

Trends in Intermodal Freight Transport



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ATA Survey: Top Trucking Issues

1. Hours-of-Service
2. CSA
3. Driver Shortage
4. Economy
5. Electronic Logging Mandate
6. Truck Parking (HOS impact)
7. Driver Retention
8. Fuel Supply & Prices
9. Infrastructure Funding & Congestion
10. Driver Health (HOS Impact)



*Top Trucking Issues
ranked by 3,000 truck owners
In October 2013 survey*



#1: Hours of Service

HOS Effective Date: 02/27/12

Compliance Date: 07/01/13

∞ Driver maximums

- 11 hours a day drive time
- 14 hours a day work time
- 70 hours in an 7 day period
- 1 34-hour restart per week



∞ Revisions to Hours of Service

- 2 rest periods between 1–5 a.m. as part of the 34 hour restart
- 30 minute (unpaid) break within the first 8 hours of their shift

\$
189M

Estimated cost of 34-hour restart to trucking industry (ATRI)

67%

Drivers reporting decrease in pay due to HOS (ATRI)

#2: Compliance, Safety Accountability (CSA)

Goal to reduce commercial motor vehicle crashes, fatalities, and injuries on the nations highways



Peer comparison of normalized data:

Based on a comparison of the carrier's time and severity weighted violation rate per inspection or per power unit (with mileage considered) to other carriers with a similar number of inspections or violations.

Crash rate per power unit (with mileage considered) compared to other carriers that have similar numbers of crashes.

∞ Scoring in 7 BASICS:

1. Unsafe Driving
2. Hours-of-Service Compliance
3. Driver Fitness
4. Controlled Substances
5. Vehicle Maintenance
6. HazMat Compliance
7. Crash indicator

#3: Driver Shortage

CSA... Hours of Service... ELDs...

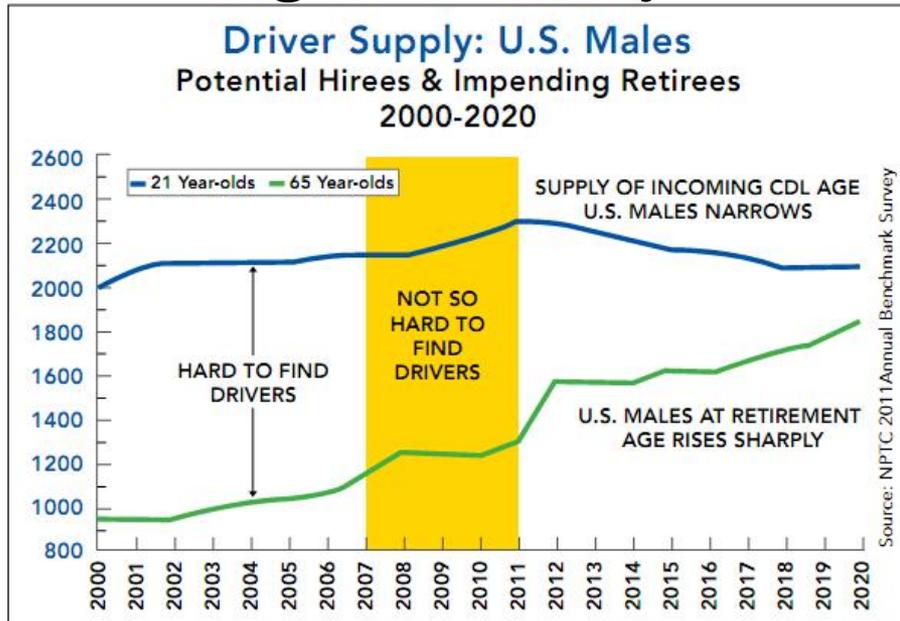
3-6%

Estimated loss in driver capacity due to HOS (ATRI)

82%

Drivers who say HOS rules have negatively affected life

The average driver is 55 years old.



250
K

Estimated driver shortage by end of 2014 (FTR Assoc)

#5: Electronic Logging Mandate

3/14/14: FMCSA publishes proposal in the Federal Register mandating use of e-logs and setting device standards

- 60-day comment period already extended

\$
1.6B

FMCSA's estimated cost of mandate to business owners

\$
395M

FMCSA's estimated annual safety benefit

- 50% of truckers preferred retirement or another line of work over trucking with an e-log
- 1 in 4 stated they would find a way to make it work

March 2014 Trucker Poll

Overdrive

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#7: Driver Retention

ATA 2013 Driver Turnover Estimates



96% • In Fleets >\$30M Revenue

82% • In Fleets <\$30M Revenue

11% • Among LTL Carriers

Example Turnover Costs: *500-Driver Carrier*

\$5,000 Average Recruitment Cost/Driver (ATA)

