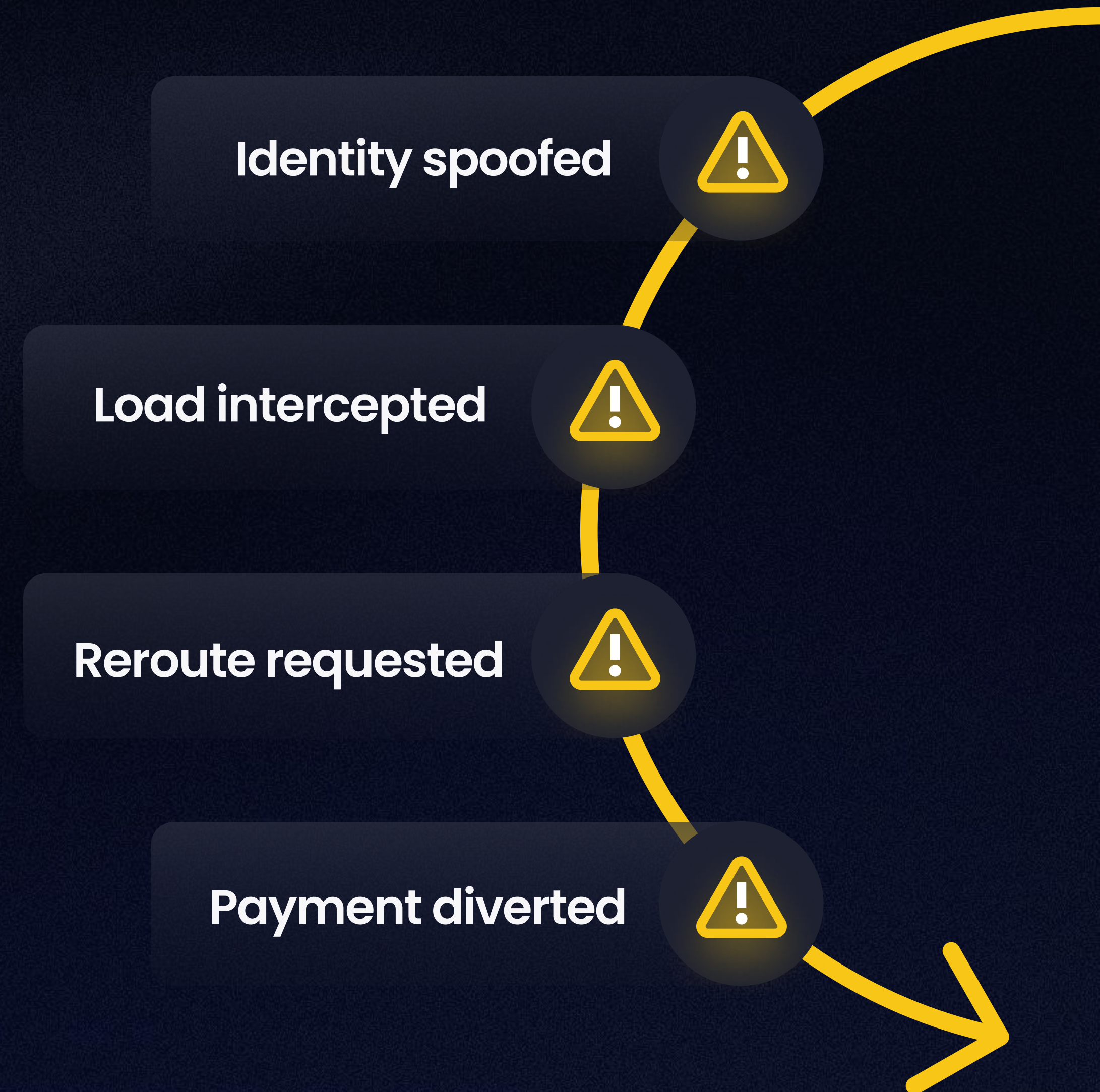
The conversation around **English Language Proficiency (ELP)** has also intensified, as safety audits now scrutinize not just the license, but the driver's ability to navigate American safety standards. Without an identity-first approach, brokers are inadvertently hiring "warm bodies" rather than qualified professionals, leading to increased liability and insurance premiums. Drivers who cannot demonstrate basic English proficiency are increasingly being placed out-of-service, a move designed to improve roadway safety but one that further constricts the available driver pool.

4 The Freight Fraud Epidemic

Fraud has evolved from a nuisance into a multi-billion-dollar crisis. "Strategic theft" — a combination of cyber fraud and identity theft — has seen a staggering increase.

Organized crime rings now use AI to spoof broker identities, manipulate FMCSA data, and impersonate legitimate carriers. They often intercept a load digitally before it even hits the dock, diverting entire shipments of high-value goods.

Fraudsters frequently target the payment cycle, using phishing schemes to request changes to banking information or demanding illegal "quick pay" fees.



