Risk Factors Comparison 2024-02-16 to 2023-02-17 Form: 10-K

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The following are material factors that could affect our financial performance and could cause actual results for future periods to differ materially from our anticipated results or other expectations, including those expressed in any forward- looking statements made in this Annual Report on Form 10- K. We may also refer to this disclosure to identify factors that may cause actual results to differ from those expressed in other forward- looking statements, including those made in oral presentations such as telephone conferences and webcasts open to the public. Business environment and competition risk factors Economic recessions could have a significant, adverse impact on our business. The transportation industry historically has experienced cyclical fluctuations in financial results due to economic recessions, downturns in business cycles of our customers, interest rate fluctuations, currency fluctuations, and other economic factors beyond our control. Deterioration in the economic environment subjects our business to various risks, which may have a material and adverse impact on our operating results and cause us to not reach our long- term growth goals: • Decrease in volumes: A reduction in overall freight volumes in the marketplace may reduce our opportunities for growth. A significant portion of our freight is comprised of transactional or spot market opportunities. The market may be impacted by supply chain disruptions or overall economic conditions. In addition, if a downturn in our customers' business cycles causes a reduction in the volumes of freight shipped by those customers, particularly among certain national retailers or in the food, beverage, retail, manufacturing, housing, paper, ecommerce, or printing industries, our operating results could be adversely affected. During 2022 and ~~continuing in~~ 2023, we ~~have~~ experienced a decline in volumes as shippers ~~struggle~~ **struggled** with elevated inventory levels and consumer demand **was** ~~has been~~ negatively impacted by inflation and macroeconomic uncertainty. These volume declines have also driven declining freight rates in certain transportation modes and trade lanes. • Credit risk and working capital: Some of our customers may face economic difficulties and may not be able to pay us, and some may go out of business. In addition, some customers may not pay us as quickly as they have in the past, which may cause our working capital needs to increase. • Transportation provider failures: A significant number of our contracted transportation providers may go out of business **,** and we may be unable to secure sufficient equipment or other transportation services to meet our commitments to our customers. • Expense management: We may not be able to appropriately adjust our expenses to changing market demands. In order to maintain high variability in our business model, it is necessary to adjust staffing levels to changing market demands. In periods of rapid change, it may be more difficult to match our staffing levels to our business needs. In addition, we have other expenses that are fixed for a period of time, and we may not be able to adequately adjust them in a period of rapid change in market demand. Higher carrier prices may result in decreased adjusted gross profit margin and increases in working capital. Carriers can be expected to charge higher prices if market conditions warrant or to cover higher operating expenses. Our adjusted gross profits and income from operations may decrease if we are unable to increase our pricing to our customers. Increased demand for over the road transportation services and changes in regulations may reduce available capacity and increase motor carrier pricing. In some instances where we have entered into contract freight rates with customers, in the event market conditions change and those contracted rates are below market rates, we may be required to provide transportation services at a loss. As our volumes increase or we increase freight rates charged to our customers, the resulting increase in revenues may increase our working capital needs due to our business model, which generally has a higher length of days sales outstanding than days payables outstanding. Changing fuel costs and interruptions of fuel supplies may have an impact on our adjusted gross profit margin. In our truckload transportation business, fluctuating fuel prices may result in a decreased adjusted gross profit margin. While our different pricing arrangements with customers and contracted motor carriers make it very difficult to measure the precise impact, we believe ~~that~~ fuel costs essentially act as a pass- through cost to our truckload business. In times of fluctuating fuel prices, our adjusted gross profit margin may also fluctuate. Adjusted gross profit margin is a non- GAAP financial measure calculated as adjusted gross profits divided by total revenues. For additional information, see Item 7 of Part II, Management' s Discussion and Analysis of Financial Condition and Results of Operations. Our dependence on third parties to provide equipment and services may impact the delivery and quality of our transportation and logistics services. We do not employ the people directly involved in delivering our customers' freight. We depend on independent third parties to provide truck, rail, ocean, and air services and to report certain events to us, including but not limited to, shipment status information and freight claims. These independent third parties may not fulfill their obligations to us, or our relationship with these parties may change, which may prevent us from meeting our commitments to our customers. ~~This~~ **Our** reliance **on these third parties** also could cause delays in reporting certain events, including recognizing claims. In addition, if we are unable to secure sufficient equipment or other transportation services from third parties to meet our commitments to our customers, our operating results could be materially and adversely