

Business Forecasting Roundtable
August 9, 2006

Transportation Challenges and Trends

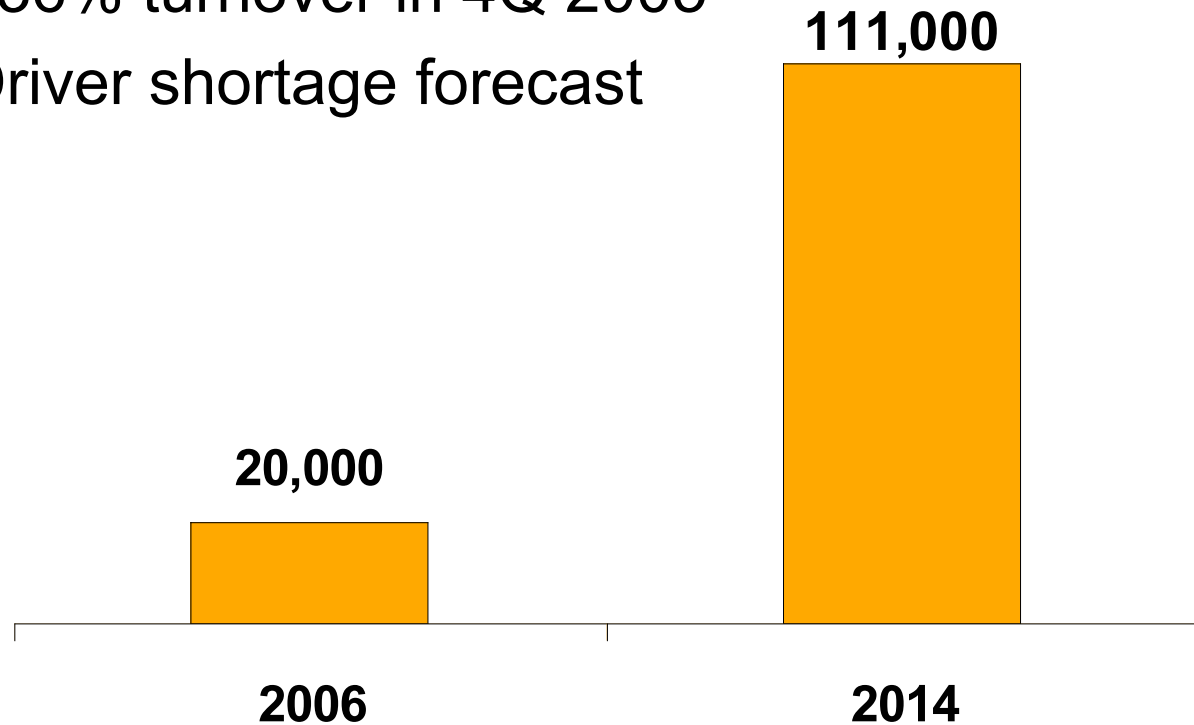
- Capacity
- Infrastructure
- Cost
- Impact on businesses

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Capacity

- Shortage of qualified drivers
 - ✓ 3.4 million truck driver base
 - ✓ 136% turnover in 4Q 2005
 - ✓ Driver shortage forecast