The Carrier Identity Crisis: A Fragmented Industry Under Attack

The challenges facing carriers and freight brokers in 2026 are multifaceted, but they all converge on a single point: the inability to verify the "who" behind the transaction with 100% certainty. We see too many news stories on accidents created by illegal drivers and loads being stolen by organized crime groups.

In response to the fraud epidemic, the industry is moving toward "Identity-Assured" logistics. Freight brokers can no longer rely on simple MC numbers to verify a carrier.

The challenge is now to verify the "person behind the code." This requires the implementation of high-assurance digital identity proofing, including government ID validation and live-photo verification.

Organizations like the NMFTA have introduced mandatory identity verification for SCAC renewals. This turns what was once a static code into a "trust credential," but it adds a layer of administrative friction for carriers who are already stretched thin.



Do Not Panic! Help is on the Way

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In this current freight landscape, the calculus for the freight broker's balance sheet has fundamentally shifted: fraud is no longer an anomaly to be eradicated, but a structural risk that must be integrated into the business model. This new reality demands a technology stack that does more than just facilitate a middleman transaction; it must act as a gateway to market scale by leveraging the vast data available while enforcing rigorous, non-negotiable standards. We need a true **steward** who accepts a moral and strategic responsibility for the long-term health, ethics, and evolution of the entire ecosystem.

Into this new reality has stepped **Highway**, a company that has evolved from a specialized freight identity player into a comprehensive technology platform that serves as the "Identity Layer" for the entire transportation ecosystem.

Highway's vision is to lead this transition by establishing the industry's first true Identity Standard, moving beyond parsed-out security features to create a common language around the "identity-proofed carrier." Much like Visa provides the rails for global financial execution, Highway serves as the infrastructure for trusted freight, prioritizing a durable, identity-first framework that recognizes the unique risks inherent in every load and every carrier.

The Highway Freight Fraud Index: Data as a Warning

The Highway Freight Fraud Index highlights a chilling reality: freight fraud is not just scaling; it is evolving. According to the report, fraudulent email attempts increased by 117% year-over-year. Most concerning is the rise of **Direct Theft** — situations where a load is picked up by a carrier with a seemingly legitimate history, only to be compromised mid-transit through spoofed calls or lookalike-domain emails requesting a reroute.

The advancement of technology is reaching lightspeed. It provides a powerful tool for those who use it. But **"With great power comes great responsibility"** (Stan Lee, Spider-Man, Amazing Fantasy, 1962). And in the wrong hands, e.g. organized crime or freight fraudsters, this technology can deceive folks that still depend on human trust rather than use tools that can protect them.



+117%

YoY fraudulent
email attempts

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From Identity to Platform: The Evolution of Highway

Highway's evolution reflects the industry's need for a move from "reporting the past" to "executing the future." While the company began by solving the "onboarding" problem, it has matured into a broader solution that manages the entire lifecycle of a load through its Carrier Identity® tech platform.

The Carrier Identity Engine

At the heart of the platform is an identity-first foundation. Identity checks are critical in financial transactions in banks. And who better to know than Jordan Graft, the

founder of Highway, who previously led the Triumph Pay business as that business unit's leader and CEO.

Just as a bank verifies identity before a loan, Highway requires carriers to prove their identity, authority, and equipment before a transaction moves forward. This involves high-assurance digital identity proofing (aligning with NIST 800-63A standards), which includes government-issued ID validation and live-photo verification.

Load Lock+: Moving from Visibility to Verification

The industry's greatest weakness has long been "assumption-based visibility." Highway has countered this with Load Lock+, an extension that provides 100% ELD-powered tracking.

