



Good stuff.



NABE Teleconference

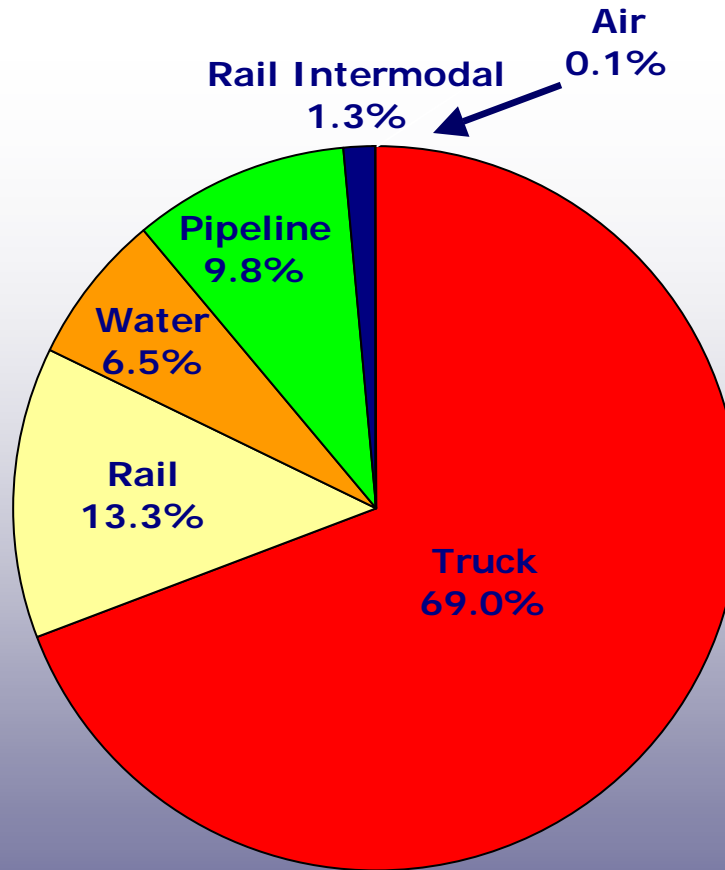
Oil Prices and the Cost of Logistics

August 21, 2008

**Bob Costello
Chief Economist & Vice President
American Trucking Associations**



Distribution of U.S. Tonnage by Mode: 2006

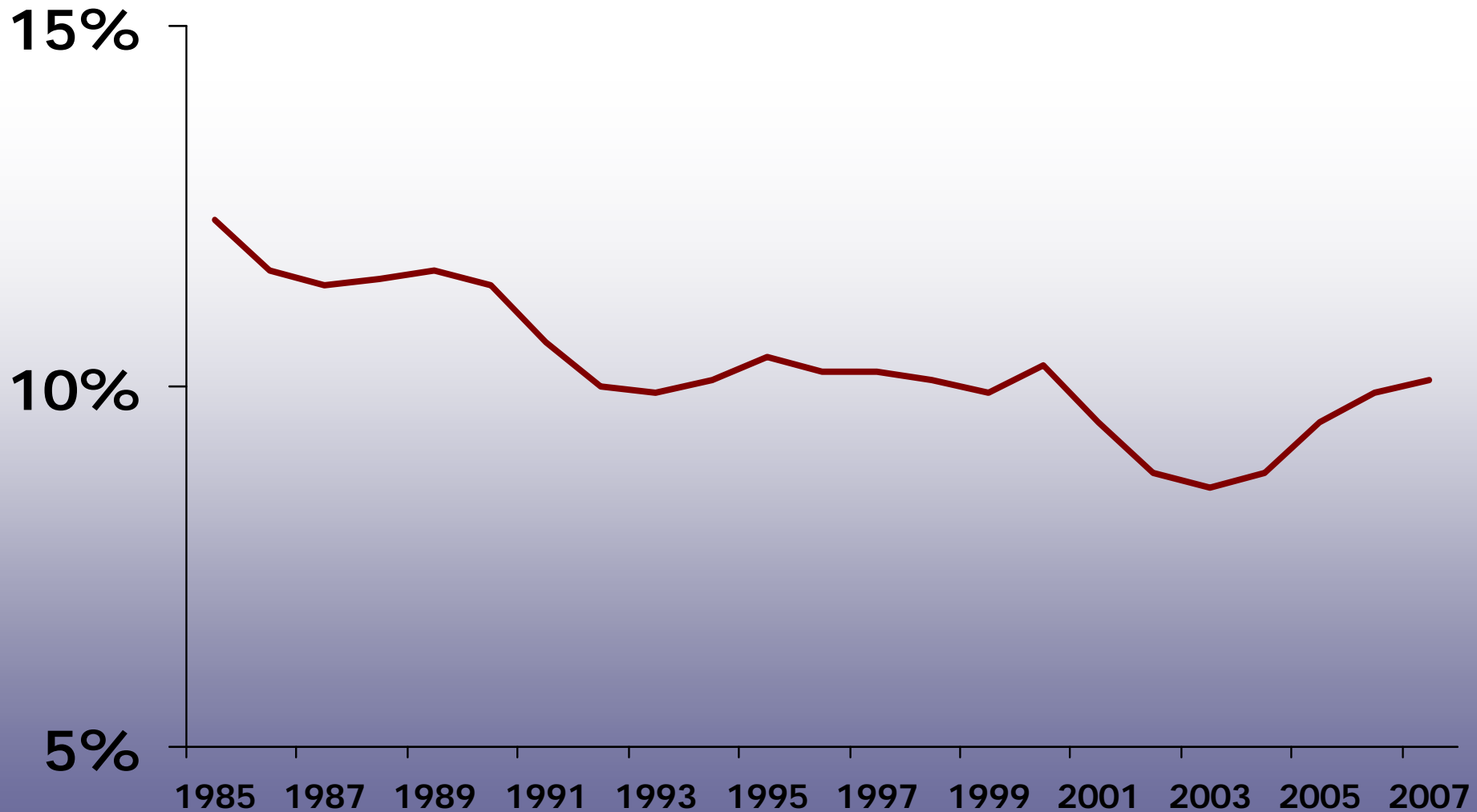