affected, and our customers could switch to our competitors temporarily or permanently. Many of these risks are beyond our control, including: • equipment and driver shortages in the transportation industry, particularly among contracted motor carriers; • changes in regulations impacting transportation; • disruption in the supply or cost of fuel; • reduction or deterioration in rail service; • the introduction of alternative means of transporting freight; and • unanticipated changes in freight markets. We face substantial industry competition. Competition in the transportation services industry is intense and broad- based. We compete against traditional and non- traditional logistics companies, including transportation providers that own equipment, third- party freight brokers, technology matching services, internet freight brokers, carriers offering logistics services, and on- demand transportation service providers. We also compete against carriers' internal sales forces. In addition, customers can bring in- house some of the services we provide to them. We often buy and sell transportation services from and to many of our competitors. Increased competition could reduce our market opportunity and create downward pressure on freight rates, and continued rate pressure may adversely affect our adjusted gross profits and income from operations. In some instances where we have entered into contract freight rates with customers, in the event market conditions change and those contracted rates are below market rates, we may be required to provide transportation services at a loss . Our sourcing business is dependent upon...... ability to grow and harvest marketable crops . Our earnings may be affected by seasonal changes or significant disruptions in the transportation industry. Results of operations for our industry generally show a seasonal pattern as customers reduce shipments during and after the winter holiday season. We believe this historical pattern has been the result of, or influenced by, numerous factors, including national holidays, weather patterns, consumer demand, economic conditions, and other similar and subtle forces. Although seasonal changes in the transportation industry have not had a significant impact on our cash flow or results of operations, we expect this trend to continue **,** and we cannot guarantee ~~that~~ it will not adversely impact us in the future. The transportation industry may also be significantly impacted by disruptions such as port congestion and the availability of transportation equipment, as well as factors such as labor shortages, fuel prices, shifts in consumer demand toward more locally sourced products, and regulatory changes. These disruptions may impact the growth rates within the global logistics industry and our ability to provide transportation services for our customers, each of which may adversely impact our results of operations and operating cash flows. We may be unable to identify or complete suitable acquisitions and investments. We may acquire or make investments in complementary businesses, products, services, or technologies. We cannot guarantee ~~that~~ we will be able to identify suitable acquisitions or investment candidates. Even if we identify suitable candidates, we cannot guarantee ~~that~~ we will make acquisitions or investments on commercially acceptable terms, if at all. The timing and number of acquisitions we pursue may also cause volatility in our financial results. In addition, we may incur debt or be required to issue equity securities to pay for future acquisitions or investments. The issuance of any equity securities could be dilutive to our stockholders .Our sourcing business is dependent upon the supply and price of fresh produce.The supply and price of fresh produce is affected by weather and growing conditions,including but not limited to,flood,drought,freeze,insects,disease,and other conditions over which we have no control.Commodity prices can be affected by shortages or overproduction and are often highly volatile.If we are unable to secure fresh produce to meet our commitments to our customers,our operating results could be materially and adversely affected,and our customers could switch to our competitors temporarily or permanently.To assure access to certain commodities,we occasionally make monetary advances to growers to finance their operations.Repayment of these advances is dependent upon the growers' ability to grow and harvest marketable crops . Company risk factors We rely on technology to operate our business. We have internally developed the majority of our operating systems and also rely on technology provided by third parties. Our continued success is dependent on our systems continuing to operate and to meet the changing needs of our customers and users. The continued automation of existing processes and usage of third- party technology and cloud network capacity will require adaptation and adjustments that may increase our exposure to cybersecurity risks and system availability reliance. We rely on our technology staff and third- party vendors to successfully implement changes to, and to maintain, our operating systems in an efficient manner. If we fail to maintain, protect, and enhance our operating systems, we may be at a competitive disadvantage and lose customers. As demonstrated by recent material and high- profile data security breaches, computer malware, viruses, computer hacking, and phishing attacks have become more prevalent, have occurred on our operating systems in the past, and may occur on our operating systems in the future. Previous attacks on our operating systems have not had a material financial impact on our operations, but we cannot guarantee ~~that~~ future attacks will have little to no impact on our business. Furthermore, given the interconnected nature of the supply chain and our significant presence in the industry, we believe ~~that~~ we may be an attractive target for such attacks. The insurance coverage we currently have in place may not apply to a particular loss or it may not be sufficient to cover all liabilities to which we may be subject. A loss for which we are not adequately insured could materially affect our financial results. