Real Gross Domestic Product Growth

Sources: BEA & ATA
Real Gross Domestic Product Growth

-1.2% 4.0% 5.0%
2.3% 2.0% 2.6% 2.0%
0.9% 0.8% 1.4% 3.5%
1.9% 1.2% 2.9% 2.8%
2.4%

2014 2015 2016 2017

Sources: BEA & ATA
Real Gross Domestic Product

Sources: BEA & ATA
Job Market

Monthly Job Changes (Thousands)

Sources: BLS & ATA

Unemployment Rate (Percent)

May’s reading is the lowest level in 16 years

2015 2016 2017 2018
5.3% 4.9% 4.5% 4.2%

Sources: BLS & ATA
Real Personal Disposable Income Growth & The Savings Rate

Sources: BEA & ATA
Real Personal Consumption Growth
*(Goods Only)*

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg 2000 - 2007</td>
<td>4.1%</td>
</tr>
<tr>
<td>Avg 2010 - 2014</td>
<td>3.3%</td>
</tr>
<tr>
<td>2015</td>
<td>4.0%</td>
</tr>
<tr>
<td>2016</td>
<td>3.6%</td>
</tr>
<tr>
<td>2017</td>
<td>3.6%</td>
</tr>
<tr>
<td>2018-2020</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Sources: BEA & ATA
Retail Sales (2016)

- Retail Sales: 87.7%
- On-Line: 12.3%

Brick & Mortar excludes auto sales and gasoline stations

Percentage of On-Line Sales

- 1995: 0%
- 2000: 1%
- 2005: 2%
- 2010: 10%

On-line Sales have increased nearly 500% since 1995 versus 140% for core-retail sales.

Sources: Census Bureau & ATA
And It Is Not Just On-Line Sales That Are Changing

Select Retail Sales
(Millions)

Source: US Census Bureau
Factory Output Measures

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.0%</td>
<td>3.0%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>1.7%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Sources: Federal Reserve & ATA
Factory Production Growth by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers &amp; Electronic Products</td>
<td>5.8%</td>
</tr>
<tr>
<td>Machinery</td>
<td>4.5%</td>
</tr>
<tr>
<td>Nonmetallic Mineral Products</td>
<td>3.5%</td>
</tr>
<tr>
<td>Petroleum &amp; Coal</td>
<td>3.1%</td>
</tr>
<tr>
<td>Fabricated Metal Products</td>
<td>2.6%</td>
</tr>
<tr>
<td>Food</td>
<td>2.3%</td>
</tr>
<tr>
<td>Furniture</td>
<td>1.9%</td>
</tr>
<tr>
<td>Primary Metals</td>
<td>1.8%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>1.7%</td>
</tr>
<tr>
<td>Rubber &amp; Plastic Products</td>
<td>1.3%</td>
</tr>
<tr>
<td>Paper Products</td>
<td>0.7%</td>
</tr>
<tr>
<td>Elec. Eq. and Appliances</td>
<td>0.3%</td>
</tr>
<tr>
<td>Transportation Equipment</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Textiles</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Apparel</td>
<td>-3.3%</td>
</tr>
</tbody>
</table>

2017 Forecast for select manufacturing groups

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

Likely Optimal Range

Source: Census Bureau
But Not All Sectors Are Making Progress
(Data adjusted for seasonal, holiday, and trading-day differences, but not price changes)

Source: Census Bureau
Most of the Retail Issue is in Autos
(Data adjusted for seasonal, holiday, and trading-day differences, but not price changes)

Source: Census Bureau
2016 Truck Transported Trade Data
(Value of Merchandise & Number of Crossings)

Mexico
- Imports: $213,210,756,841
- Exports: $159,542,328,201
- Crossings: 5,802,759

Canada
- Imports: $148,817,229,020
- Exports: $178,410,403,435
- Crossings: 5,877,938

Legend:
- Imports
- Exports
- Crossings
Trucking Dominates Surface Transported Trade
(Share of Value of Merchandise; Includes Imports & Exports)

Value of Surface Trade with Mexico
- 82% Other Surface Modes
- 18% Trucks

Value of Surface Trade with Canada
- 71% Other Surface Modes
- 29% Trucks
Refrigerated Truck Freight Market Snapshot