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U.S. Business Logistics as a Percent of Nominal GDP

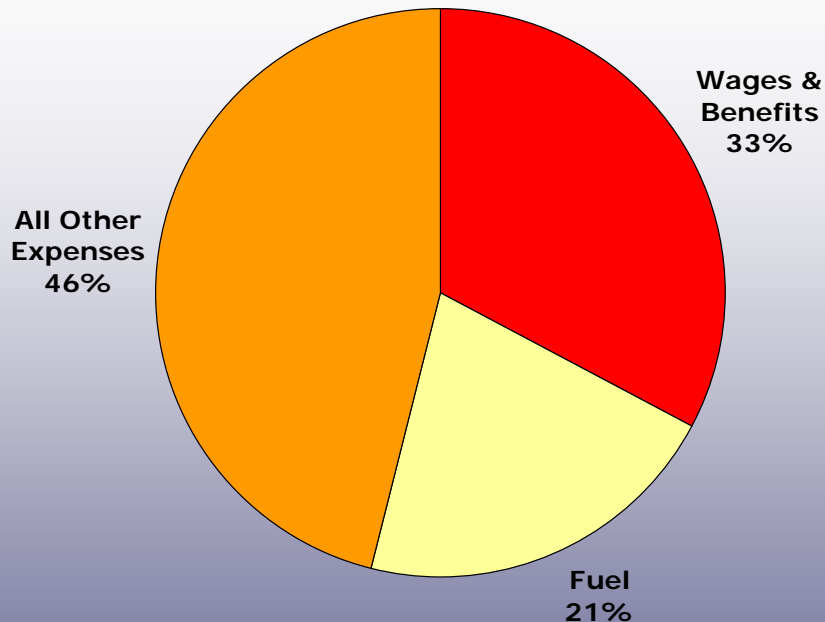


Source: 19th Annual State of Logistics Report



Distribution of Truckload Operating Expenses

2006



In 2008, fuel expenses, for the first time ever, surpassed labor as the number one cost for most trucking companies.