X 480 Drivers (at 96% average turnover rate)

\$2.4 M Annual Recruitment Cost

#9: Highway Infrastructure & Congestion

1/3

Roads in poor or mediocre condition

1/4

Bridges structurally deficient or functionally obsolete

AMERICA'S GPA: **D+** 2013 REPORT CARD FOR AMERICA'S INFRASTRUCTURE ASCE AMERICAN SOCIETY OF CIVIL ENGINEERS ESTIMATED INVESTMENT NEEDED BY 2020: **\$3.6 TRILLION**



Transport Topics

2013 congestion cost to trucking in fuel and delay

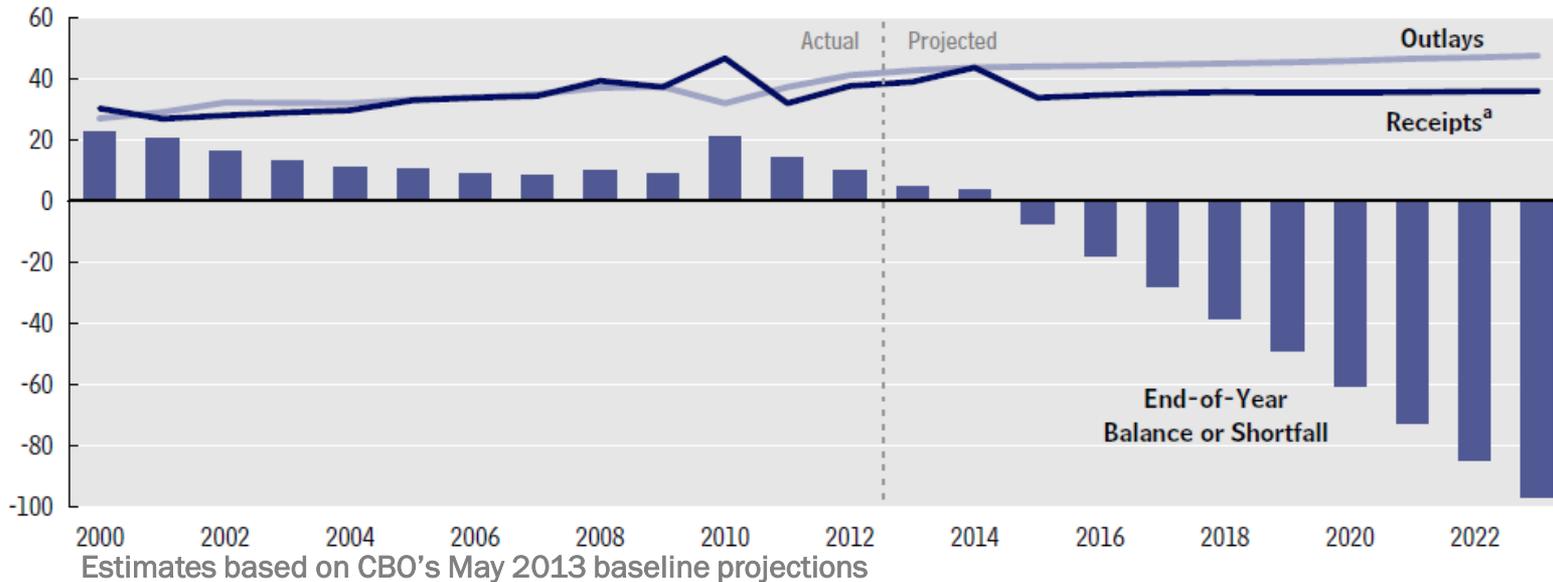
\$ 9.2B

2013 lost trucking productivity while sitting idle in traffic

141M Hours

#9: Highway Trust Fund

Receipts, Outlays, and Balances of Highway Trust Fund



Projected
shortfall
by 2022:

\$57B



- Increasing the Highway Trust Fund
- Time of Travel Fees
- Voluntary Gas Tax www.voluntarygastax.org
- Vehicle Miles Traveled (VMT) Fees
- Tolls

Future Intermodal Trends

↔ Trucking Growth

- Top 50 Carrier revenue grows at slowest pace since Great Recession (JOC 4/14)

↑ Trucking Mergers

- 2013 revenue growth came through acquisition, and will likely continue (JOC 4/14)

↑ Trucking Rates

- Demand exceeds supply as truck driver shortage continues

↑ Truck Manufacturing

- Stronger year for truck manufactures as fleets continue to update

↑ Housing

- Potential capacity crunch in southeast? 53% homes being built in the South

? Overall Economy

- Steady improvement of overall conditions without dramatic change