



# C&K Trucking Future of the Interstate July 11, 2017

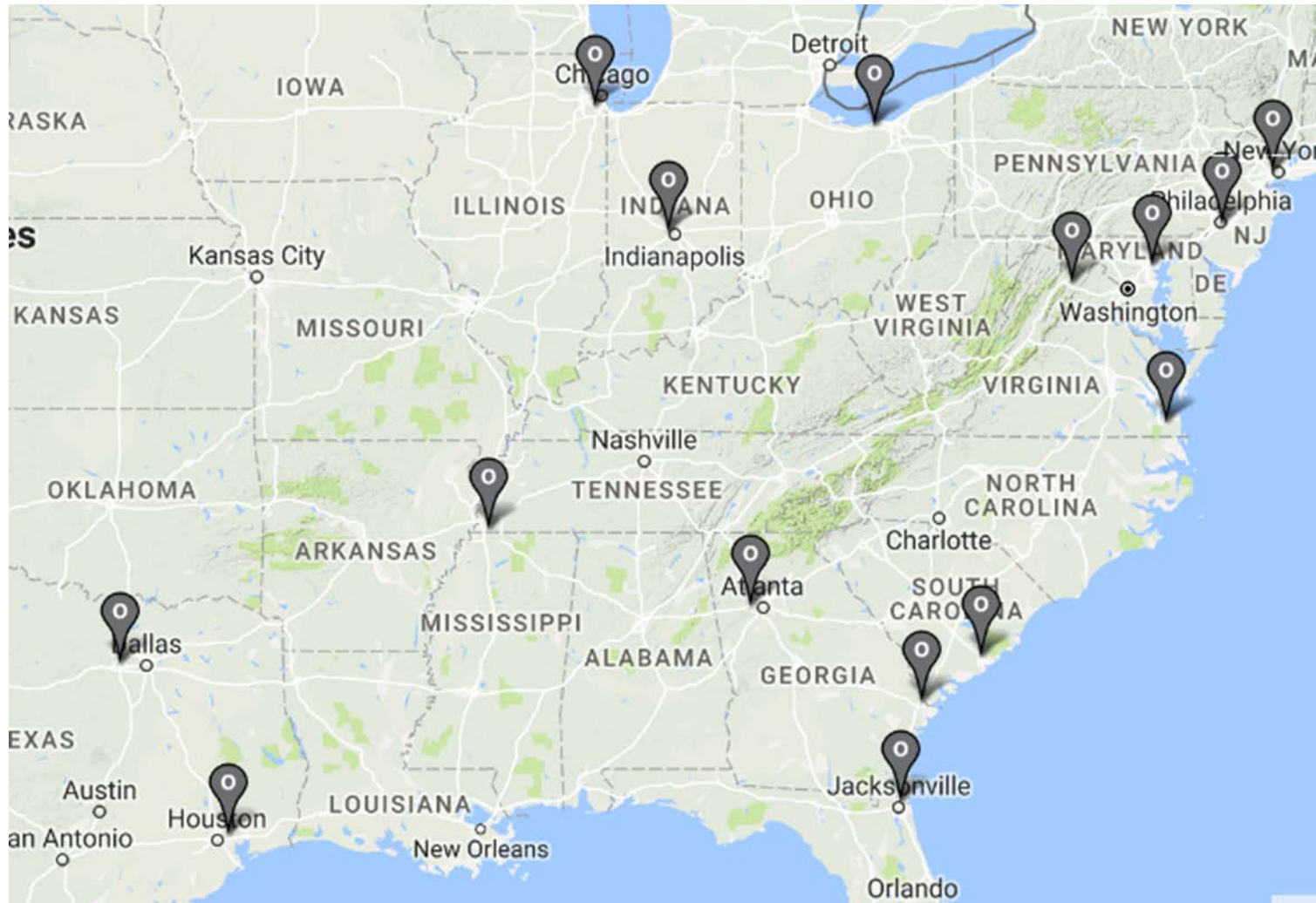


## Background



- C&K/AV started trucking in 1974
- C&K became a predominantly Intermodal carrier in 1994
- 800+ Total drivers/25 million miles driven in 2016
- 90% owner operators
- 250+ Non Driver Employees
- 15 Terminals
- EPA Smart-way Certified
- Business split 60% International and 40% Domestic containers
- Services include crosstowns and local/regional deliveries