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On-Highway Diesel Prices

Price Per Gallon



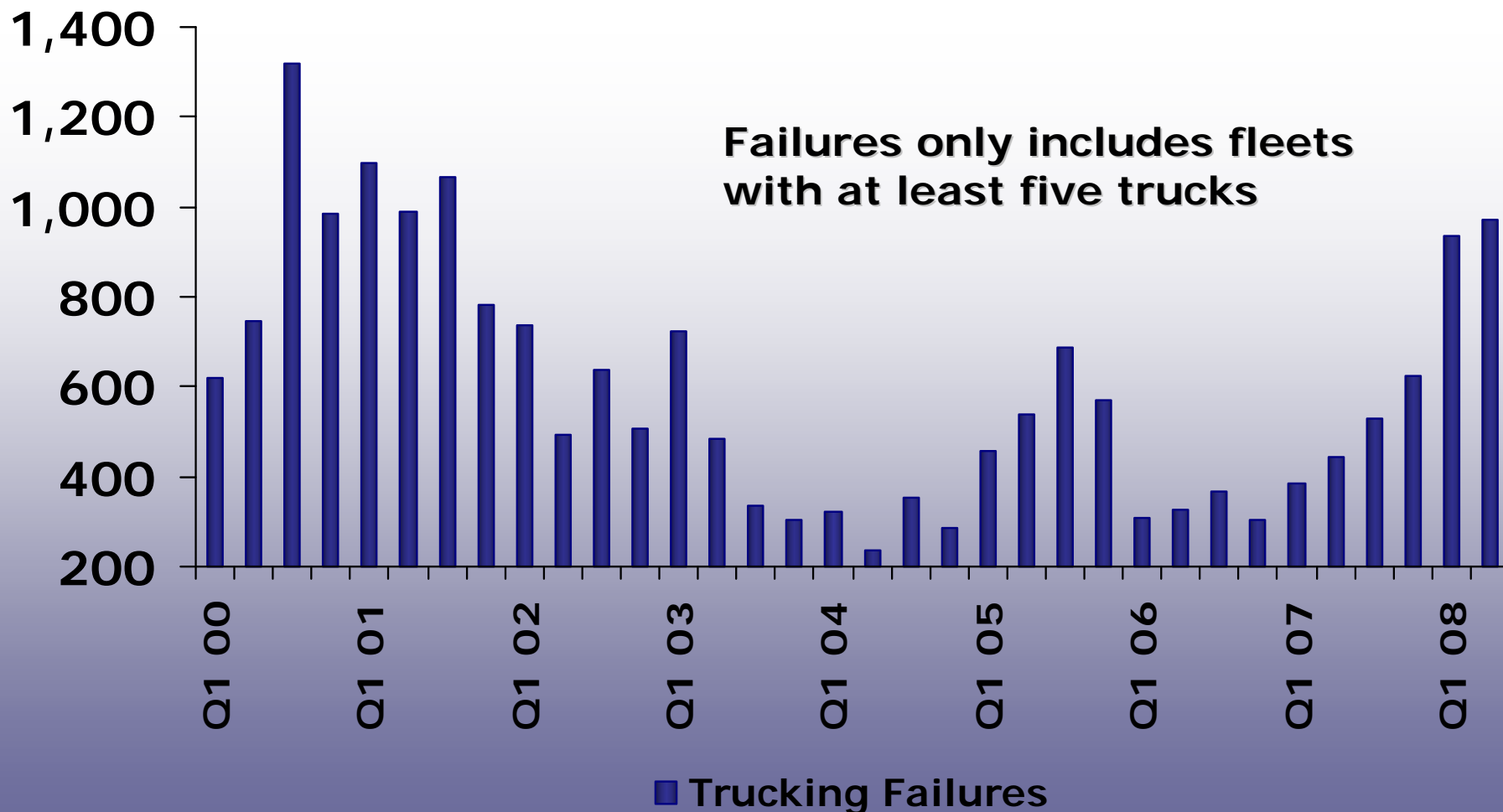
Source: Energy Information Administration



