IANA

Looking Back, Moving Forward — Celebrating 25 years

Inside the Numbers:
A Close Look at IANA's
Intermodal Market Trends & Statistics

NOVEMBER 8TH 2016, 2:00 PM ET

WITH

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Our Presenters

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Housekeeping

- Panelist presentations will be followed by an audience question and answer session
- Audience audio will be muted
- Submit questions at any time for Q&A session at the end of the webinar presentations

Webinar Agenda

- Introduction to IANA's Intermodal Market Trends & Statistics quarterly report
  - Explanation of format & contents
- Economic conditions summary
- Latest IANA numbers
- International Intermodal Review
- Questions

The Intermodal Market Trends & Statistics Report

Section by Section Review

Intermodal Market Trends & Statistics

- Commentary and analysis of quarterly and year-to-date movements that include:
  - IMC statistics
  - Rail statistics
  - Trucking industry data
- Report highlights:
  - Analysis of the US economy and its potential impact on the intermodal industry
  - Ongoing reports of service enhancements and capacity improvements
  - A standard set of charts that provide valuable, consistent and recurring snapshots of the industry

Quarterly Rail Volume Results

- Summary of Year-to-date and Quarter-to-Quarter intermodal volume
- By equipment type
- Summary combines U.S., Canadian, & Mexican volume

Third Quarter Totals

	2015	2016	Change
Trailers	404,853	295,933	-26.9%
Domestic Containers	1,809,399	1,868,227	3.3%
All Domestic Equipment	2,214,252	2,164,160	-2.3%
ISO Containers	2,341,724	2,184,474	-6.7%
Total	4,555,976	4,348,634	-4.6%

Year to Date 2016

	2015	2016	Change
Trailers	1,221,624	896,315	-26.6%
Domestic Containers	5,238,702	5,463,084	4.3%
All Domestic Equipment	6,460,326	6,359,399	-1.6%
ISO Containers	6,718,275	6,417,396	-4.5%
Total	13,178,601	12,776,795	-3.0%

Third Quarter Equipment Loading Trends

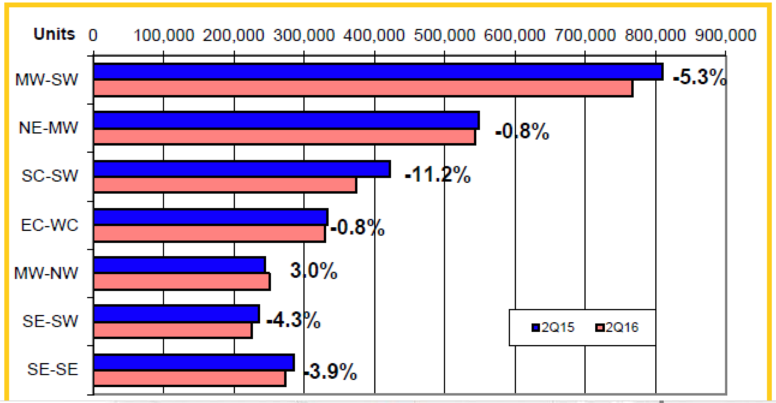
Equipment Size/Type	3Q15	3Q16	3Q 15-16 Growth	3Q 16 Share
28' Trailers/Containers	68,174	61,395	-9.9%	1.4%
40/45' Trailers	26,809	25,231	-5.9%	0.6%
48/53' Trailers	310,159	209,458	-32.5%	4.8%
20/40/45' Containers	2,341,724	2,184,474	-6.7%	50.2%
48/53' Containers	1,809,110	1,868,076	3.3%	43.0%
Total	4,555,976	4,348,634	-4.6%	100.0%