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, a significant impact on the performance, reliability, security, and availability of our operating systems and technical infrastructure to the satisfaction of our users may harm our reputation, impair our ability to retain existing customers or attract new customers, and expose us to legal claims and government action, each of which could have a material adverse impact on our financial condition, results of operations, and growth prospects. Our international operations subject us to operational ~~and~~ **,** financial **, and data privacy** risks. We provide services within and between foreign countries on an increasing basis. Our business outside of the U. S. is subject to various risks, including: • changes in tariffs, trade restrictions, trade agreements, and taxations; • difficulties in managing or overseeing foreign operations and agents; • limitations on the repatriation of funds because of foreign exchange controls; • different liability standards; • intellectual property laws of countries that do not protect our rights in our intellectual property, including but not limited to, our proprietary information systems, to the same extent as the laws of the U. S.; ~~and~~ • issues related to non- compliance with laws, rules, and regulations in the countries in which we operate including the U. S. Foreign Corrupt Practices Act and similar regulations. Failure to comply could result in reputational harm, substantial penalties, and operational restrictions **; and • global laws and regulations regarding the collection, use, processing, and transfer of personal information may impact our services by imposing restrictions on processing, increase legal claim liability, and increase regulatory scrutiny and fines. These requirements continue to evolve and vary by region and regime, which increases the risk of noncompliance and impacts operations, including additional expenses and resources necessary to manage compliant operations** . The occurrence or consequences of any of these factors may restrict our ability to operate in the affected region and / or decrease the profitability of our operations in that region. As we continue to expand our business internationally, we expose the company to increased risk of loss from foreign currency fluctuations, as well as longer accounts receivable payment cycles. Foreign currency fluctuations could result in currency exchange gains or losses or could affect the book value of our assets and liabilities. Furthermore, we may experience unanticipated changes to our income tax liabilities resulting from changes in geographical income mix and changing international tax legislation. We have limited control over these risks, and if we do not correctly anticipate changes in international economic and political conditions, we may not alter our business practices in time to avoid adverse effects. Our ability to appropriately staff and retain employees is important to our business model. Our continued success depends upon our ability to attract and retain motivated logistics professionals. In order to maintain high variability in our business model, it is necessary to adjust staffing levels to changing market demands. In periods of rapid change, it may be more difficult to match our staffing level to our business needs. We cannot guarantee ~~that~~ we will be able to continue to hire and retain a sufficient number of qualified personnel. In addition, macroeconomic factors impacting the labor market may result in higher costs to hire and retain qualified personnel. Because of our comprehensive employee training program, our employees are attractive targets for new and existing competitors. Continued success depends in large part on our ability to develop successful employees into managers. We **use, and may continue to expand our use of, machine learning and artificial intelligence (" AI ") technologies to deliver our services and operate our business. If we fail to successfully integrate AI into our platform and business processes, or if we fail to keep pace with rapidly evolving AI technological developments, including attracting and retaining talented AI developers and programmers and cybersecurity personnel, we may face a competitive disadvantage. At the same time, the use or offering of AI technologies may result in new or expanded risks and liabilities, including enhanced government or regulatory scrutiny, litigation, privacy and compliance issues, ethical concerns, confidentiality, reputational harm, and security risks. It is not possible to predict all of the risks related to the use of AI and changes in laws, rules, directives, and regulations governing the use of AI may adversely affect our ability to develop and use AI or subject us to legal liability. The cost of complying with laws and regulations governing AI could be significant and would increase our operating expenses, which could adversely affect our business, financial condition, and results of operations. Further, market demand and acceptance of AI technologies are uncertain, and we may be unsuccessful in efforts to further incorporate AI into our processes. We** derive a significant portion of our total revenues and adjusted gross profits from our largest customers. During ~~2022~~ **2023** , our top 100 customers based on total revenue comprised approximately 35 percent of our consolidated total revenues and our top 100 customers based on adjusted gross profits comprised approximately ~~29~~ **28** percent of **our** consolidated adjusted gross ~~profit~~ **profits** . Our largest customer comprised approximately two percent of our consolidated total revenues. The sudden loss of major customers could materially and adversely affect our operating results. We may be subject to the negative impacts of climate change, which could adversely impact our business and financial results. The potential impacts of climate change may subject us to various risks, including: • physical risks such as