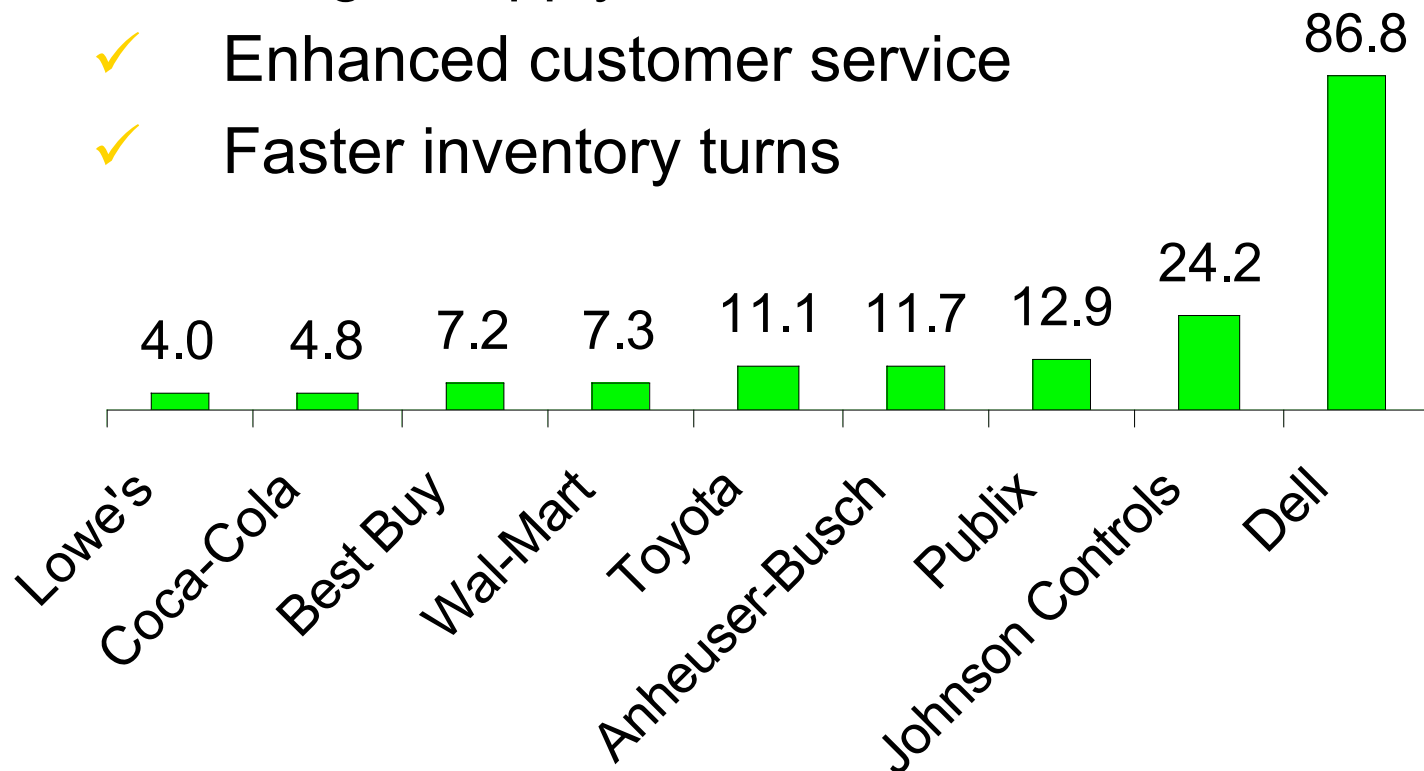


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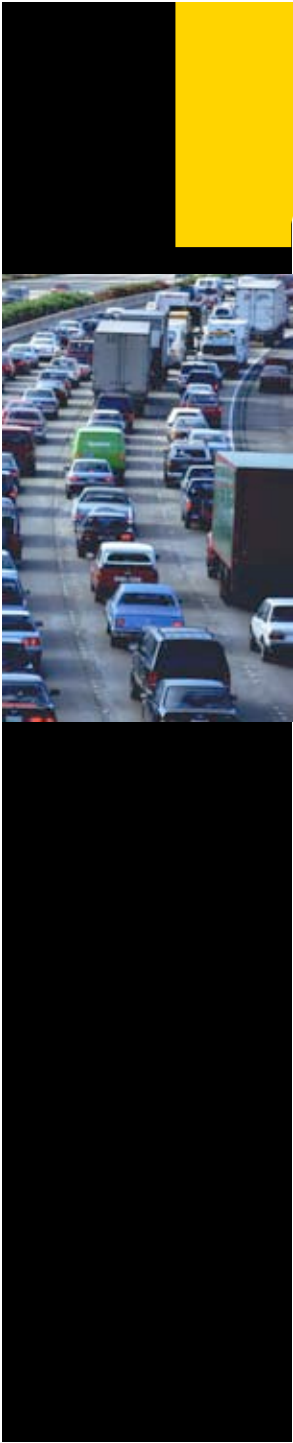
Capacity