• The refrigerated truck freight market equaled a half a billion tons in 2015.
• This sector was a $14.3 billion industry in that year.
• And, operated nearly 105,000 over-the-road Class 8 tractors, which doesn’t include the thousands of smaller commercial trucks used in local deliveries.
Refrigerated Truck Freight Market

Source: ATA’s Refrigerated Truck Freight Market Analysis
Refrigerated Truck Freight Market

Source: ATA's Refrigerated Truck Freight Market Analysis

For-hire
45%

Private
55%

Tonnage

For-hire
76%

Private
24%

Tractor Capacity
Commodity Market Share of Total Refrigerated Truck Tonnage

Mixed Freight 41.0%
Foodstuffs, Fats, Oils 24.4%
Meat, Poultry, Seafood 17.8%
Milled Grain Products 4.0%
Agricultural Products 9.1%
Animal Feed 1.2%
Pharmaceuticals 0.4%
Alcoholic Beverages 2.0%

Source: Refrigerated Truck Freight Market Analysis
Commodity Market Share of Total Refrigerated Truck Revenue

- Agricultural Products: 15.2%
- Meat, Poultry, Seafood: 24.6%
- Foodstuffs, Fats, Oils: 24.0%
- Milled Grain Products: 6.2%
- Pharmaceuticals: 3.6%
- Mixed Freight: 24.1%
- Alcoholic Beverages: 1.5%
- Animal Feed: 0.7%

Source: ATA’s Refrigerated Truck Freight Market Analysis
Total 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 TL Refrigerated Loads

Index: January 2010=100; 3-Month Moving Average

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

Source: ATA’s Trucking Activity Report
Truckload Loads

Source: ATA
It is now difficult for truck freight to grow as fast as GDP for a host of reasons, including:

- Miniaturization of freight (products and packaging)
- Services are a growing part of our economy, and we don’t put services in trailers
- We are buying more “experiences”, which generate less freight

Source: ATA
Services Share of Personal Consumption Expenditures

Sources: Census & ATA
US Retail Class 8 Truck Sales

Includes Tractors & Straight Trucks

Source: ATA’s American Trucking Trends 2016 & ACT Research
TL Tractor Changes: Large vs Small Fleets

Source: ATA's Trucking Activity Report
Used Class 8 Truck Prices & Average Miles

Source: ACT Research
TL Tractor Counts

Includes company tractors and independent contractors

Source: ATA's Trucking Activity Report
TL Trailer Counts

Includes company tractors and independent contractors

Source: ATA's Trucking Activity Report
## Truck Driver Turnover Rates

![Graph showing annual turnover rates for Truck (TL) and Less Than Truckload (LTL) from 2009 to 2016. The turnover rates are as follows:

- **2009**: TL 50%, LTL 8%
- **2010**: TL 52%, LTL 9%
- **2011**: TL 83%, LTL 8%
- **2012**: TL 98%, LTL 9%
- **2013**: TL 96%, LTL 11%
- **2014**: TL 95%, LTL 11%
- **2015**: TL 93%, LTL 11%
- **2016**: TL 81%, LTL 9%

Source: ATA

*Trucking Moves America Forward*
Impact of ELDs

1. Truckstop.com survey of 1,300 carriers, with vast majority operating fewer than 6 trucks, 84% had no ELDs on any trucks. Less than 50% of trucks have ELDs and it is likely less than 40%.

2. TL fleets that have already adopted are generally larger and more sophisticated than most of those that haven’t. So, productivity impact could be larger than fleets have seen so far.

3. What if just 1% to 3% of drivers leave the market for a host of reasons, including cheaters, anti-technology, anti-big government, or just don’t want to change?

4. Some carriers are likely to exit the industry.

5. Enforcement – law enforcement, liability insurance carriers, shippers, & brokers
ATA Economic Summit - July 19-20
Arlington, VA
Register: trck.ng/econsummit

We’ve gathered leading economists to discuss supply chain forecasts in order to help motor carriers strategize your budget in the year ahead.

- For Motor Carrier & Private Fleets only.
- Registration fee: $399
Thanks!

Questions?