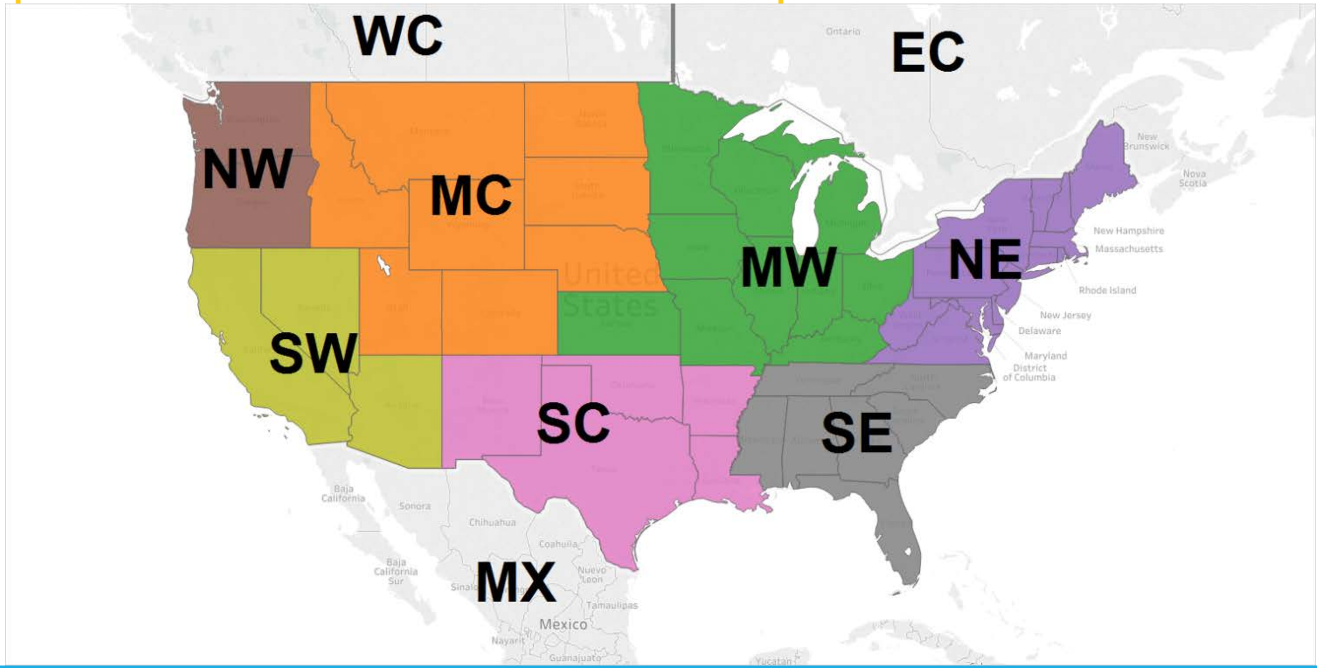
Source: IANA

Key Corridor & Regional Traffic Results

- Results for major traffic corridors
- Bi-directional
- Total volume, containers and trailers combined

Third Quarter 2015–2016 Corridor Growth



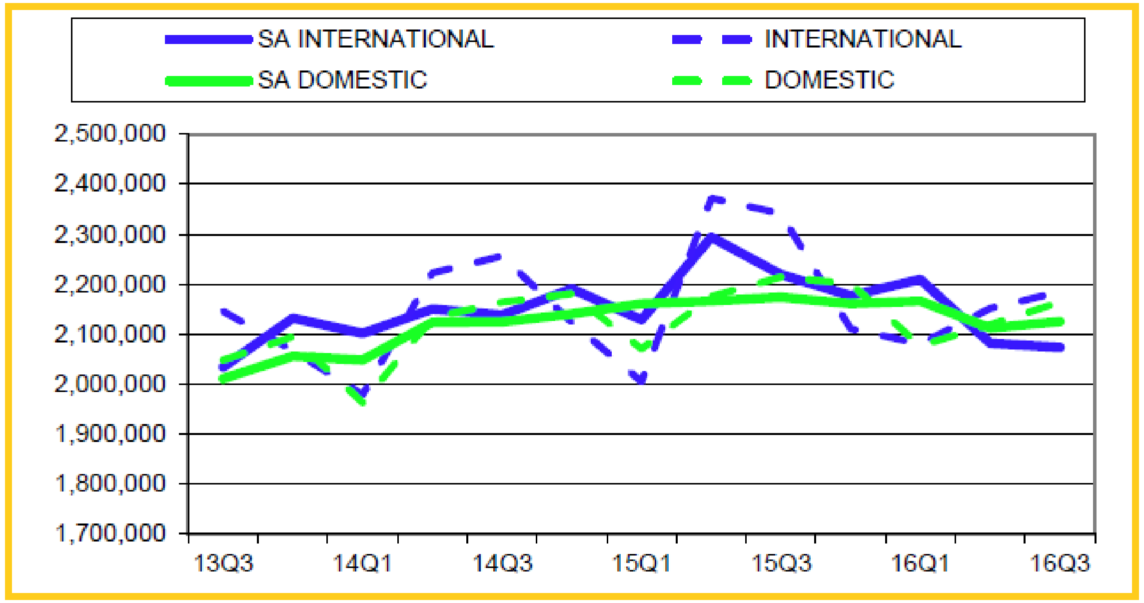


Source: IANA

Seasonally Adjusted Intermodal Volume

- Removes the normal seasonal variation in the data
- Focuses on the underlying quarter-to-quarter growth trends
- Data provided domestic and international segments