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Trucking Failures



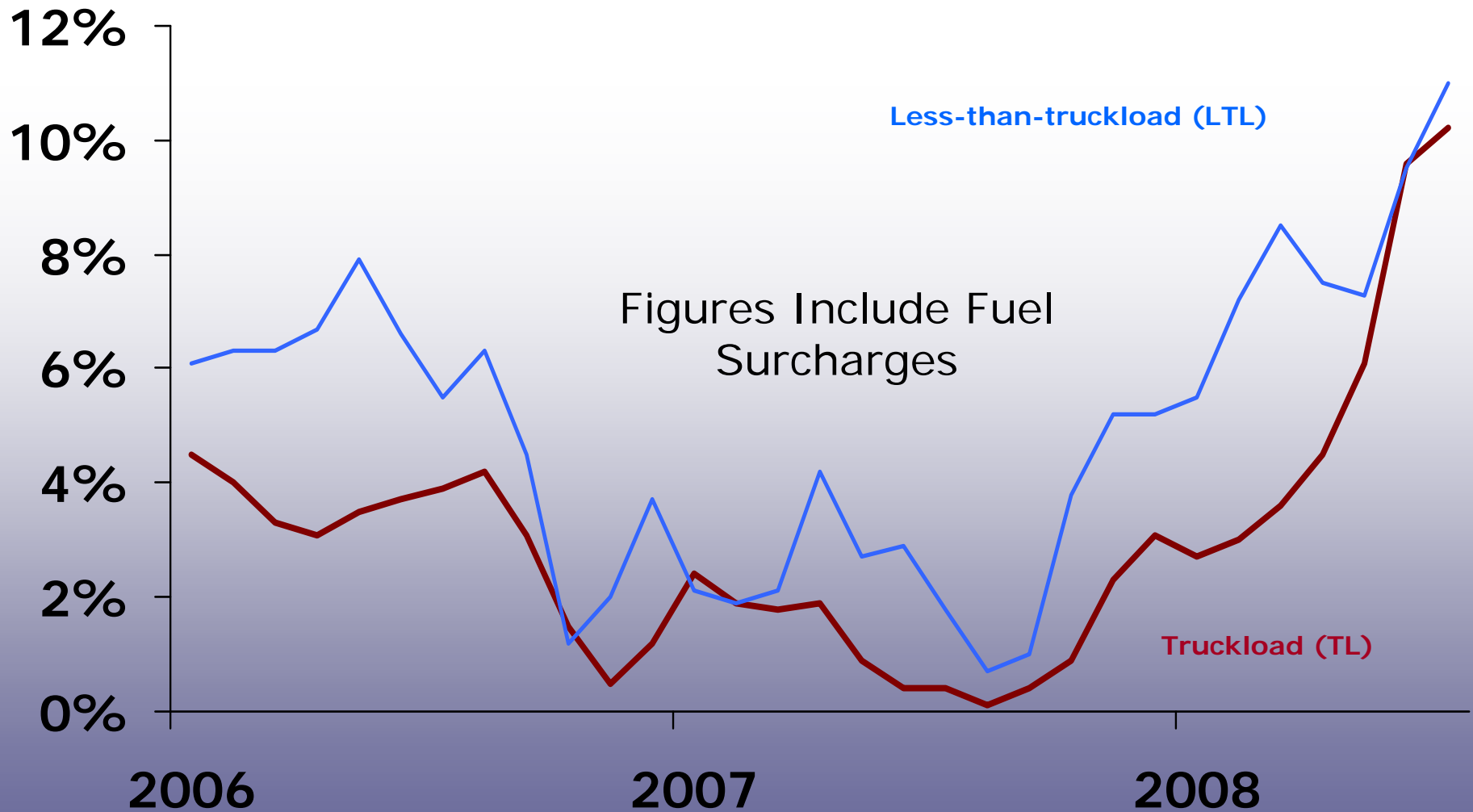


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Producer Price Indexes: TL and LTL

