

What Can Intermodal Do For?

Los Angeles
Transportation Club
June 10, 2014

ReTrans



Multi-modal Transportation & Logistics Management Company (3PL)

Headquartered in Memphis, TN

50+ operating locations across the US & Canada

300+ skilled employees / associates

One of the largest privately-held 3PLs in the US

Re Trans Services

Total Logistics Management

ReTrans
Logistics



Tactical Shipping Solutions

ReTrans
Multimodal

ReTrans
Freight

ReTrans
Canada

Tactical Shipping Solutions



When you need a customized solution for a specific transportation scenario, ReTrans Multimodal will develop and manage it to your exact needs – be it truckload, LTL, intermodal, ocean, or air.



This group services customers who typically require a high level of service on a shipment-by-shipment basis, or for a series of shipments in a particular lane or lanes.



ReTrans Freight leverages our substantial LTL volume and extensive nationwide carrier base to improve cycle time and lower overall cost. We offer a complete approach to LTL efficiency – relating to processes and technology.



ReTrans Canada is a seamless extension of our U.S. transportation network – into, out of, and throughout all of Canada. Combining innovative cross-border solutions with a network of strategically located facilities, we manage all the requirements and challenges associated with U.S. – Canada and intra-Canadian shipments.

Total Logistics Management



ReTrans Logistics is ready to serve as your transportation manager – on any scale, to meet any need. Outsource some or all of your logistical requirements to us, and we'll fine-tune performance and cost at every step, every day.

We offer comprehensive, full service, transportation and logistics management – from load planning and scheduling to key performance reporting and data mining. State-of-the-art systems and career logisticians work in concert to deliver goods, information and customer satisfaction.

Intermodal Breakdown

International

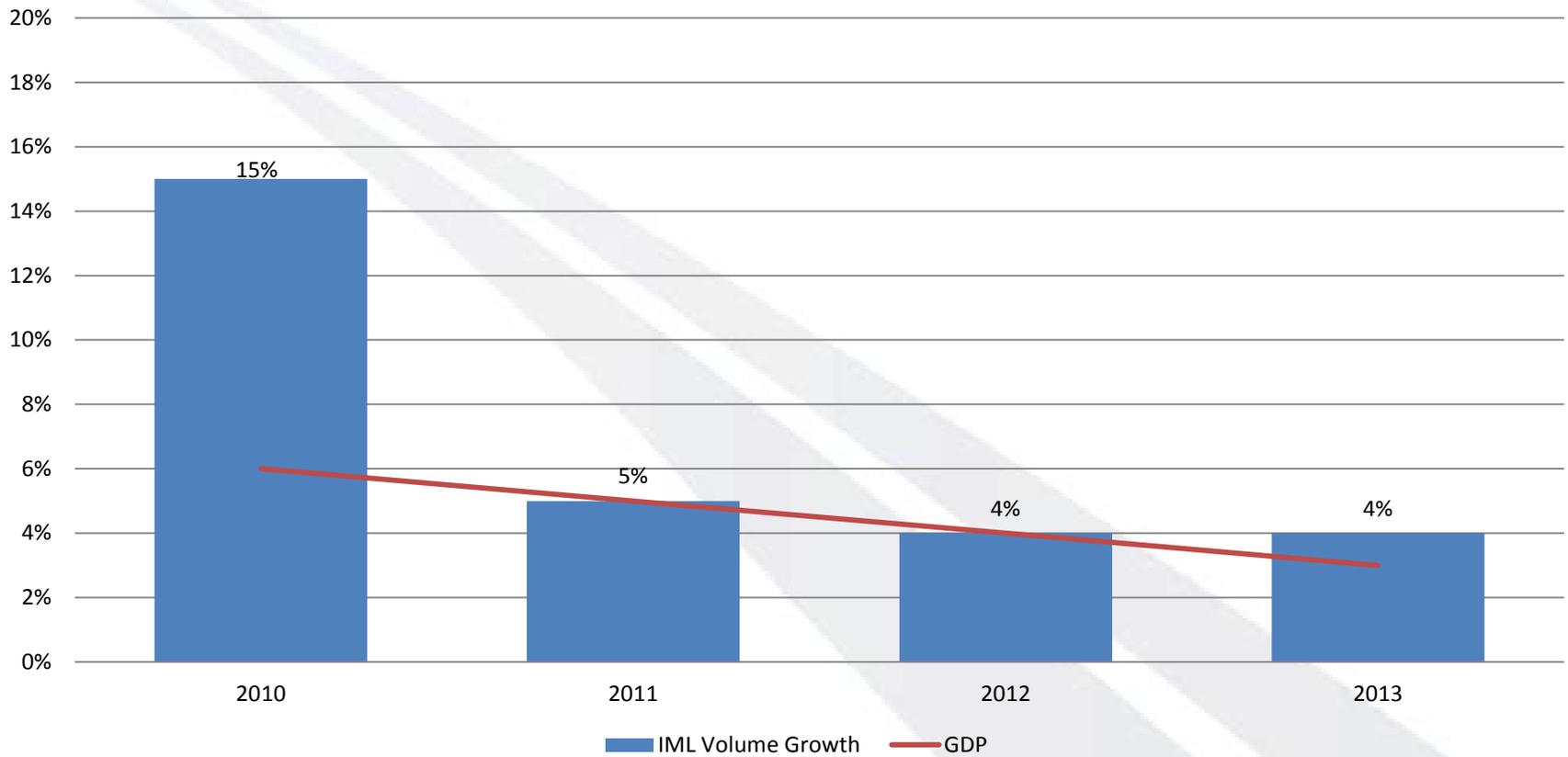
- Slower Growth
- Prior to recession 60% of intermodal now 50%
- Longer Length of Haul