extreme weather conditions or other types of weather events, which could disrupt our operations; • compliance costs and transition risks such as increased regulation on us and on our contracted transportation providers; and • reputational and strategic risks due to shifts in customer demands such as customers requiring more fuel efficient transportation, autonomous transportation modes, or increased transparency to carbon emissions in their supply chains. Such impacts may disrupt our operations by adversely affecting our ability to procure services that meet regulatory or customer requirements and may negatively affect our results of operations, cash flows **,** and financial condition. We may have difficulties integrating acquired companies. For acquisitions, success depends upon efficiently integrating the acquired business into our existing operations. If we complete a large acquisition or multiple acquisitions within a short period of time, we may experience heightened difficulties ~~in~~ integrating the acquired companies. We are required to integrate these businesses into our internal control environment, which may present challenges that are different than those presented by organic growth and that may be difficult to manage. If we are unable to successfully integrate and grow these acquisitions and to realize contemplated revenue synergies and cost savings, our business, prospects, results of operations, financial position, and cash flows could be materially and adversely affected. Our growth and profitability may not continue, which may result in a decrease in our stock price. There can be no assurance that our long- term growth targets will be achieved or that we will be able to effectively adapt our management, administrative, and operational systems to respond to any future growth. Future changes in and expansion of our business, or changes in economic or political conditions, could adversely affect our operating margins. Slower or less profitable growth or losses could adversely affect our stock price. ~~We are in the process of searching for a new Chief Executive Officer and need to retain key management personnel. Our Board of Directors is conducting a search for a new Chief Executive Officer. In January 2023, we announced that the Board of Directors was conducting a search for a successor for our Chief Executive Officer whose employment terminated January 1, 2023, and the Board appointed a member of the Board to serve as Interim Chief Executive Officer. We must successfully identify and integrate a new Chief Executive Officer to achieve our strategic and operating objectives, and the timeline for completing this process is currently unknown. Transitions in senior executive leadership can adversely affect relationships with our clients, suppliers, and employees; make it difficult to attract and retain talent; and pose challenges in planning for the future. We must also retain other key management personnel to facilitate a smooth transition. Failure to attract, retain and incentivize key management personnel could materially and adversely affect our operating results.~~ Our indebtedness could adversely impact our financial condition and results of operations. Significant adverse economic and industry conditions could negatively affect our ability to pay principal and interest on our debt and limit our ability to fund working capital, capital expenditures, possible acquisitions, dividends, share repurchases, or other investments. If we are unable to generate sufficient cash flows to satisfy our debt obligations or refinance these debt obligations with commercially acceptable terms, it may adversely impact our financial position and results of operations. We may be unable to comply with the various restrictions and covenants under our indebtedness, which may result in default and our outstanding indebtedness may become immediately due and payable and adversely impact our financial position. We may be adversely impacted by changing interest rates. We are exposed to changes in interest rates, primarily on our short- term debt that carries floating interest rates. Interest rates are highly sensitive to many factors, including governmental monetary policies, economic conditions, and other factors beyond our control. A significant increase in interest rates could adversely impact our financial position and results of operations. Governmental, regulatory, and legal risk factors Changes to income tax regulations in the U. S. and other jurisdictions where we operate may increase our tax liability. We are subject to income taxes in the U. S. and other jurisdictions where we operate. Changes to income tax laws and regulations in any of the jurisdictions where we operate could ~~significantly increase~~ **adversely affect our overall tax liability. The Organization for Economic Cooperation and Development (“ OECD ”) reached agreement among various countries to implement a minimum 15 percent tax rate on certain multinational enterprises, commonly referred to as Pillar Two. Many countries continue to announce changes in their tax laws and regulations based on the Pillar Two proposals. We are continuing to evaluate the impact of these proposed and enacted legislative changes as new guidance becomes available. Some of these legislative changes could impact** our effective tax rate and ~~reduce~~ **tax liabilities. Given the numerous proposed tax law changes and the uncertainty regarding such proposed legislative changes, the impact of Pillar Two could adversely impact** our **effective tax rate, financial position, and results of** ~~operating~~ **operations** ~~cash flows~~ . We are subject to claims arising from our transportation operations. We use the services of thousands of third **-** party transportation companies in connection with our transportation operations. From time to time, the drivers employed and engaged by the motor carriers with which we contract are involved in accidents, which may result in serious personal injuries. The resulting types and / or amounts of damages may be excluded by or exceed the amount of insurance coverage