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

- Swift
- U.S. Xpress, Inc.
- CSX
- BNSF
- Saia
- CN
- Norfolk Southern
- R&L Carriers
- Werner
- Marten
- FedEx
- Union Pacific
- C.R. England
- Schneider National
- J.B. Hunt
- SRT (Southern Refrigerated Transport)
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%
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:

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Avg. % Rev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor/Equipment</td>
<td>40-50%</td>
</tr>
<tr>
<td>Fuel</td>
<td>15-20%</td>
</tr>
<tr>
<td>Safety/Insurance</td>
<td>5-10%</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Annual Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor/Equipment</td>
<td>$10,000</td>
</tr>
<tr>
<td>Fuel</td>
<td>$7,000</td>
</tr>
<tr>
<td>Safety/Insurance</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Total- per truck</strong></td>
<td><strong>$17,500</strong></td>
</tr>
</tbody>
</table>
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.
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
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.