State of American Trucking

ATA Economic Summit

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American Trucking Associations
U.S. Expansions Duration

- October 1949 - July 1953
- May 1954 - August 1957
- April 1958 - April 1960
- February 1961 - December 1969
- November 1970 - November 1973
- March 1975 - January 1980
- July 1980 - July 1981
- December 1982 - July 1990
- November 2001 - December 2007
- June 2009 - Current

Average: 65 months

Sources: National Bureau of Economic Research and ATA
U.S. Expansions by Strength & Duration
(1949 to Current)

Average GDP Growth (%) vs. Months

Current US Expansion

ATA
TRUCKING Moves America Forward
Real Gross Domestic Product Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
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<tbody>
<tr>
<td>Avg 2000-2007</td>
<td>2.7%</td>
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<tr>
<td>Avg 2010-2015</td>
<td>2.2%</td>
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<tr>
<td>2016</td>
<td>1.5%</td>
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<tr>
<td>2017</td>
<td>2.3%</td>
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<tr>
<td>2018</td>
<td>2.9%</td>
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<tr>
<td>2019</td>
<td>2.7%</td>
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<tr>
<td>2020</td>
<td>2.0%</td>
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Sources: BEA & ATA
The Drivers of Truck Freight, Plus Inventories

Sources: BLS, Census, and Federal Reserve
U.S. Economy is at Full-Employment

Unemployed and Job Openings

Thousands

Unemployed

Job Openings

Sources: Department of Labor
Employment Costs: Wages & Salaries

Sources: BLS & ATA
Single-Family Housing Starts Will Continue Their Upward Climb

**Total Housing Starts**
(Monthly; Annualized Rate; Millions)

**Single-Family vs Multi-Family Units**
(Monthly; Annualized Rate; Millions)

Sources: Census & ATA
Factory Output is Stronger, But Outlook Recently Downgraded

Sources: Federal Reserve & ATA
Total Business Inventory-to-Sales Ratio
(Data adjusted for seasonal, holiday, and trading-day differences, but not price changes)

Source: Census Bureau
Freight Market
Total For-Hire TL Loads
Index: January 2010=100; 3-Month Moving Average

Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck

Source: ATA's Trucking Activity Report
Total For-Hire TL Miles

Index: 2010=100; Seasonally Adjusted; 3-Month Moving Average

Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck

Source: ATA's Trucking Activity Report
Dry Van Truckload Average Length-Of-Haul Continues to Fall

Source: ATA’s Trucking Activity Report
LTL Tonnage

Index: 2010=100; 3-Month Moving Average

Source: ATA’s Trucking Activity Report
LTL Tonnage Growth

2016: 1.7%
2017: 1.0%
Q4 2017 YOY: 3.8%
Jan-Jul 2018 YOY: 3.9%

Source: ATA’s Trucking Activity Report
U.S. Bank Quarterly Trucking Freight Payment Indexes

Source: U.S. Bank
Industry Capacity Remains Very Constrained
US Retail Class 8 Truck Sales

Thousands

Includes Tractors & Straight Trucks

Source: ATA’s American Trucking Trends 2018 & ACT Research
US Active Population Class 8 Truck Age

Years

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<tr>
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<td>5.5</td>
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20-year average

Includes Tractors & Straight Trucks

Source: ACT Research
US Class 8 Tractor Exports

Units


* 2018 is a YTD annualized rate

Source: Census Bureau
For-Hire TL Tractor Changes: Large vs Small Fleets

Includes company tractors and independent contractor equipment

Large TLs
-5.0% -5.0% -1.5%

Small TLs
5.1% -0.2% -0.6%

Small Fleet: Less than $30 million in annual revenue

2018 data is through July

Source: ATA's Trucking Activity Report
For-Hire Truckload Tractor Data

Company & I.C. Power Units
(Year-over-Year Percent)

- Large TL
- Small TL

Source: ATA’s Trucking Activity Report
Large TLs: Company Tractors vs Independent Contractor Equipment

Index: January 2017=100

Trough to Peak: +3.6%
Peak to Trough: -3.9%

Source: ATA's Trucking Activity Report
## For-Hire TL & LTL Pricing Proxies

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Q1 2018</th>
<th>Jan-Jul 2018</th>
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</thead>
<tbody>
<tr>
<td>Dry Van</td>
<td>-3.4%</td>
<td>0.1%</td>
<td>16.0%</td>
<td>18.5%</td>
</tr>
<tr>
<td>Temp Controlled</td>
<td>1.6%</td>
<td>3.4%</td>
<td>9.5%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Flatbed</td>
<td>-3.0%</td>
<td>2.3%</td>
<td>10.9%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Tank Truck</td>
<td>-1.7%</td>
<td>4.5%</td>
<td>12.8%</td>
<td>16.5%</td>
</tr>
<tr>
<td>Short-Haul (&lt;500 miles)</td>
<td>-0.6%</td>
<td>2.0%</td>
<td>16.6%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Long-Haul (&gt;1,000 miles)</td>
<td>-15.4%</td>
<td>3.7%</td>
<td>12.3%</td>
<td>13.6%</td>
</tr>
<tr>
<td>LTL</td>
<td>1.4%</td>
<td>0.0%</td>
<td>5.2%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

Truckload: Average Revenue per Mile  
LTL: Average Revenue per Ton  
Excludes FSC Revenue

**Source:** ATA’s Trucking Activity Report
Source: ATA’s Trucking Activity Report

Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck
Excludes Fuel Surcharges
The Driver Situation Remains Very Difficult
Truck Driver Turnover Rates

All rates are annualized

Source: ATA
The driver shortage is primarily an over-the-road for-hire truckload issue. So how many drivers are in that space?

Based on government data, ATA estimates that there are roughly 500,000 OTR for-hire TL drivers.

Source: U.S. Department of Labor
Driver Shortage

Source: ATA's Truck Driver Shortage Analysis 2017
Jobs Created by Industry Since January 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs Created</th>
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<tbody>
<tr>
<td>Manufacturing</td>
<td>400</td>
</tr>
<tr>
<td>Construction</td>
<td>420</td>
</tr>
<tr>
<td>For Hire Trucking</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: Department of Labor
ATA Driver Compensation Study

2017 and 2013 Median Pay (Solo Company Drivers)

- Private
- Refrigerated
- Tank Truck OTR
- LTL OTR
- LTL Local P&D
- Flatbed
- Van Dedicated
- TL National Irregular Route Van
- Tank Local

Source: ATA's 2017 Driver Compensation Study
WHAT ELSE CAN BE DONE?

• DRIVE-Safe Act
• Improve driver efficiency/driving time – Reduce driver waiting times
  • 8,500/month to 9,000 = 5.9%
  • 8,500/month to 9,500 = 11.8%
• Female Drivers
Download ATA’s Report for Free at:

http://trck.ng/drivershortage
The Long-Run Looks Good Too
Growth in Tonnage
Total Increase from 2018 to 2029

- Pipeline, 134%
- Air, 37%
- Rail Intermodal, 35%
- Trucking, 27%
- Waterborne, 16%
- Rail Carload, 5%

Source: U.S. Freight Transportation Forecast to 2029
Thanks!

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