Seasonally Adjusted Volume Trends



Source: IANA

Intermodal Marketing Company (IMC) Results

- Volume and revenue from participating IMCs
- Includes intermodal and highway loadings and trends
- List of participating IMCs found at the end of the report

Source: IANA

IMC Market Trends — 3rd Qtr. 2016 vs. 2015

	3rd Quarter 2015	3rd Quarter 2016	Pct. Change
Intermodal Loads	483,704	427,545	-11.6%
Highway Loads	380,450	435,916	14.6%
Total Loads	864,154	863,461	-0.1%
Intermodal Revenue	$ 1,120,678,672	$ 1,117,015,723	-0.3%
Highway Revenue	$ 566,265,466	$ 604,680,457	6.8%
Total Revenue	$ 1,686,944,138	$ 1,721,696,181	2.1%
Average per Intermodal Load	$ 2,317	$ 2,613	12.8%
Average per Highway Load	$ 1,488	$ 1,387	-6.8%

IMC Market Trends — 3rd Qtr. 2016 vs. 2nd Qtr. 2016

	2nd Quarter 2016	3rd Quarter 2016	Pct. Change
Intermodal Loads	408,867	427,545	4.6%
Highway Loads	432,238	435,916	0.9%
Total Loads	841,105	863,461	2.7%
Intermodal Revenue	$ 1,044,625,573	$ 1,117,015,723	6.9%
Highway Revenue	$ 591,726,629	$ 604,680,457	2.2%
Total Revenue	$ 1,636,352,201	$ 1,721,696,181	5.2%
Average per Intermodal Load	$ 2,555	$ 2,613	2.3%
Average per Highway Load	$ 1,369	$ 1,387	1.3%

IMC Market Trends — YTD 2016 vs. 2015

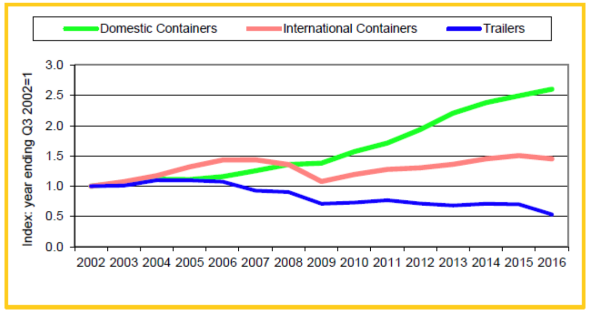
	YTD 2015	YTD 2016	Pct. Change
Intermodal Loads	1,436,945	1,231,423	-14.3%
Highway Loads	1,076,131	1,244,492	15.6%
Total Loads	2,513,076	2,475,915	-1.5%
Intermodal Revenue	$ 3,324,956,854	$ 3,172,581,347	-4.6%
Highway Revenue	$ 1,649,885,099	$ 1,727,415,473	4.7%
Total Revenue	$ 4,974,841,954	$ 4,899,996,819	-1.5%
Average per Intermodal Load	$ 2,314	$ 2,576	11.3%
Average per Highway Load	$ 1,533	$ 1,388	-9.5%

Intermodal Long-Term Trends

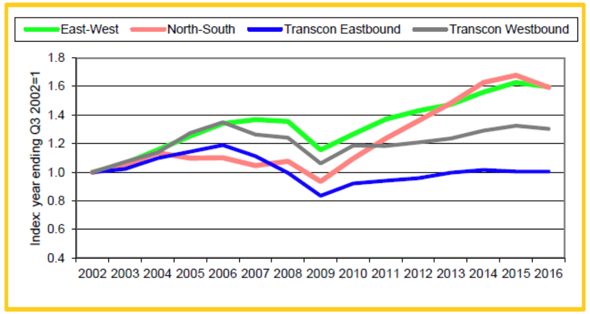
This section tracks long-term trends using three charts:

- Volume by equipment type
- Key lane analysis
- Length of haul

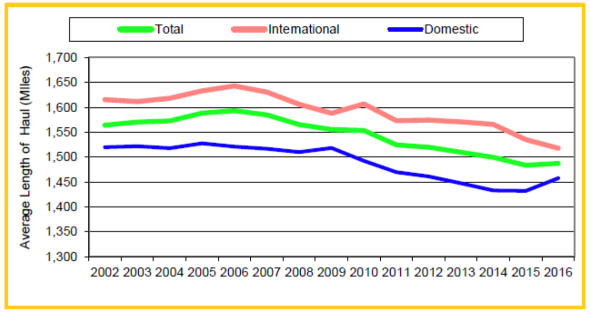
Annual Volume by Equipment Type



Annual Volume by Key Lanes



Average Length of Haul



Source: IANA

Intermodal Outlook

- Written analysis of the near-term forecast for intermodal demand
- Forecasts provided for domestic containers and trailers and international containers
- Section includes data on key financial results for major railroads