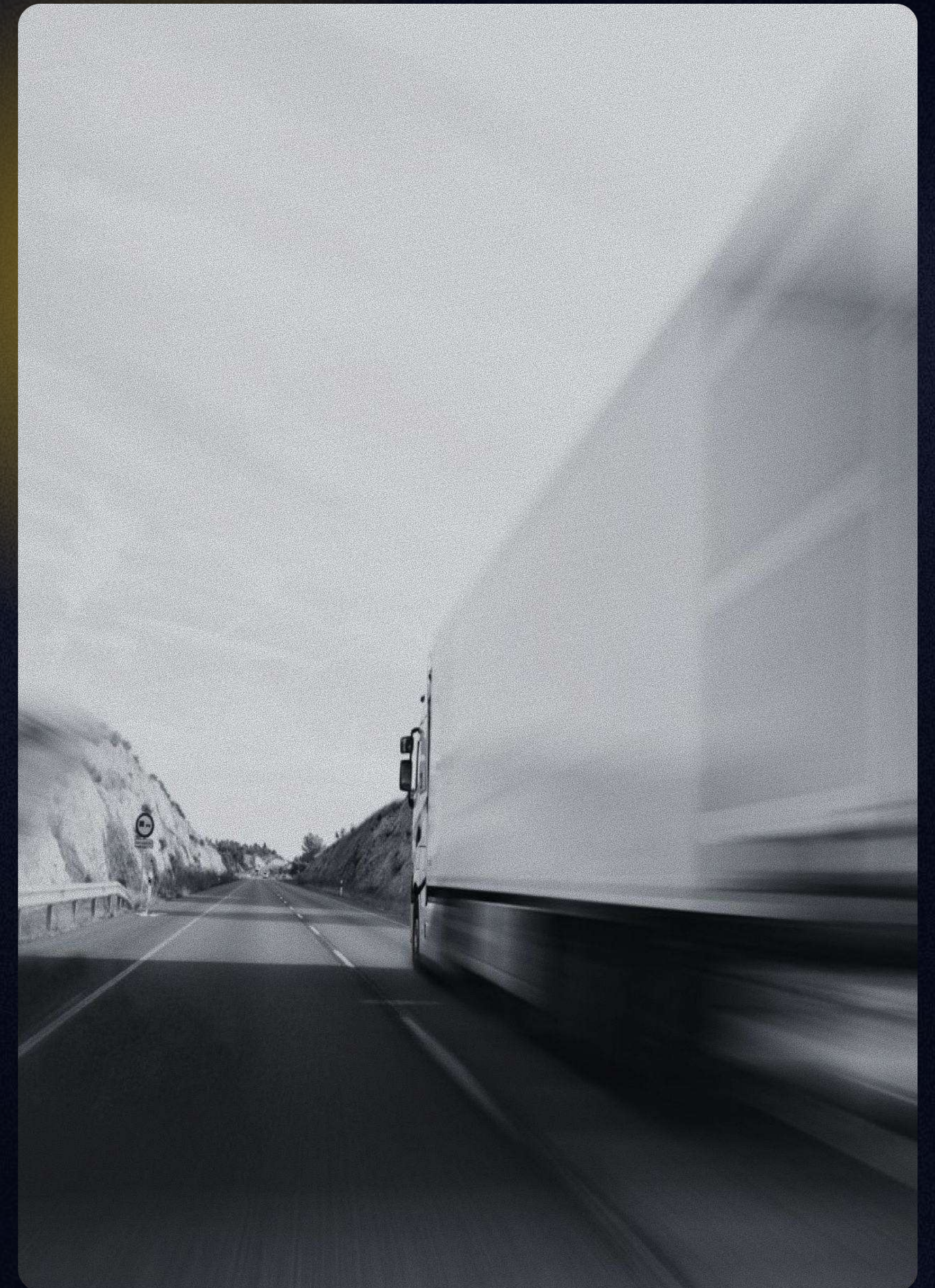
By leveraging an unprecedented volume of direct ELD connections, Highway enables:

- 1 **Automated Intelligent Vehicle Assignment:** Analyzing real-time truck locations to ensure the right truck is moving the right load.
- 2 **Proximity Adaptive Tracking:** Ultra-high-frequency tracking that adapts as a vehicle nears critical delivery points.
- 3 **Exclusion Intel:** Analyzing full insurance policy documents to identify coverage gaps — such as "reefer breakdown" exclusions — before the load is ever assigned.

Driving Operational Excellence and ROI

The shift to Highway's platform is not merely a security move; it is an operational strategy that directly affects the bottom line for both brokers and carriers.

With carrier P&Ls having been challenged by low freight rates while facing rising costs of assets, payroll, insurance and other factors, ROI is a key decision factor for companies to invest in any new technology solution.



The Road Ahead: A Call to Action

The storm of disruption in the transportation industry is persisting. Whether it is the tightening capacity caused by the CDL/ELP regulations or the sophisticated "Sold MC" scams identified in the Freight Fraud Index, the risks of operating without a verified identity layer are now unsustainable.

NOW is the time to build your architectural blueprint for freight survival. By transitioning from siloed, reactive operations to a networked, autonomous identity framework, carriers and brokers can finally move with the speed the market demands.

By maintaining high digital hygiene — from securing the motor carrier's inbox to creating a comprehensive digital trail of all collected

information — Highway acts as a true **steward** that empowers brokers and carriers to move towards true stewardship of their data and transactions as well as active network empowerment.

Despite the headwinds of industry-wide adoption, the future belongs to those who embrace this trusted exchange, replacing fragmented manual checks with a secure, digital-first standard that ensures every load is built on a foundation of verified confidence.

The era of fragmented, assumption-based logistics is over. It is time to secure your network, protect your margins, and deliver on the promise of a trusted freight ecosystem. The time to act is N.O.W.

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The era of fragmented, assumption-based logistics is over.



Know Who's Moving Your Freight

Carrier identity is no longer optional — it's operational infrastructure. Highway gives brokers the verified data they need to book with confidence and move with speed.

[See Highway in Action ↗](#)