- Strained global supply chain
 - ✓ Longer supply chain
 - ✓ Enhanced customer service
 - ✓ Faster inventory turns



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Infrastructure

- Constraints
 - ✓ Urban growth congestion
 - ✓ Deteriorating highways and bridges
 - ✓ Dispersed shipping locations
 - ✓ Inefficient transportation policy

Cost

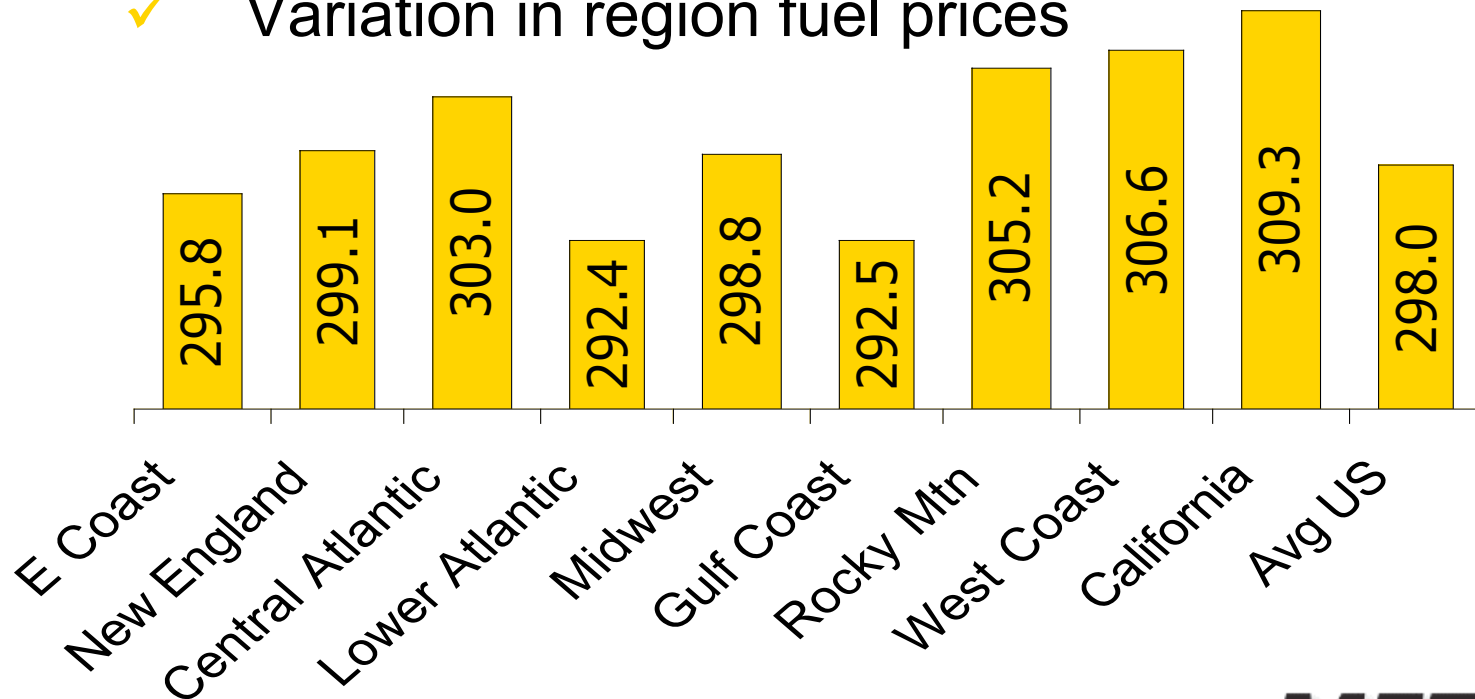
- Carrier cost pressures
 - ✓ Driver compensation
 - ✓ Liability insurance
 - ✓ Fuel volatility
 - ✓ Equipment requirements
 - ✓ Productivity
 - ✓ Technology
 - ✓ Low ROI