maintained by the contracted motor carrier. We contractually require all motor carriers we work with to carry at least $ 750, 000 in automobile liability insurance. We also require all contracted motor carriers to maintain workers compensation and other insurance coverage as required by law. Most contracted motor carriers have insurance exceeding these minimum requirements, as well as cargo insurance in varying policy amounts. Railroads, which are generally self- insured, provide limited common carrier cargo loss or damage liability protection, generally up to $ 250, 000 per shipment. Although these drivers are not our employees and all of these drivers are employees, owner- operators, or independent contractors working for the contracted motor carriers, from time to time, claims may be asserted against us for their actions or for our actions in retaining them. Claims against us may exceed the amount of our insurance coverage or may not be covered by insurance at all. ~~In addition, we are insured up to $ 2. 5 million per incident within our automobile liability policy.~~ A material increase in the frequency or severity of accidents, liability claims, workers’ compensation claims, or unfavorable resolutions of claims could materially and adversely affect our operating results. In addition, significant increases in insurance costs or the inability to purchase insurance as a result of these claims could reduce our profitability. Our involvement in the transportation of certain goods, including but not limited to, hazardous materials, could also increase our exposure in the event one of our contracted motor carriers is involved in an accident resulting in injuries or contamination. In North America, as a property freight broker, we are not legally liable for loss or damage to our customers' cargo. In our customer contracts, we may agree to assume cargo liability up to a stated maximum. We typically do not assume cargo liability to our customers above minimum industry standards in our international freight forwarding, ocean transportation, or air freight businesses on international or domestic air shipments. Although we are not legally liable for loss or damage to our customers' cargo, from time to time, claims may be asserted against us for cargo losses. We maintain a broad cargo liability insurance policy to help protect us against catastrophic losses that may not be recovered from the responsible contracted carrier. We also carry various liability insurance policies, including automobile and general liability, with a $ ~~155~~ **125** million umbrella **with up to a** ~~where we carry retentions between~~ $ ~~0~~ **10 million retention, an additional $ 10 million corridor retention, and a $ 6** . 5 million ~~and $ 7. 5 million~~ **retention in various layers throughout the umbrella** . Buying and reselling fresh produce exposes us to possible product liability. Agricultural chemicals used on fresh produce are subject to various approvals, and the commodities themselves are subject to regulations on cleanliness and contamination. Product recalls in the produce industry have been caused by concern about particular chemicals and alleged contamination, often leading to lawsuits brought by consumers of allegedly affected produce. We may face claims for a variety of damages arising from the sale of produce, which may include potentially uninsured consequential damages. While we are insured for up to $ ~~155~~ **125** million for product liability claims subject to a $ 500, 000 per incident deductible, settlement of class action claims is often costly, and we cannot guarantee ~~that~~ our coverage will be adequate or that it will continue to be available. If we have to recall produce, we may be required to bear the cost of repurchasing, transporting, and destroying any allegedly contaminated product, as well as associated consequential damages. We carry product recall and contamination insurance coverage of $ 30 million. A loss for which we are not adequately insured could materially affect our financial results. The coverage we currently have in place may not apply to a particular loss, or it may not be sufficient to cover all liabilities to which we may be subject. This policy has a retention of $ 3. 5 million per incident. Any recall or allegation of contamination could affect our reputation, particularly of our proprietary and / or licensed branded produce programs, which could materially and adversely affect our operating results. Loss due to spoilage (including the need for disposal) is also a routine part of the sourcing business. Any material litigation related to the above types of claims or claims arising from our transportation operations may require significant **time from** management ~~time~~ and could cause us to incur substantial legal and related costs, which may include damages that could have a material adverse impact on our financial results. Our business depends upon compliance with numerous government regulations. Our operations may be regulated and licensed by various federal, state, and local transportation agencies in the U. S. and similar governmental agencies in foreign countries in which we operate. We are subject to licensing and regulation as a property freight broker and are licensed by the DOT to arrange for the transportation of property by motor vehicle. The DOT prescribes qualifications for acting in this capacity, including certain surety bonding requirements. For purposes of our Global Forwarding services, we are also subject to regulation by the FMC as an ocean freight forwarder and NVOCC, and we maintain separate bonds and licenses for each. We operate as a Department of Homeland Security certified IAC, providing air freight services, subject to commercial standards set forth by the IATA and federal regulations issued by the TSA. We provide customs brokerage services as a customs broker under a license issued by U. S. Customs and Border Protection **(“ CBP ”),** and **we maintain Customs Trade Partnership Against Terrorism certification with CBP. Some customs entries fall within the jurisdiction of** other authoritative governmental agencies **(e. g., Food and Drug Administration, Fish and Wildlife Service, etc.)