Year-over-Year Percent Change



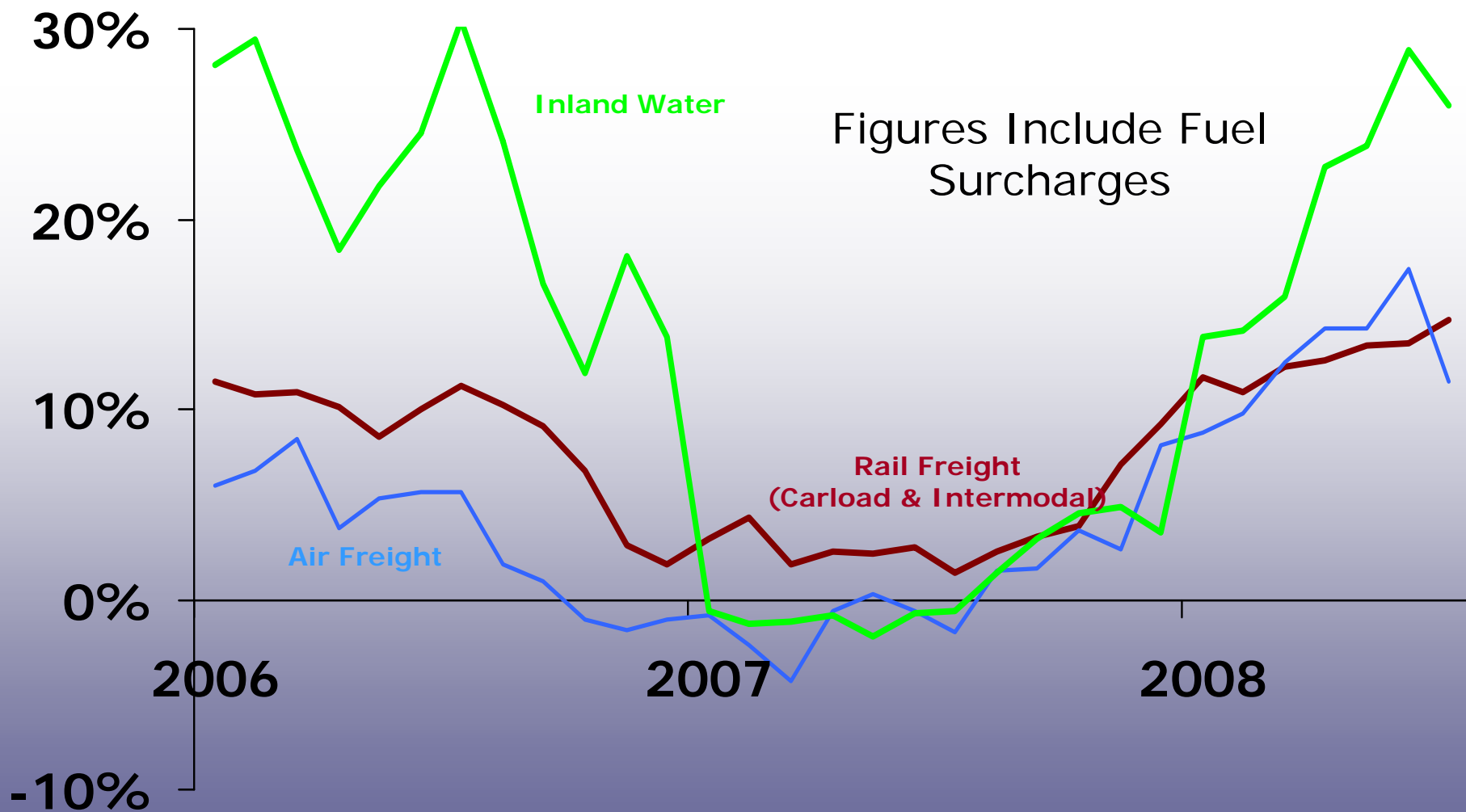


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Producer Price Indexes: Rail, Air, Water

Year-over-Year Percent Change





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A Few Ways Trucking Companies Deal With High Fuel Prices