Intermodal Outlook

With North America's intermodal market weakness extending into the third quarter, concerns are rising that this market faces significant long-term challenges. Volume falling by close to 5% during a third quarter of steady, though modest, economic growth is raising caution. But it's likely that two major factors – excess truck capacity and shifting import volumes – are the key drivers of recent weakness. Neither will likely pull intermodal down for the long-term.

Trailers were the biggest negative, falling nearly 27% in Q3. This sector is the most susceptible to truck competition. It is also reflective of railroads' strategies regarding trailer services. The downfall likely will con-

Source: IANA

Trucking Industry Outlook

Information in this section includes:

- Trucking volume growth rates and data for length of haul (quarterly and year-to-date)
- Trucking utilization
- New truck sales
- Driver labor availability index

Current Trucking Indicators

	JUL	AUG	SEP	Comments
Class 8 Retail Sales (Ward's)				Class 8 orders rose to meet expectations under the current conditions.
Actual	10,263	14,078	13,791	
Y/Y % Change	-56.9%	-25.6%	-28.3%	
National Avg. Diesel/Gal (EIA)				Energy is beginning to stabilize after gaining ground in the spring and summer.
Actual	$2.405	$2.351	$2.394	
Y/Y % Change	-13.7%	-9.4%	-4.4%	
Driver Labor Availability Index (1992=100)				
Actual	125.2	125.6	--	
M/M % Change	0.3%	0.3%	--	
Y/Y % Change	1.0%	1.2%	--	

Source: FTR Associates

Short-Term Trucking Outlook

	History	Forecast			
	16Q3	16Q4	17Q1	17Q2	17Q3
Active Truck Utilization	96.8%	98.0%	99.5%	100.0%	100.0%
Cl. 8 Tractor/Trailer Loadings Originated					
000s of Loadings	146,299	147,200	148,097	149,004	150,014
% Change, Q/Q	0.7%	0.6%	0.6%	0.6%	0.7%
% Change, Y/Y	2.3%	3.1%	3.0%	2.6%	2.5%
Driver Labor Availability Index					
Index (1992=100)	125.4	125.8	125.7	125.6	126.2
% Change, Q/Q	0.5%	0.4%	-0.1%	-0.1%	0.5%
% Change, Y/Y	1.2%	1.6%	0.6%	0.6%	0.6%
Truck Share of Employment Index					
Index (1992=100)	141.0	142.9	146.2	148.0	149.6
Driver Labor Hiring Conditions					
Green/Yellow/Red	Red	Critical	Critical	Critical	Critical

Source: FTR Associates

Source: IANA, FTR Associates

U.S., Canada and Mexico Domestic Economies

- Quarterly data and statistics of the leading economic indicators for the U.S., Canada, & Mexico
- This section additionally provides detailed written analysis of the North American economies

U.S. Economic Indicators

	15Q3	15Q4	16Q1	16Q2	16Q3
Gross Domestic Product (SAAR)	2.0%	0.9%	0.8%	1.4%	3.0%
Merchandise Imports (SAAR)	-0.1%	0.7%	-1.3%	0.0%	4.0%
Industrial Production - Mfg. (vs. LY)	0.9%	0.1%	0.6%	0.2%	0.1%
Capacity Utilization - Mfg.	76.0%	75.7%	75.7%	75.4%	75.4%
Retail Sales (Excl. Autos, vs. LY)	1.3%	1.0%	2.4%	2.9%	2.4%
Inventory/Sales Ratio - All Business	1.38	1.39	1.41	1.40	1.40
Housing Starts (Millions, SAAR)	1.16	1.13	1.15	1.16	1.14
Trade Weighted Value $ (1973=100)	96.67	97.99	99.55	97.08	97.71

