

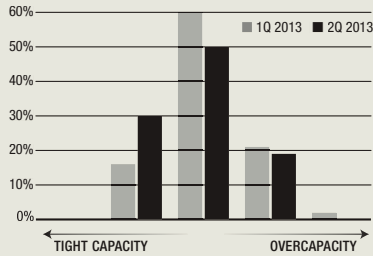
WHAT SHIPPERS THINK

CAPACITY

IN THE SECOND QUARTER

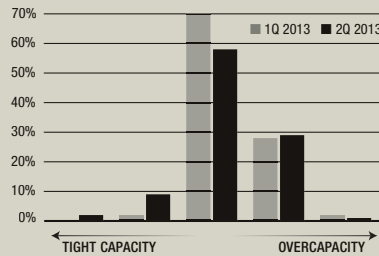
TRUCKLOAD

Fifty percent of shippers said truckload capacity was balanced in the second quarter, a 10 percentage point deceleration from their projections made in the prior quarter.

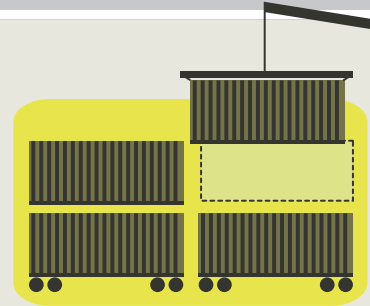


LESS-THAN-TRUCKLOAD

Fifty-nine percent of shippers said less-than-truckload capacity was balanced in the second quarter, compared to 69 percent who thought so in the first quarter and 64 percent who felt similarly a year ago.



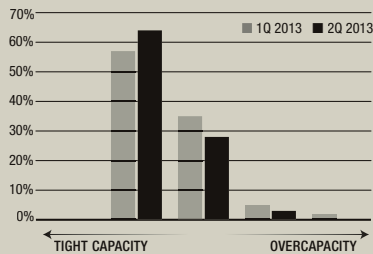
RAILCAR AND INTERMODAL



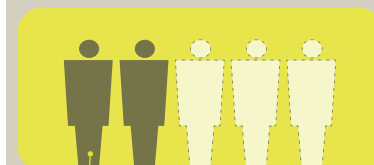
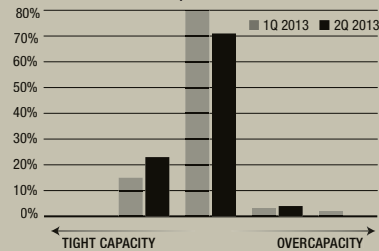
Seventy-five percent of surveyed shippers said they weren't facing capacity constraints. Those that did said the worst capacity issues were with BNSF Railway, followed by Norfolk Southern Railway.

EXPECTATIONS

Sixty-eight percent of shippers anticipate tighter capacity through third quarter 2014, while only 3 percent expects more capacity to be available.

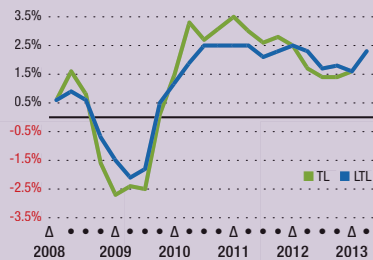


Only 25 percent of surveyed shippers anticipate less-than-truckload capacity will tighten through third quarter 2014. But the number is higher than the 16 percent that expected tightening LTL capacity in the first quarter and the highest level of concern since first quarter 2011.



Although the survey didn't address potential capacity constraints, shippers said the biggest cause of capacity shortages was crew shortages, followed by a lack of railcars.

IN THE SECOND QUARTER



Truckload pricing (revenue per loaded miles, net of fuel) rose on average 1.8 percent year-over-year in the second quarter, a slight decrease from the 1.8 percent gain reported in the prior quarter.



Surveyed shippers said less-than-truckload pricing (revenue per hundredweight, net of fuel) on average rose 1.8 percent year-over-year during the second quarter. That compares to shippers seeing a 2 percent rise in the first quarter and a 1.9 percent hike a year ago.

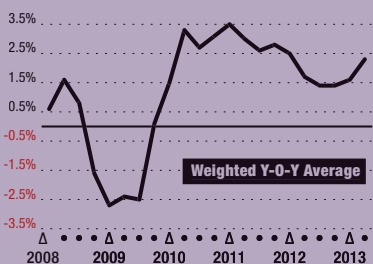
The survey didn't address rail rate increases in the second quarter from a standpoint of averaged increases or decreases, but shippers noted BNSF Railway and Union Pacific are the most aggressive in hiking rates.



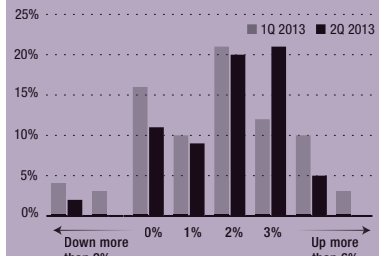
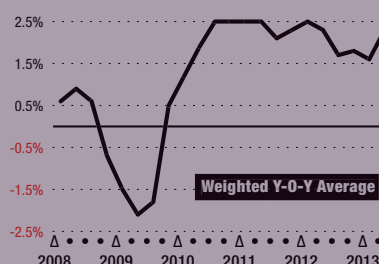
PRICING

EXPECTATIONS

Shippers expect truckload rates to rise 2.3 percent between the third quarter this year and third quarter 2014. That's a modest acceleration in expectations from the first quarter and a year ago.



Shippers expect less-than-truckload rates to increase 2.3 percent over the next 12 months, an acceleration from those surveyed in the first quarter who planned for a 1.6 percent rise.



Shippers expect rail rates to rise 2.9 percent on a year-over-year average through third quarter 2014. Surveyed shippers in the first quarter expected rates to rise 2.6 percent and they planned for 3 percent hikes a year ago. But shippers expect intermodal rates to rise only 1.6 percent in the coming 12 months.

*Wolfe Research expects rail pricing gains of 3 to 4 percent, as its shipper respondents tend to underestimate rate increases and are disproportionately intermodal customers. Source: Wolfe Research