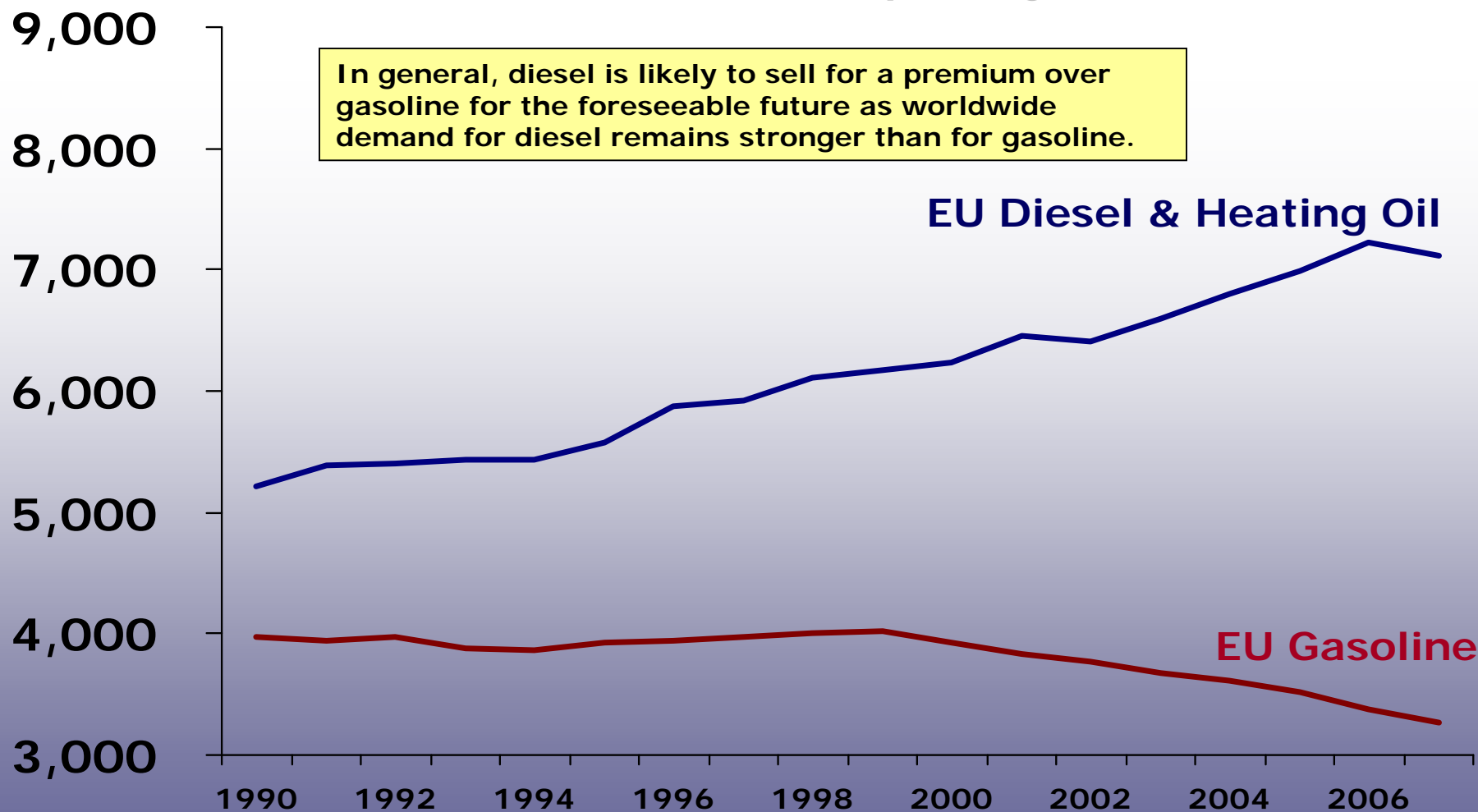
- Try to implement fuel surcharges
- Conservation
 - Lower Speeds
 - MPG bonuses
 - APUs for idling
- Purchase Programs
 - Utilize technology for purchases
 - Hedging (large fleets only)



EU Fuel Demand Trends

Thousands of Barrels per day

In general, diesel is likely to sell for a premium over gasoline for the foreseeable future as worldwide demand for diesel remains stronger than for gasoline.





