

Agriculture Transportation Coalition

"The principal voice of agriculture in U.S. transportation policy"



Delivering More.™



AgTC 29th Annual Meeting
Kevin Knight, Executive Chairman
June 8, 2017

Creating North America's Premier Truckload Company



Unites two long-standing industry leaders with complementary operations under common ownership

1

Maintenance of distinct brands

2

Strong, experienced management team with long-history of operational excellence to realize significant synergies

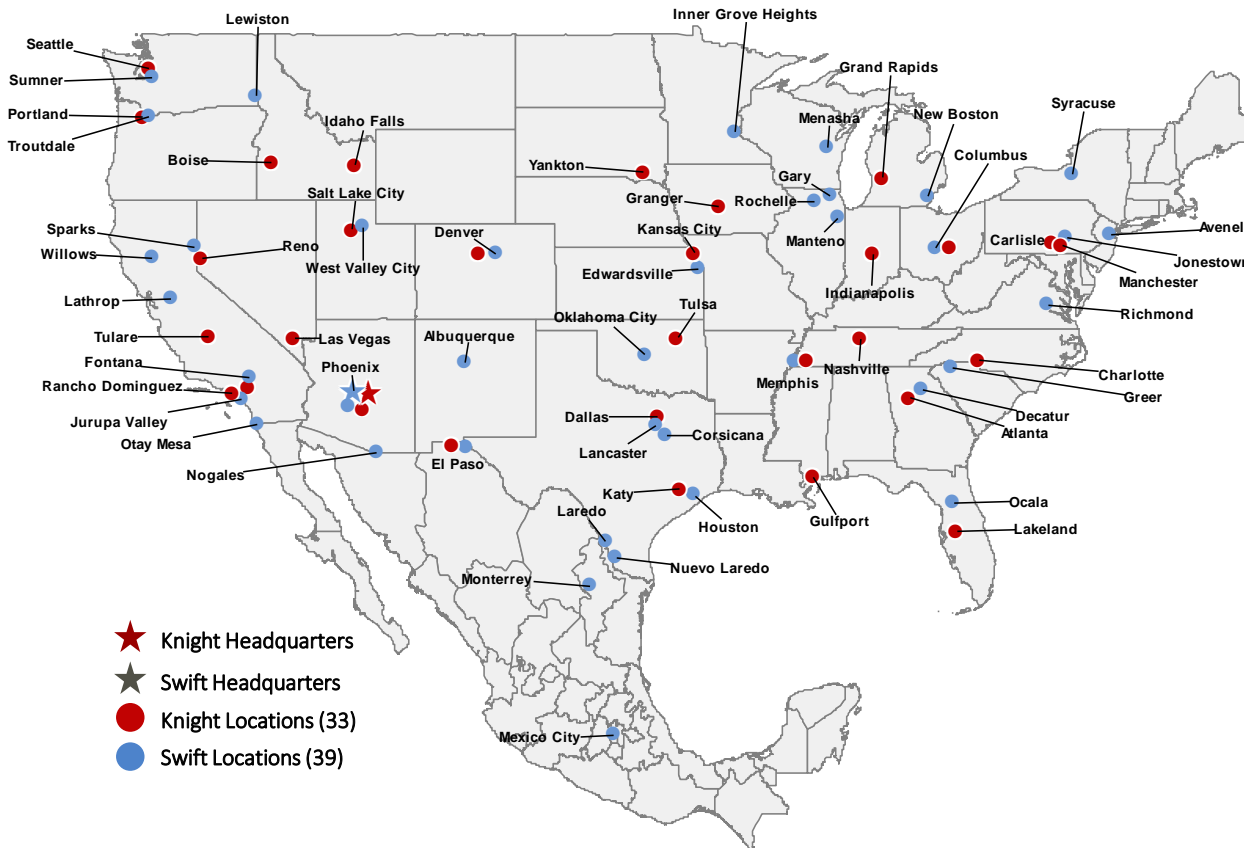
3

The combination of Knight & Swift brings together two Phoenix based organizations whose leaders have common roots going back half a century.

4

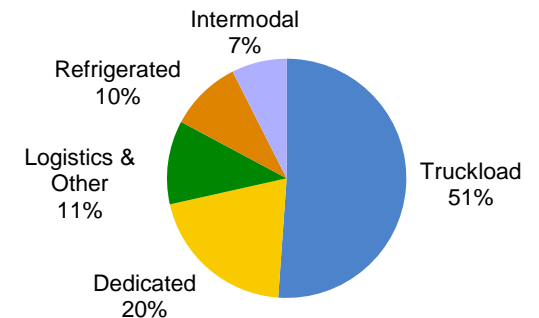
Strategic Geographic Presence

Over 70 locations in 30 states and 3 locations throughout Mexico



Revenues 2016

■ 5.225 Billion



- Tractors: 23,071
- Trailers: 78,812

Expected to close in 3rd Quarter of 2017, subject to regulatory and shareholder approvals and customary closing conditions.

Operational Challenges For Truckers who Provide West Coast Marine Terminal Drayage

- Congestion:
 - Driven by the operations within the terminals.
 - Larger vessels are coming in taking longer to discharge and closer together..
- Chassis Dynamics
 - Pool chassis and privately owned chassis
- Inconsistent Gate Hours
 - Hours vary weekly driven by terminals vessel schedules.
- Pier Pass
 - Most BCO's want cargo moved off peak to avoid pier pass which does not always work with drivers Hours of service (ELD's.), thus creating additional cost and potentially missing cutoff.
- Appointment Systems
 - Needs more flexibility
- Shorter Receiving windows for exports
 - Exporters are rarely given late gates.
- Per Diem
 - Trucker is held accountable for Pier Diem whether it is a merchant haulage or a store door move by ocean carrier.

Improving Efficiencies for Truckers who provide West Coast Marine Terminal Drayage

- Congestion
 - Develop best practices from terminals that are the most efficient.
- Chassis
 - Allow use of private chassis with no additional flip charges
- Inconsistent gate hours
 - Terminals maintain steady operating hours weekly, so drivers fleet managers can plan hours of service (ELD's).
- Appointment Systems
 - Dynamic Component within the appointment system that allows flexibility with drivers Hours of service (ELD's).
- Pier Pass/ Shorter receiving windows
 - Reduce pier pass fee on exports to ensure cut off is made or provide late gate extensions.
- Per Diem
 - Per Diem should be billed to BCO by ocean carrier.

Trucking's Contribution to Improving the West Coast's Ports' Air Quality

- Significant capital investments in latest emissions and aerodynamic technologies
- Extensive use of optimized drivetrains including Automated Manual Transmissions
- Advanced fuel economy training
- Continued evaluation of alternative and low carbon fuels

Trucking has accomplished much, though can do more!

Single Largest Opportunity

Reconsider the Traditional Domestic Tractor Lifecycle

Years 1 – 5: Original User

Years 6 – 10: Secondary User

Year 11+: Export to International Markets

Years	% of Depreciation	Depreciation Cost	% of Maintenance	Maintenance Cost
1 to 5	65%	\$84,500	25%	\$25,000
6 to 10	25%	\$32,500	50%	\$37,500
11+	10%	\$13,000	25%	??

Why can't we make this work in the West Coast Ports?

We need to get in front of this by working together!

What are the Benefits of a 10 year Domestic Tractor Lifestyle?

Rapid deployment of lower emissions technologies

Increased market penetration of the latest safety technologies

Improved fuel economy

More sustainable economic model for used tractors

Benefits capital structure for all truckers large and small

What is standing in the way of implementing the 10 year domestic tractor lifecycle?

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Thank you!

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