Domestic

- Now 50% of intermodal up from 40%
- Shorter Haul
- Driver Shortage Helping

Intermodal Volume Growth: Trending slightly higher than GDP
Growth has tracked in the low single digits for the past 3 years: 2010's double-digit growth represented a one-off volume rebound following the most recent economic recession

Intermodal Growth vs. GDP



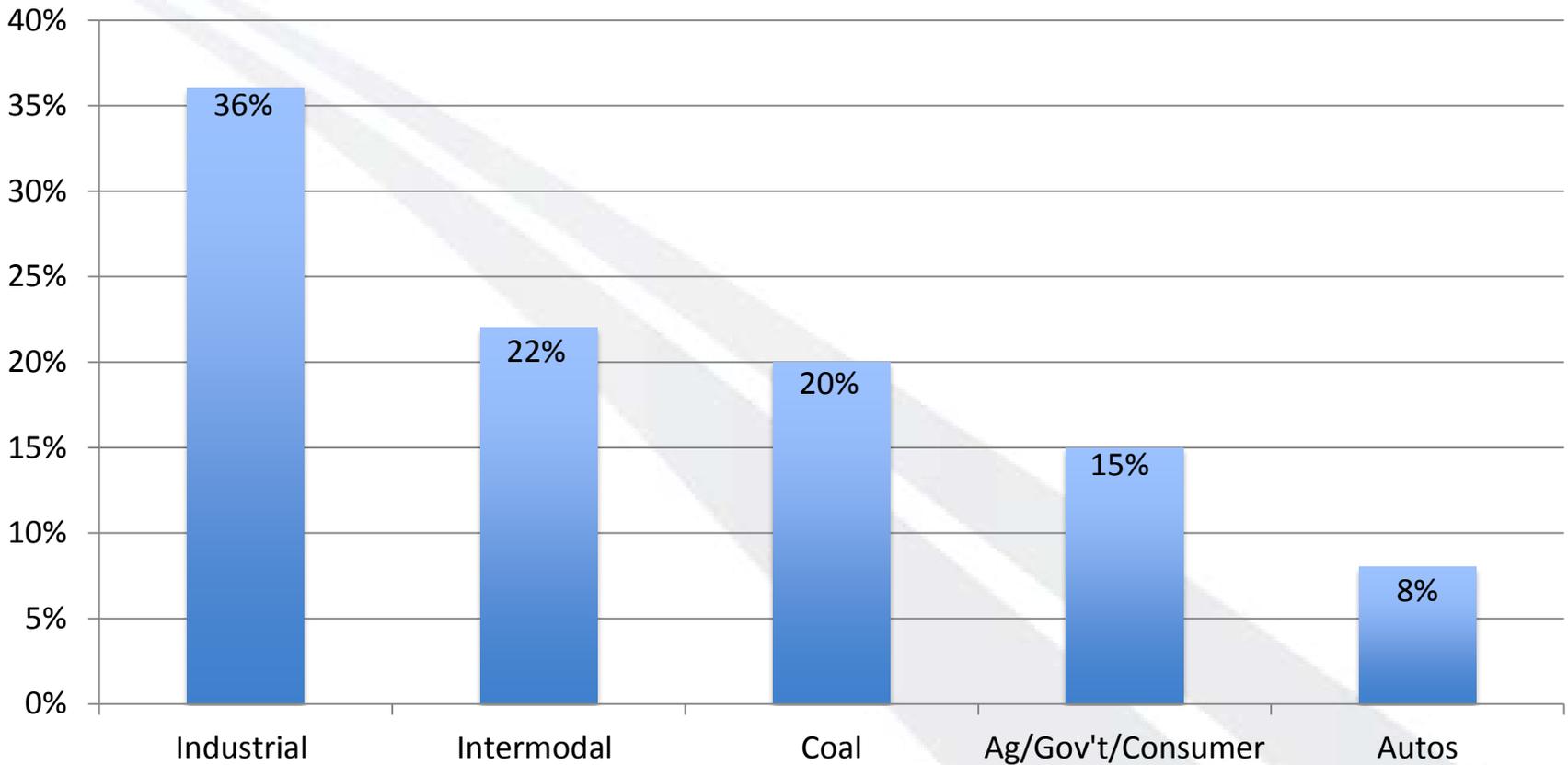
Intermodal Competition

- Trucking competes with rail in the 500 to 1000 mile distance range, where NS and CSX primarily operate. The potential for market share shifts will likely be greatest in this range
- The American Trucking Association(ATA) reported that Trucks gained market share over rail in their 2013 Trucking Trends report
- Oliver Wyman believes these numbers are skewed by:
 - Decline in traditional railroad long haul distance, Heavy-haul traffic, such as coal and Grain
 - Inclusion of Intermodal traffic controlled by trucking companies, e.g.
 - JB Hunt
 - Schneider
 - Werner
 - Swift

Class 1 Intermodal Revenues

Intermodal has now become a bigger source of revenue for the Class 1's than coal and agriculture