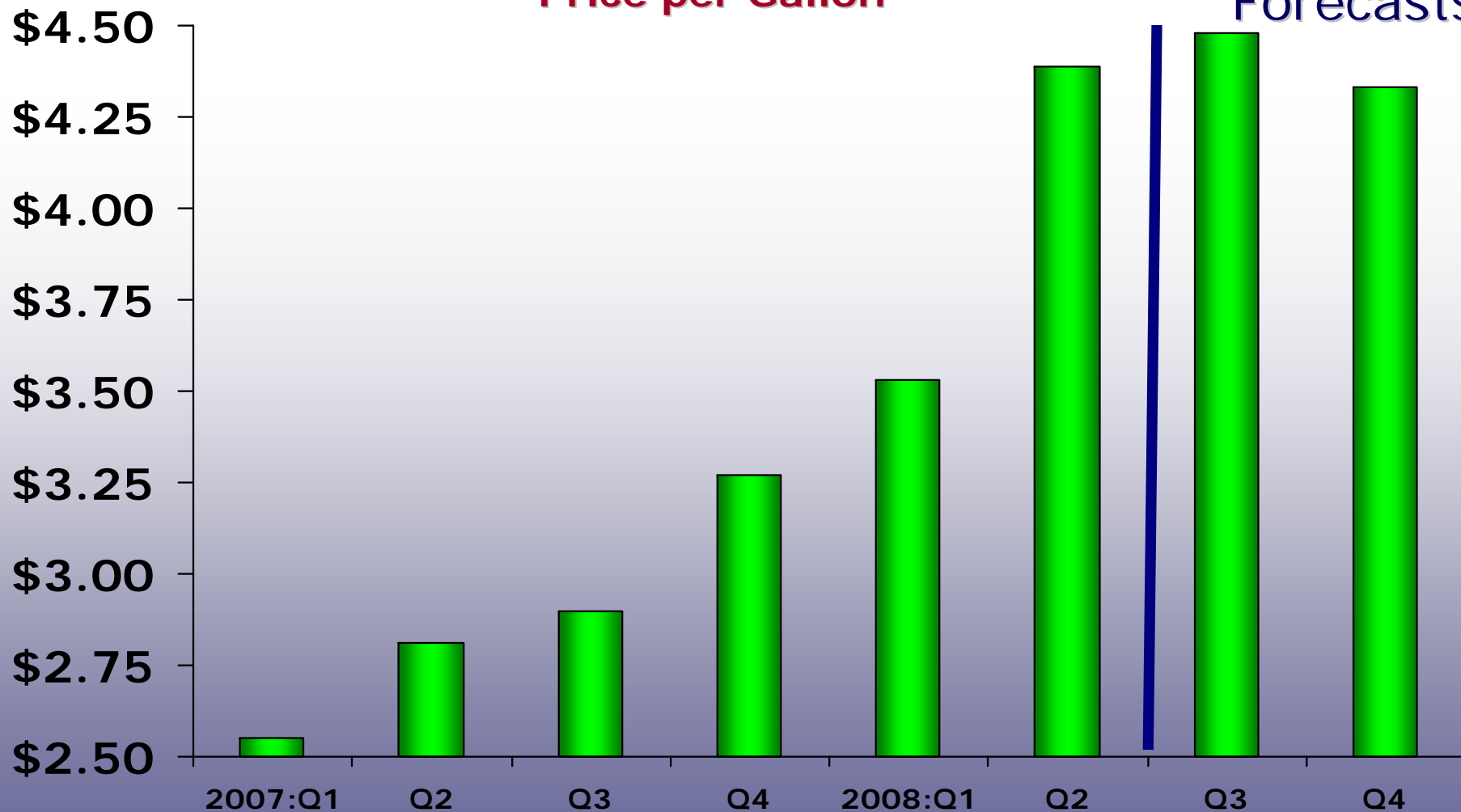
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Diesel Prices