Cost

- Fuel

- ✓ 25% of carrier operating costs
- ✓ Slow recovery of fuel surcharge
- ✓ Variation in region fuel prices



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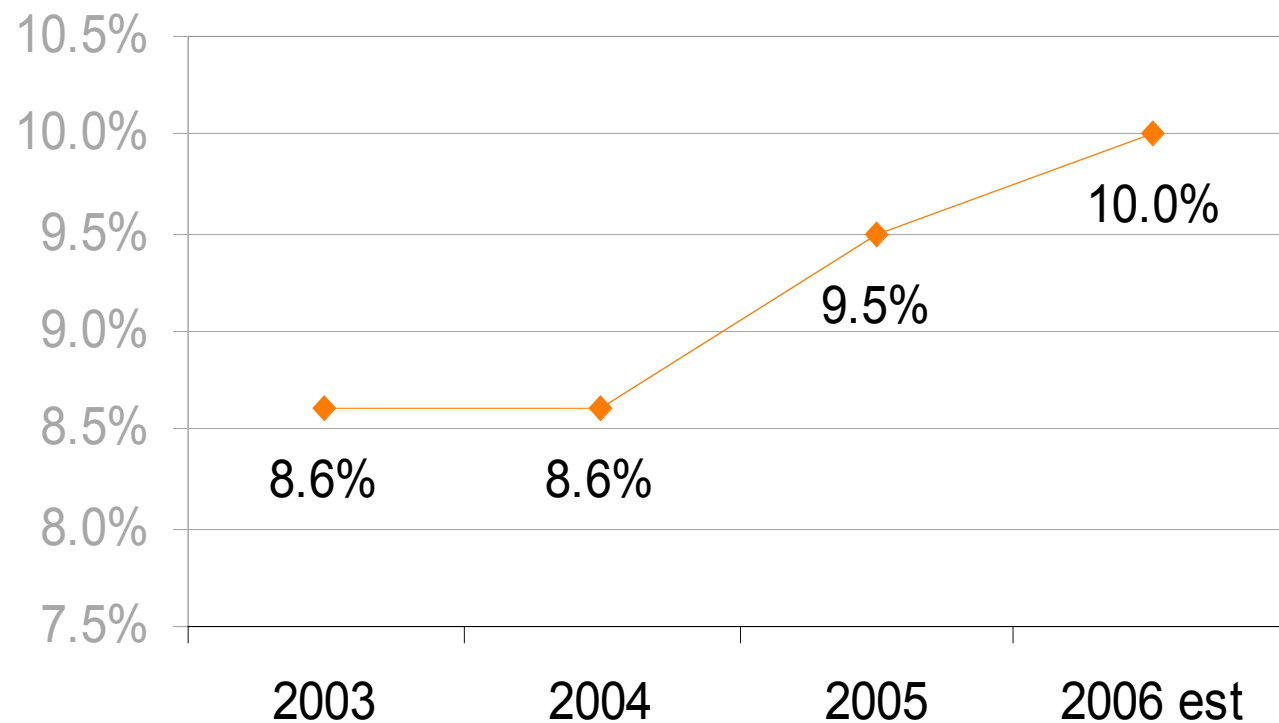


Cost

- Regulation changes
 - ✓ DOT driver hours of service changes
 - ✓ Transportation Security requirements
 - ✓ Ultra Low Sulfur Diesel fuel 2006
 - ✓ Lower-emission diesel engines 2007

Impact on businesses

- U.S. logistics costs as percent of GDP



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