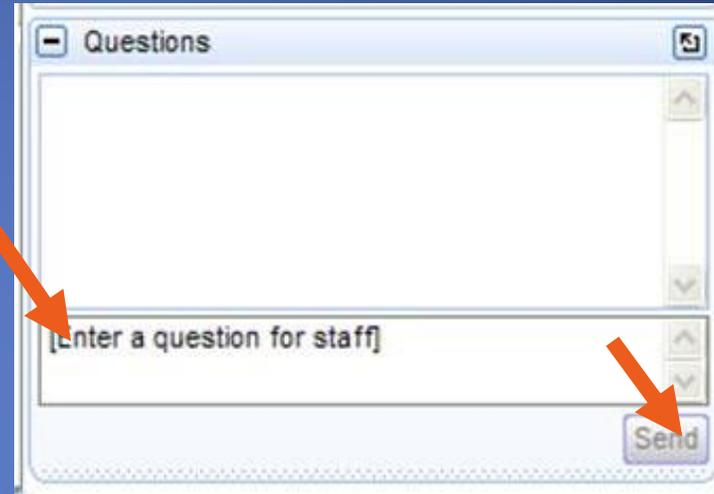


Welcome to Today's SmartWay Webinar!

- You can ask questions by using the Questions pane on your “GoTo” control panel and hitting “Send.”



- After the presentation, as time permits, our EPA presenter will answer questions submitted via the Questions box.
- This webinar will be recorded and available on the SmartWay website—more on that later.
- Please complete the survey at the end of today's webinar. Your feedback is important to us!



Learn What it Means to be a Shipper of Choice

June 28, 2018, 2018



Webinar Outline

- EPA SmartWay
- Preferred Shipper Characteristics based on research
- A Carriers Perspective
- Wrap up and Discussion

SmartWay: What is it?

- Public-private partnership
- SmartWay helps businesses
 - Improve your transportation supply chains
 - Move more freight with fewer emissions and less energy
- Partners enter data about their operations in a downloadable tracking and assessment tool
 - Understanding this data helps you
 - Gain a competitive edge
 - Enhance your corporate image
 - Create value for shareholders

Panel Discussion—Introducing:



Steve Raetz, Director, Research & Market Intelligence



C.H. ROBINSON

Panel Discussion—Introducing:



Jerry Sigmon, Jr
Vice President of Operations



Adam Heavner
Pricing Manager



TODAY'S TRUCKING MARKET

Favored Shipper Insights

Considerations and Strategies



C.H. ROBINSON
ACCELERATE YOUR ADVANTAGE®



DISTRIBUTION OF FOR-HIRE CARRIERS IN THE U.S.¹

61%

of carriers in the U.S.
are owner/operator capacity

206,667 for-hire motor carriers

1,003,939 truck tractors



1-5 Trucks

6-50 Trucks

51-399 Trucks

400-3,999 Trucks

4000+ Trucks

286,972 Units
28.6%

287,492 Units
28.6%

211,739 Units
21.1%

149,103 Units
14.9%

68,633 Units
6.8%

183,916 Carriers
89.0%

20,691 Carriers
10.0%

1,890 Carriers
0.9%

162 Carriers
0.1%

8 Carriers

¹C.H. Robinson 2015 analysis of May 2015 FMCSA's MCMIS Census Data

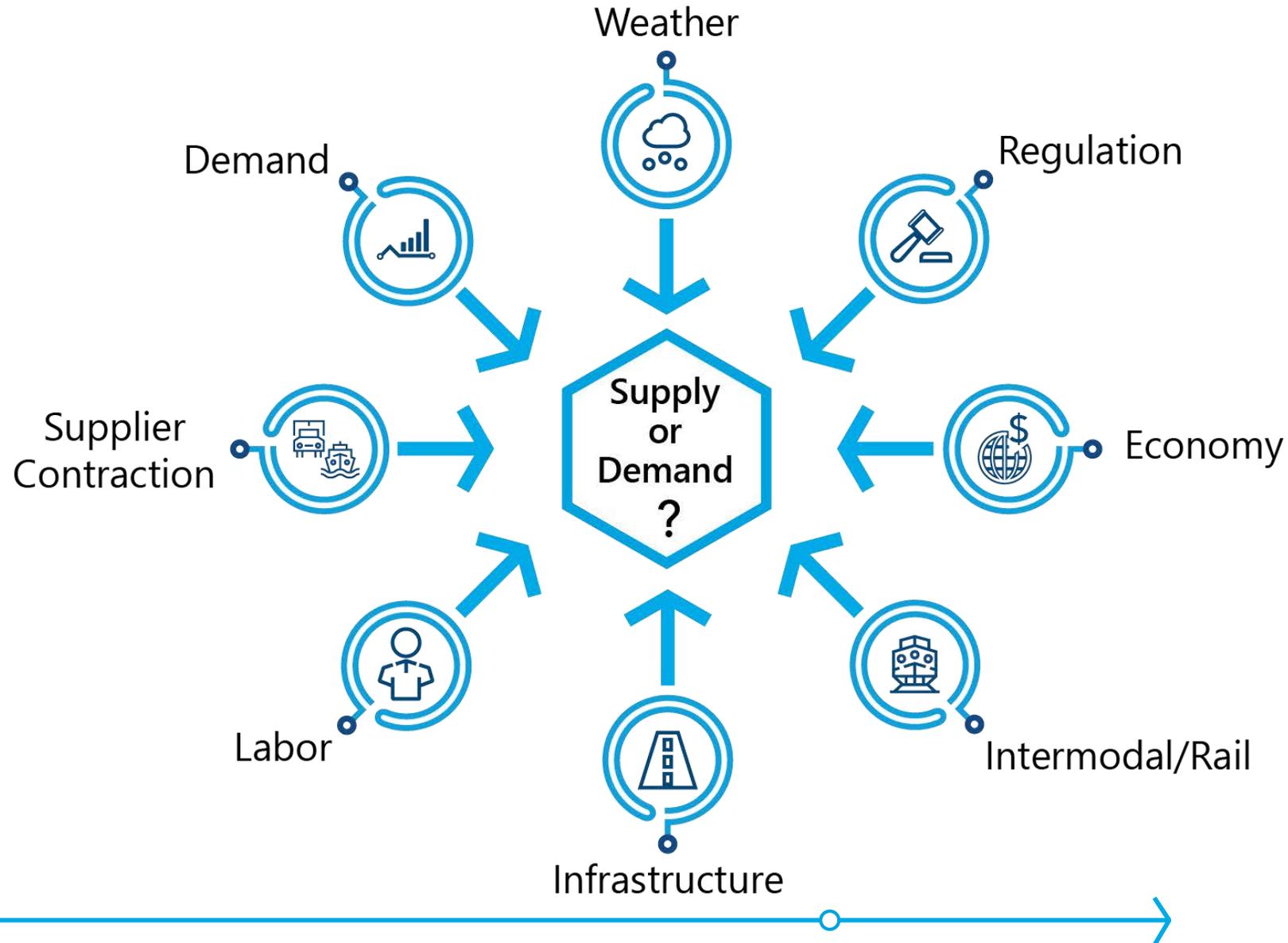
• Carriers Included: For Hire, USA 48 state, active status updated in 2014 and 2015