Price per Gallon

Forecasts



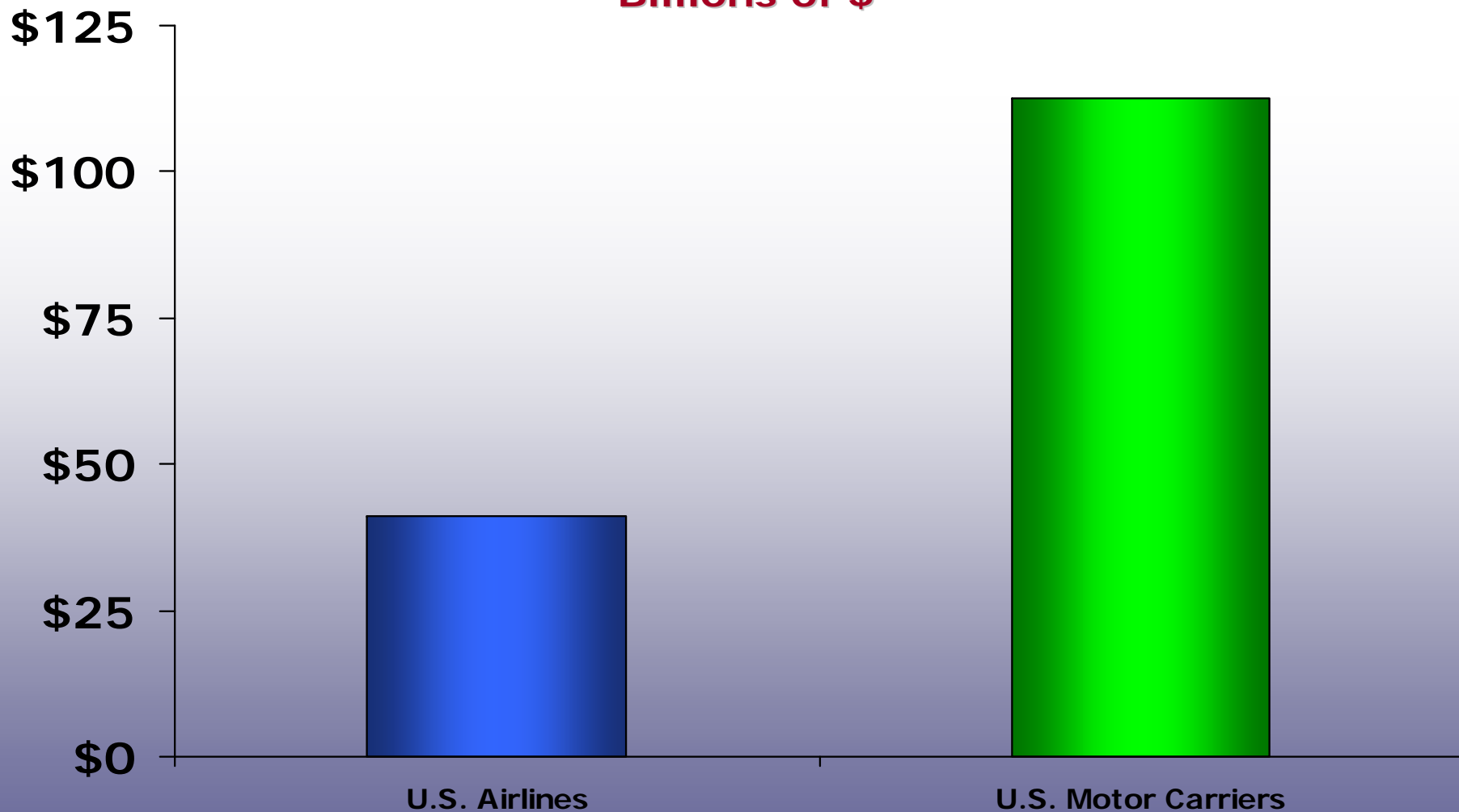


Good stuff.



2007 Industry Fuel Expenses

Billions of \$



Sources: Air Transport Association; American Trucking Associations



Trucking's Annual Diesel Expense and Consumption

Billions