Canadian Economic Indicators

	15Q3	15Q4	16Q1	16Q2	16Q3
Gross Domestic Product (SAAR)	2.2%	0.5%	2.5%	-1.6%	4.2%
Imports (SAAR)	-2.8%	-7.0%	1.6%	1.1%	1.5%
Exports (SAAR)	9.0%	-1.5%	8.0%	-16.7%	8.8%
Industrial Production - Mfg. (vs. LY)	-0.3%	-1.7%	0.5%	-0.7%	-1.1%
Retail Sales (vs. Last Year)	1.6%	2.2%	5.5%	3.5%	3.3%
Housing Starts (Thousands, SAAR)	173.4	180.3	185.9	189.7	198.7
U.S. $ / Canadian $	$0.764	$0.749	$0.728	$0.776	$0.766

Mexican Economic Indicators

	15Q3	15Q4	16Q1	16Q2	16Q3
Gross Domestic Product (SAAR)	2.8%	1.8%	2.0%	-0.7%	5.0%
Imports (SAAR)	5.4%	-5.0%	-2.7%	-1.5%	9.7%
Exports (SAAR)	9.2%	-2.8%	-0.4%	-7.9%	6.5%
Industrial Production - Mfg. (vs. LY)	1.2%	0.3%	0.7%	0.0%	0.6%
Mexican Peso / U.S. $	$16.44	$16.76	$18.04	$18.09	$18.78

Source: IANA

Monthly Traffic Statistics

- Extensive tables (12 pages) of monthly traffic statistics
- Information presented by lane by direction, equipment size, ownership

Source: IANA

Monthly Traffic
Equipment Moves by Type, Ownership and Size

Private	July 15	July 16	August 15	August 16	September 15	September 16	Third Quarter 15	Third Quarter 16	Pct. Chg.
Trailers	134,595	93,040	131,034	99,877	130,466	100,817	396,095	293,734	-26%
20'	1,185	139	1,144	164	1,060	198	3,389	501	-85%
28'	22,486	19,347	21,223	20,460	20,359	20,935	64,068	60,742	-5%
40'	1,485	1,798	1,519	1,923	1,607	1,998	4,611	5,719	24%
45'	7,056	6,147	6,877	6,870	7,018	6,455	20,951	19,472	-7%
48'	3,506	1,218	3,046	1,254	2,990	1,325	9,542	3,797	-60%
53' or greater	98,877	64,391	97,225	69,206	97,432	69,906	293,534	203,503	-31%
Containers	1,198,770	1,106,264	1,199,394	1,195,178	1,171,459	1,138,418	3,569,623	3,439,860	-4%
20'	207,066	177,377	199,677	186,325	185,953	170,575	592,696	534,277	-10%
28'	134	37	79	54	73	60	286	151	-47%
40'	563,404	509,647	561,267	551,503	546,465	520,647	1,671,136	1,581,797	-5%
45'	25,313	21,751	26,477	23,933	25,297	21,958	77,087	67,642	-12%
48'	2,671	3,699	3,002	4,051	3,137	3,564	8,810	11,314	28%
53' or greater	400,182	393,753	408,892	429,312	410,534	421,614	1,219,608	1,244,679	2%

Midwest Region (MW)

Includes: IL, IN, IA, KY, KS, MI, MN, MO, OH, WI

		July 15	July 16	August 15	August 16	September 15	September 16	Third Quarter 15	Third Quarter 16	Pct. Chg.
MW Total Outbound	*Total*	417,210	371,670	411,594	407,259	405,972	392,514	1,234,776	1,171,443	-5%
	Trailers	51,924	34,132	51,556	37,966	50,517	37,959	153,997	110,057	-29%
	Containers	365,286	337,538	360,038	369,293	355,455	354,555	1,080,779	1,061,386	-2%
MW Total Inbound	*Total*	385,271	367,616	395,654	397,431	390,147	374,138	1,171,072	1,139,185	-3%
	Trailers	52,835	32,771	52,123	37,220	53,328	37,688	158,286	107,679	-32%
	Containers	332,436	334,845	343,531	360,211	336,819	336,450	1,012,786	1,031,506	2%
MW to MW Internal	*Total*	23,242	18,222	25,413	22,939	25,584	21,388	74,239	62,549	-16%
	Trailers	8,618	5,091	9,064	8,004	9,536	7,759	27,218	20,854	-23%
	Containers	14,624	13,131	16,349	14,935	16,048	13,629	47,021	41,695	-11%
MW to EC	*Total*	9,914	9,813	9,794	11,159	9,831	11,583	29,539	32,555	10%
	Trailers	692	1	745	0	680	0	2,117	1	-100%
	Containers	9,222	9,812	9,049	11,159	9,151	11,583	27,422	32,554	19%
MW to MC	*Total*	8,640	7,871	8,756	8,107	8,403	7,862	25,799	23,840	-8%
	Trailers	2,596	1,965	2,527	2,098	2,480	2,163	7,603	6,226	-18%
	Containers	6,044	5,906	6,229	6,009	5,923	5,699	18,196	17,614	-3%