• Carriers Excluded: Bus companies, LTL carriers, parcel, government vehicles, private, forwarders and brokers (audit performed on carriers of 500 tractors and greater)

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SUPPLY AND DEMAND DRIVERS



RESEARCH



C.H. ROBINSON
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RESEARCH METHODOLOGY SUMMARY

Quantitative analysis with experiential review

- Academic collaboration
- Masters Thesis and Faculty Research
- Regression and Cluster Analysis
- Discrete question about
 - Attributes of freight
 - Strategies employed



IOWA STATE
UNIVERSITY



RESEARCH DATA SUMMARY

Actual Truckload Shipment Data

- Van
- 250+ miles
- Single Stop (except Multi-Stop research)
- 2-3 years of data each
- Control for economic cycles
- Millions of trucking records
- 30-60 shippers included (depending on the project)





PROCUREMENT AND PRICING STRATEGIES

- Fresh pricing – 12 month or less
- Predictability – smooth and predictable
- Regional Sensitivity (Freight Economy)
- Market pricing is the objective
- Rationalize supplier base
- Use best performing suppliers
- Use asset carriers and brokers

Cost overruns appear more attributed to route guide underperformance than RPM

State Rates Research:

Benefits of Freight

Transportation

WHITE PAPER

Aggregate Low Volume Lanes,
Lower Transportation Costs

Do Higher Truckload
Rates Bring Better
Carrier Performance?

WHITE PAPER

MULTI-STOP TRUCKING: HOW IT
AFFECTS LOAD ACCEPTANCE AND
PRICING

AND WHAT YOU CAN DO ABOUT IT

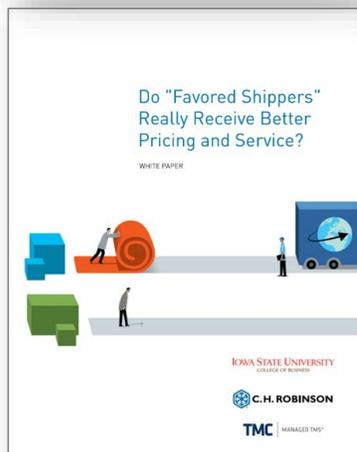
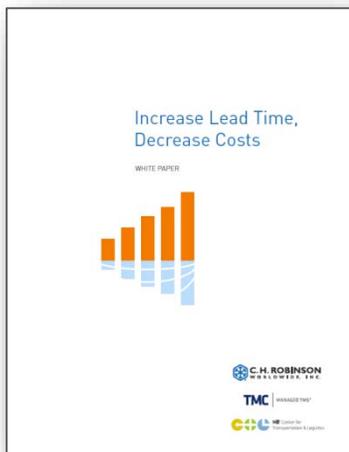
WHITE PAPER

New!

**Leader
Strategies:**
Truckload
Supplier
Portfolio



PROCESS STRATEGIES



- 3 day lead time is correlated to high tender acceptance
- 2 hours is the max tolerable live load/unload time
- Consignee dwell is 2x greater financial penalty
- Dwell is regionally sensitive



FAVORED SHIPPER INSIGHT SUMMARY

- Dwell Time – Reduce it at origin and destination
- Respect the Drivers
- Pay the market price
- Use strategies that are correlated to performance

THANK YOU



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Q and A



C.H. ROBINSON



Further Information

- For more information:
 - www.epa.gov/smartway
 - smartway_transport@epa.gov
 - **SmartWay Helpline (734) 214-4767**