# C&K Terminals



# International Customers





# Domestic Customers

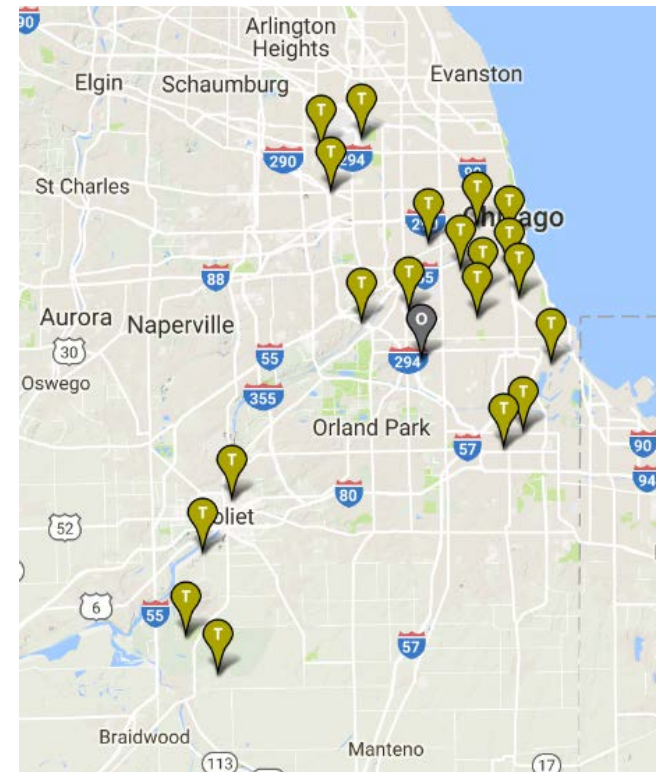


# How we use the Interstate?



## Crosstown

- 250+ trucks in Chicago
- 3,200+ moves per week
  
- Primarily utilize:
  - 80% local streets
  - 15% I-55 and I-94
  - 5% I-294

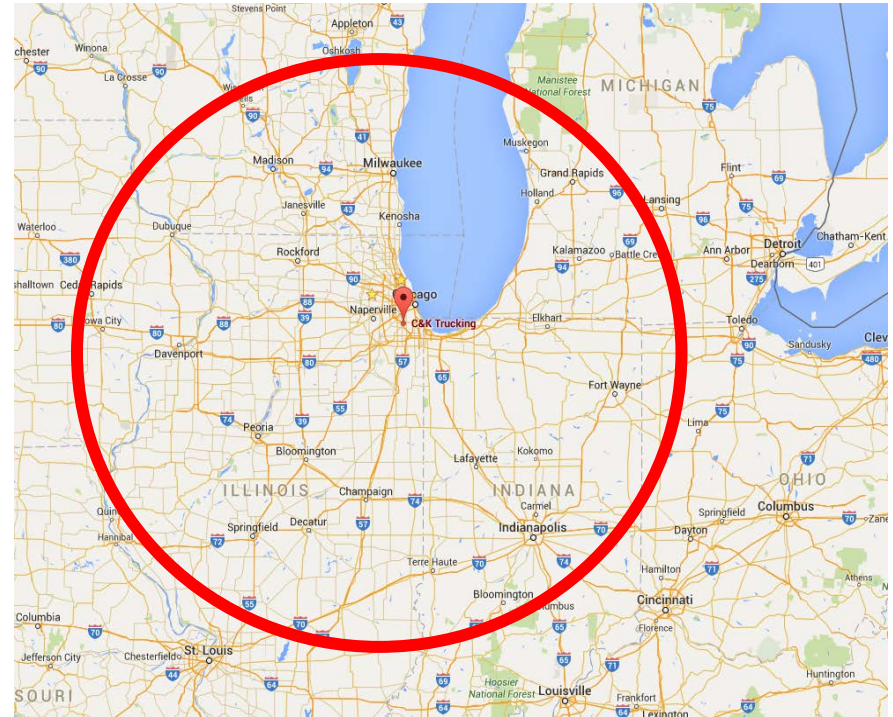


# How we use the Interstate?



## Local/Regional

- Typically under 250 mile radius (due to HOS)
- Utilize interstate highways 90%



# Interstates and the Trucking Industry



We ❤️🇺🇸 the Interstate Highway System  
("IHS")

Its shows in your statistics.

The IHS represents:

- 1.2% roadway line-miles
- 25% of total vehicle miles
- 40% of nations total truck traffic



Effective Interstates are essential to the Trucking Industry's success



## Top 3 Expenses for a Trucking Company:

Expense Type	Avg. % Rev
Labor/Equipment	40-50%
Fuel	15-20%
Safety/Insurance	5-10%

**An effective or ineffective interstate system has a major impact on all 3 of our largest costs.**

## Effective Interstate Impact on Trucking Labor



### Congestion/Delays Impact:

- Productivity
  - Driver can legally drive 11 hours in a day.
  - In Chicago, productivity can be impacted by 2-3 hours on average
- Recruiting & Retention
  - Early/Late Shifts to avoid congestion
- Lost productivity expense
  - Estimated at \$10,000 annually per truck

## Effective Interstate Impact on Fuel Costs



### Fuel Cost Impacts:

#### ➤ Fuel Efficiency

- Trucks are most efficient at 60 miles an hour without stop/starts.
- Our fleet average MPG is 6.5.
- In congested markets, our average is 5.5 MPG.

#### ➤ Additional Fuel Expense

- Estimated at \$7,000 annually per truck

## Effective Interstate Impact on Safety Costs



### Safety Impacts:

- Accident Severity
  - Majority of our severe accidents (rear end collisions) occur on interstates within congested areas
- Accident Frequency
  - Congestion/construction/lane closures all result in increased risk for accidents
- Insurance Expense
  - Most large trucking companies self insure for at least \$100,000
- Additional Safety Expense
  - Estimated at \$500 per truck annually

## Summary- Additional Annual Costs Estimates



- Estimate of additional costs per year per truck as a result of ineffective interstates versus effective interstate systems.

Expense Type	Annual Impact
Labor/Equipment	\$ 10,000
Fuel	\$ 7,000
Safety/Insurance	\$ 500
<b>Total- per truck</b>	<b>\$ 17,500</b>



## Additional Impacts on an effective Interstate System



- Economic Vitality
  - Additional employment opportunities
  - Warehouses
  - Leads to higher Freight volumes
- Connectivity
  - Access to multi-modal facilities - ports/rails/airports/intermodal facilities
  - Leads to less congestion and higher volumes for intermodal.

## Future Usage (10/20/50 years)



We will need continued support for:

- Existing Infrastructure
- Expected growth
  - New highways
  - New connections to improve multimodal capacity and reduce congestion

Future Thoughts:

- Technology will continue to make trucks exponential safer over the next 10 years
- Drones may supplement trucking, but will not replace
- Autonomous trucks will still need a road to drive on
- Truck only lanes
  - Support expected freight growth
  - Improve safety

## One Final Thought



- The Trucking industry is and will remain heavily reliant on an effective Interstate Highway System.

We appreciate your efforts and commitment to the Future Interstate Study.