Equipment Type, Size and Ownership (ETSO) and 5-year Historical Data files

- Aggregated rail data available to subscribers via monthly emails in an Excel spreadsheet
- Data includes:
  - Regional volume flows
  - Equipment size, type & ownership
  - Cumulative by month
- The 5-year Historical file provides continuous 60 months of data

Year	ORIGIN	DESTIN	TYPE	EQUIP	SIZE	01	02	03	04	05	06	07	08	09
2016	EC	EC	PRIVATE	CONT	20	8972	9144	9671	9500	9489	10655	10209	9937	9744
2016	EC	EC	PRIVATE	CONT	40	14333	14930	17030	15734	16566	16335	15787	17344	16794
2016	EC	EC	PRIVATE	CONT	45	123	93	103	134	151	176	144	146	155
2016	EC	EC	PRIVATE	CONT	48	8	1	7	3	3	2			1
2016	EC	EC	PRIVATE	CONT	53	3061	3133	3404	3433	3578	3461	3444	3683	3798
2016	EC	EC	PRIVATE	TRLS	20								2	4
2016	EC	EC	PRIVATE	TRLS	28						2			4
2016	EC	EC	PRIVATE	TRLS	40	10	9	4	4	9	3	1	3	8
2016	EC	EC	PRIVATE	TRLS	45	22	10	22	30	27	18	13	18	18
2016	EC	EC	PRIVATE	TRLS	48	10	4	12	14	8	16	14	28	27
2016	EC	EC	PRIVATE	TRLS	53	3280	3540	3932	3442	3098	3332	3544	3966	4210
2016	EC	EC	RAIL	CONT	40	58	70	70	54	6	1	4	7	8
2016	EC	EC	RAIL	CONT	53	2021	2125	2446	2613	2710	2648	2365	2433	2491
2016	EC	MC	PRIVATE	CONT	20				1					
2016	EC	MC	PRIVATE	CONT	40	10	6	8	6	6	5	10	12	14
2016	EC	MC	PRIVATE	CONT	53			2	2	2	2	4	3	1
2016	EC	MC	RAIL	CONT	53	9	27	19	19	25	22	13	26	13
2016	EC	MW	PRIVATE	CONT	20	2250	2597	2856	2560	2682	2670	2468	2742	2554