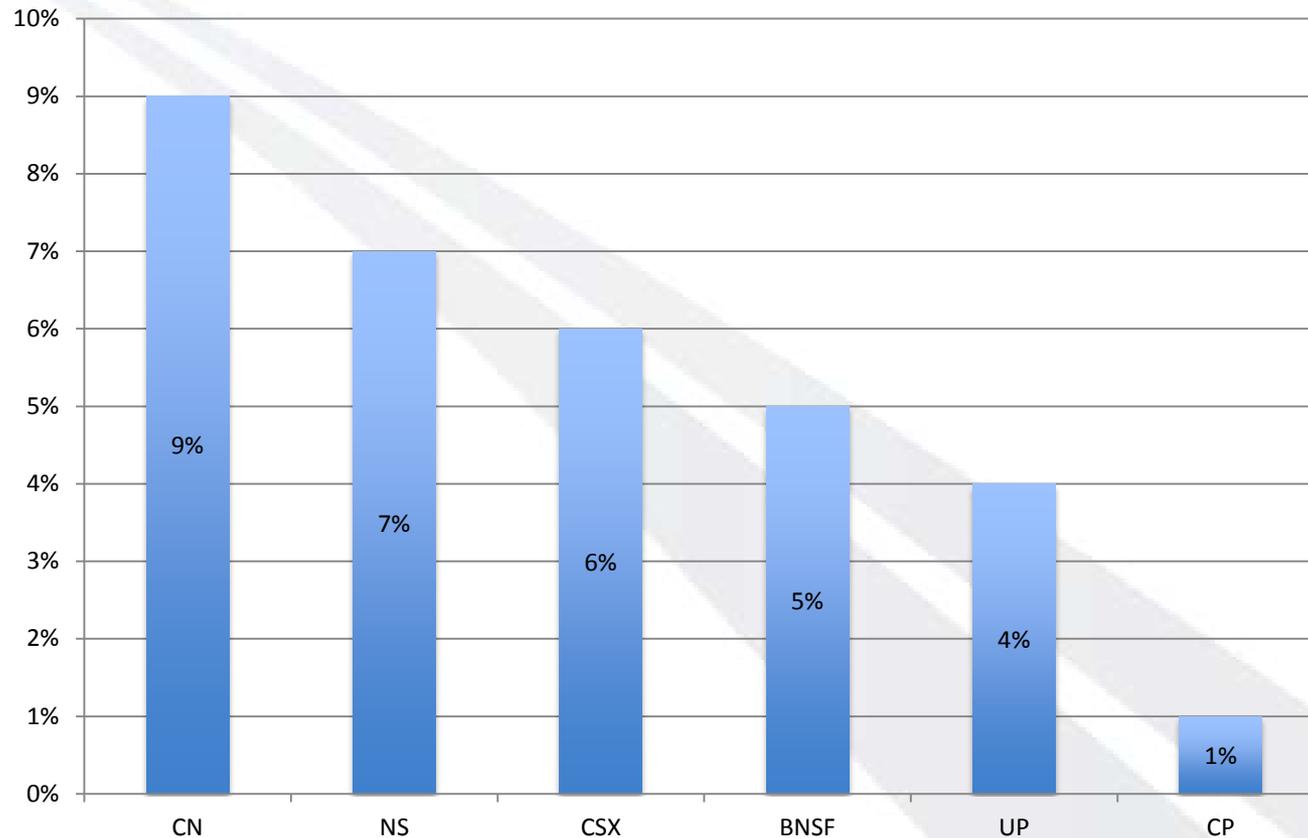
Class 1 percentage of total revenue for selected commodities, 2013



Regional Growth Rates

Rail intermodal has grown much faster recently in the eastern US than in the western US because the market is larger, less developed, and in the truck-competitive distance range.

Class I intermodal Volumes 2009 to 2013





Future Factors Outlook

Could Natural Gas Change the Competitive Equation?

Natural gas as a fuel offers cost savings.....