** . We also have and maintain other licenses as required by law. We source fresh produce under a license issued by the USDA as required by PACA. We are also subject to various regulations and requirements promulgated by other international, domestic, state, and local agencies and port authorities. Our failure to comply with the laws and regulations applicable to entities holding these licenses could materially and adversely affect our results of operations or financial condition. Legislative or regulatory changes can affect the economics of the transportation industry by requiring changes in operating practices or influencing the demand for, and the cost of providing, transportation services. As part of our logistics services, we operate owned or leased warehouse facilities. Our operations at these facilities include both warehousing and distribution services, and we are subject to various federal, state, and international environmental, work safety, and hazardous materials regulations. We may experience an increase in operating costs, such as security costs, as a result of governmental regulations that have been or will be adopted in response to terrorist activities and potential terrorist activities. No assurances can be given that we will be able to pass these increased costs on to our customers in the form of rate increases or surcharges, and our operations and profitability may be materially and adversely affected as a result. Department of Homeland Security regulations applicable to our customers that import goods into the U. S. and our contracted ocean carriers can impact our ability to provide and / or receive services with and from these parties. Enforcement measures related to violations of these regulations can slow and / or prevent the delivery of shipments, which may negatively impact our operations. We cannot predict the impact that future regulations may have on our business. Our failure to maintain required permits or licenses, or to comply with applicable regulations, could result in substantial fines or revocation of our operating permits and licenses. Our contracted transportation providers are subject to increasingly stringent laws protecting the environment, including transitional risks relating to climate change, which could directly or indirectly have a material adverse effect on our business. Future and existing environmental regulatory requirements, including evolving transportation technology, in the U. S. and abroad could adversely affect operations and increase operating expenses, which in turn could increase our purchased transportation costs. We may also incur expenses as a result of regulators requiring additional climate- related disclosures regarding our contracted transportation providers that may be labor- intensive to report on. Until the timing, scope, and extent of such possible regulation becomes known, we cannot predict its effect on our company, but if we are unable to pass such costs along to our customers, our business could be materially and adversely affected. Even without any new legislation or regulation, increased public concern regarding greenhouse gas emissions by transportation carriers could harm the reputations of companies operating in the transportation **and** logistics industries and shift consumer demand toward more locally sourced products and away from our services. General risk factors We ~~are~~ **may be** subject to negative impacts of changes in political and governmental conditions. Our operations ~~are~~ **may be** subject to the influences of significant political, governmental, and similar changes and our ability to respond to them, including: • changes in political conditions and in governmental policies; • changes in and compliance with international and domestic laws and regulations; and • wars, civil unrest, acts of terrorism, and other conflicts **such as the current conflict in the Red Sea, which is impacting the global freight market** . We may be subject to negative impacts of catastrophic events. A disruption or failure of our systems or operations in the event of a major earthquake, weather event, cyber- attack, heightened security measures, actual or threatened terrorist attack, strike, civil unrest, pandemic, or other catastrophic event could cause delays in providing services or performing other critical functions. We are particularly vulnerable to these risks given the broad and global scope of our operations. A catastrophic event that results in the destruction or disruption of any of our critical business or information systems could harm our ability to conduct normal business operations and adversely impact our operating results. ~~In addition, the company is continuously monitoring the ongoing impact of the COVID- 19 pandemic, which has already caused a significant disruption to global financial markets and supply chains and has resulted in numerous travel restrictions and the shutdown of certain businesses across the globe since its inception. Since the beginning of the pandemic we have experienced periods of significant changes including volatility in demand, declines in certain industries and regions, volatile pricing, and negative impacts to carrier capacity. The extent to which the ongoing COVID- 19 pandemic impacts our operating results will depend on future developments, which remain highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of outbreaks, the emergence of new COVID- 19 variants, and the effectiveness of local, state, federal, and international actions that are being taken to contain and treat COVID- 19. There continues to be uncertainty around the duration of the COVID- 19 pandemic and its broader impact on the economy, and therefore, the effects it will have on our operations and financial results remain uncertain for 2023. If economic or market conditions in key global markets deteriorate, it may have a material adverse impact on our business and results of operations, and we may experience material adverse effects on our financial positions.~~