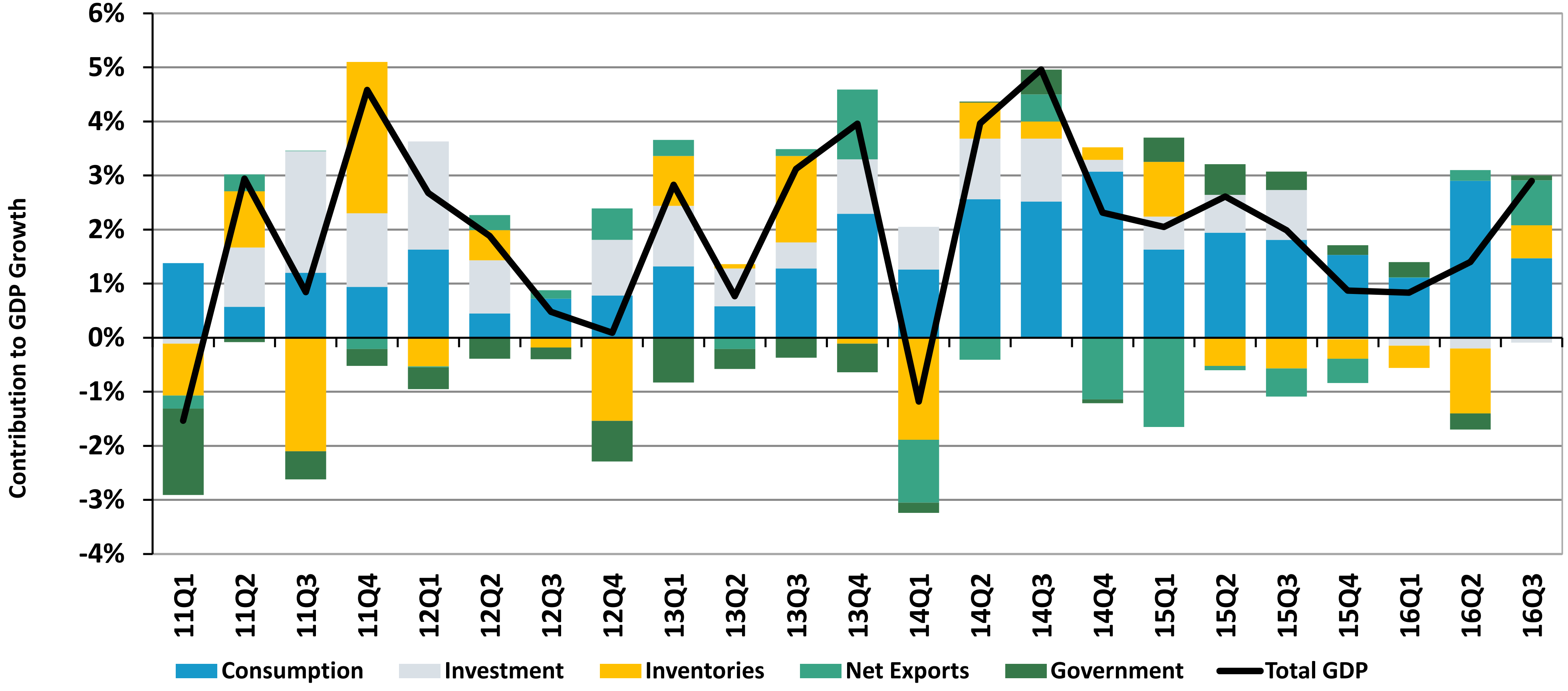
Source: IANA

Economic Overview

Economic Overview – Current Conditions

- First half GDP 2016 growth was been weak, but 3Q16 GDP increased by 2.9%
- Falling investment and over-sized inventories are the key drivers of weakness
- Policy uncertainty is a factor
- The labor market continues to improve
- Consumer spending growth is very solid
- The housing market is gradually improving
- Industrial output is just slightly better
- Recession risk is up just a bit

3Q16 GDP grew 2.9%



Source: U.S. Bureau of Economic Analysis

The Latest IANA Numbers

2016 Intermodal Growth Summary (YTD – September)

- By Segment
  - International: -4.5%
  - Domestic Container: 4.3%
  - Trailers: -27.8%, large losses due in part to the restructuring of Triple Crown
- By Origin Region (weak international loadings hindering growth in all regions):
  - U.S.: -3.1%
  - Canada: -2.2%
  - Mexico: -5.4%

Source: IANA

Third quarter intermodal volume

	2015	2016	Change
Trailers	404,853	295,933	-26.9%
Domestic Containers	1,809,399	1,868,227	3.3%
All Domestic Equipment	2,214,252	2,164,160	-2.3%
ISO Containers	2,341,724	2,184,474	-6.7%
Total	**4,555,976**	**4,348,634**	**-4.6%**

Source: IANA

Third quarter regional loadings

	3Q15		3Q16		3Q 15-16
	Units	Share	Units	Share	Growth
Eastern Canada (EC)	321,211	8%	311,940	8%	-2.9%
Mountain Central (MC)	62,179	1%	55,013	1%	-11.5%
Midwest (MW)	1,234,776	29%	1,171,443	29%	-5.1%
Mexico (MX)	170,001	4%	150,486	4%	-11.5%
Northeast (NE)	414,515	10%	414,752	10%	0.1%
Northwest (NW)	199,017	5%	207,676	5%	4.4%
South Central (SC)	335,626	8%	304,439	8%	-9.3%
Southeast (SE)	590,180	14%	564,217	14%	-4.4%
Southwest (SW)	871,461	21%	812,496	20%	-6.8%
Western Canada (WC)	357,010	9%	356,172	9%	-0.2%

Source: IANA

Top growth lanes

Corridor	3Q15		3Q16		3Q 15-16
	Units	Share	Units	Share	Growth
Western Canada-Midwest	83,089	1.8%	90,447	2.1%	8.9%
Northwest-Midwest	131,782	2.9%	142,210	3.3%	7.9%
Southwest-Northeast	58,471	1.3%	60,523	1.4%	3.5%
Northeast-Midwest	247,301	5.4%	252,381	5.8%	2.1%
Intra-Eastern Canada	109,173	2.4%	110,354	2.5%	1.1%
Western-Eastern Canada	165,555	3.6%	166,294	3.8%	0.4%