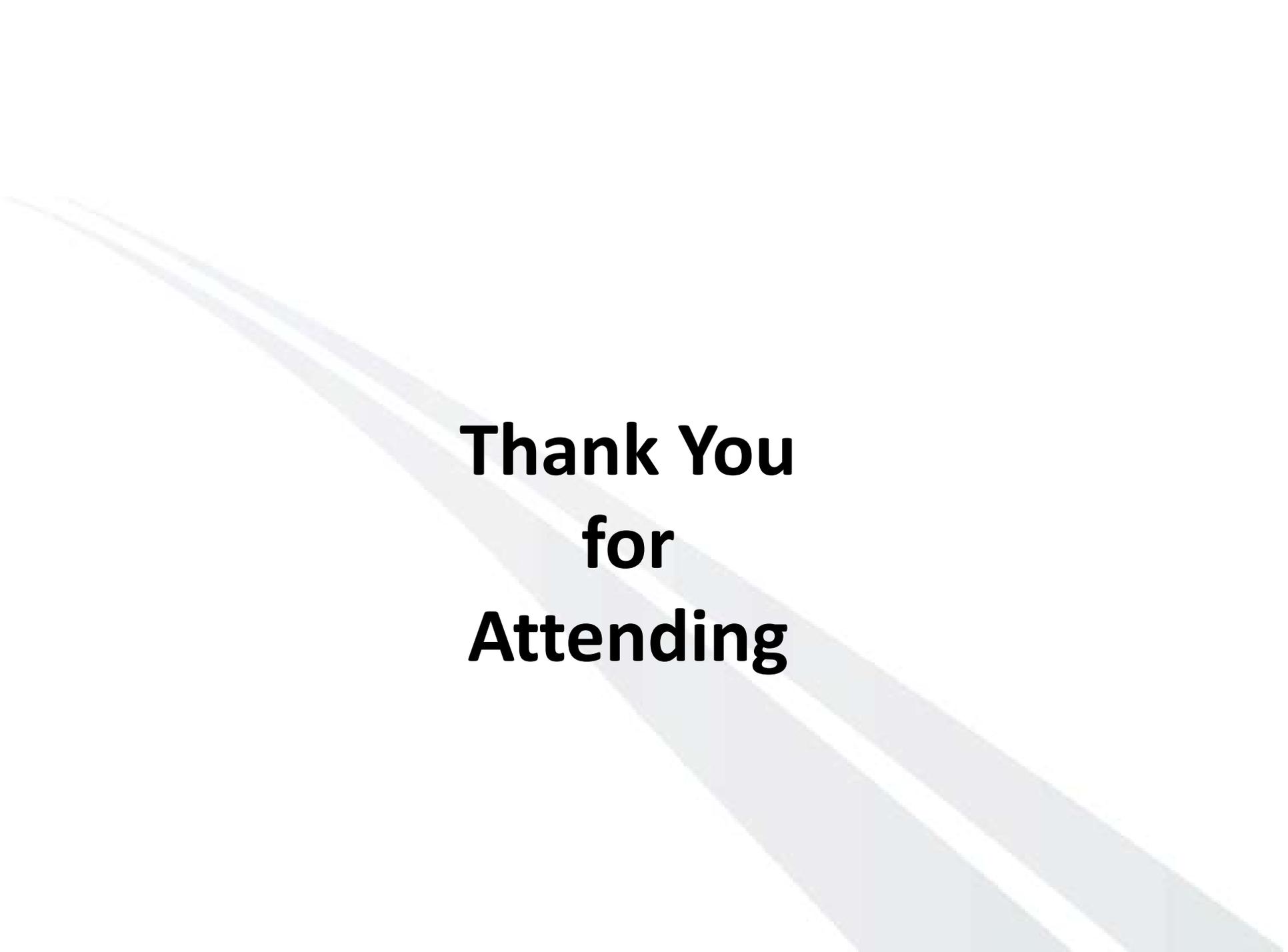
- Cost savings potentially on the order of 50%(at current prices)
- Trucking industry moving toward natural gas:
 - Continued expansion of NG Fleet
 - NG refueling infrastructure being constructed
- NG Trucks could narrow rail's cost advantage

...But for Railroads, a range of issues must be resolved to use it widely

- NG vs. diesel price differential must be sustained to provide payback period
- NG-powered Locomotives in early testing phases; no major player has committed to significant capital as of yet
- NG handling infrastructure and equipment must be developed and built; will add costs
- No NG Locomotives yet meets new Tier 4 emissions standards

What to Expect for the Rest of 2014

- Continued Growth
- Capacity Constraints
 - Rate Increases
- Customer Commitment

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**Thank You
for
Attending**