Source: IANA

Note: top growth lanes excluding lanes with less than 50,000 moves

Largest decline lanes

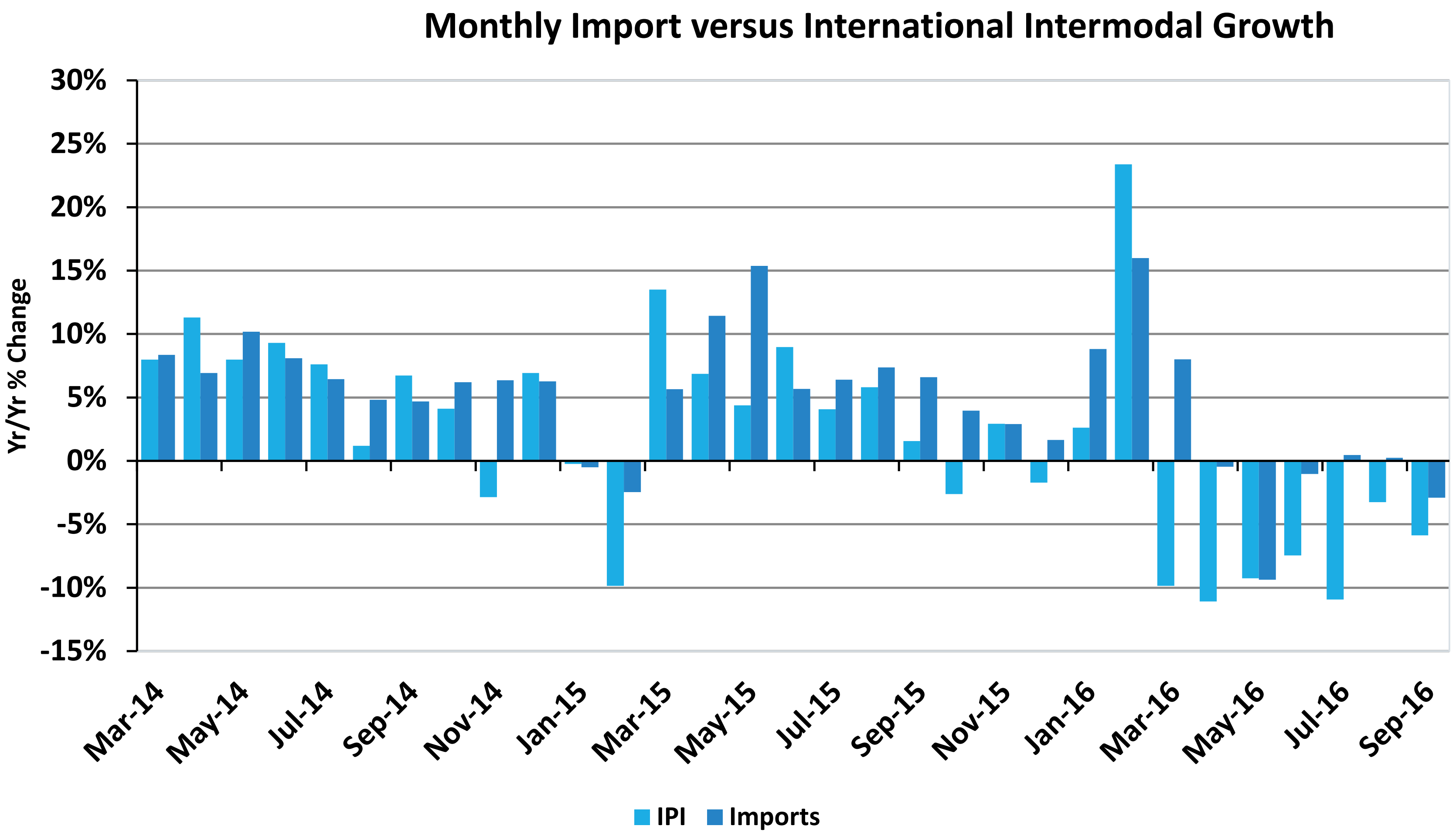
Corridor	3Q15		3Q16		3Q 15-16
	Units	Share	Units	Share	Growth
South Central-Midwest	66,754	1.5%	53,776	1.2%	-19.4%
Intra-Mexico	125,693	2.8%	103,741	2.4%	-17.5%
Midwest-South Central	73,710	1.6%	61,853	1.4%	-16.1%
Intra-Midwest	74,239	1.6%	62,549	1.4%	-15.7%
Southwest-South Central	233,488	5.1%	205,233	4.7%	-12.1%
South Central-Southwest	188,444	4.1%	169,279	3.9%	-10.2%

Source: IANA

Note: top growth lanes excluding lanes with less than 50,000 moves

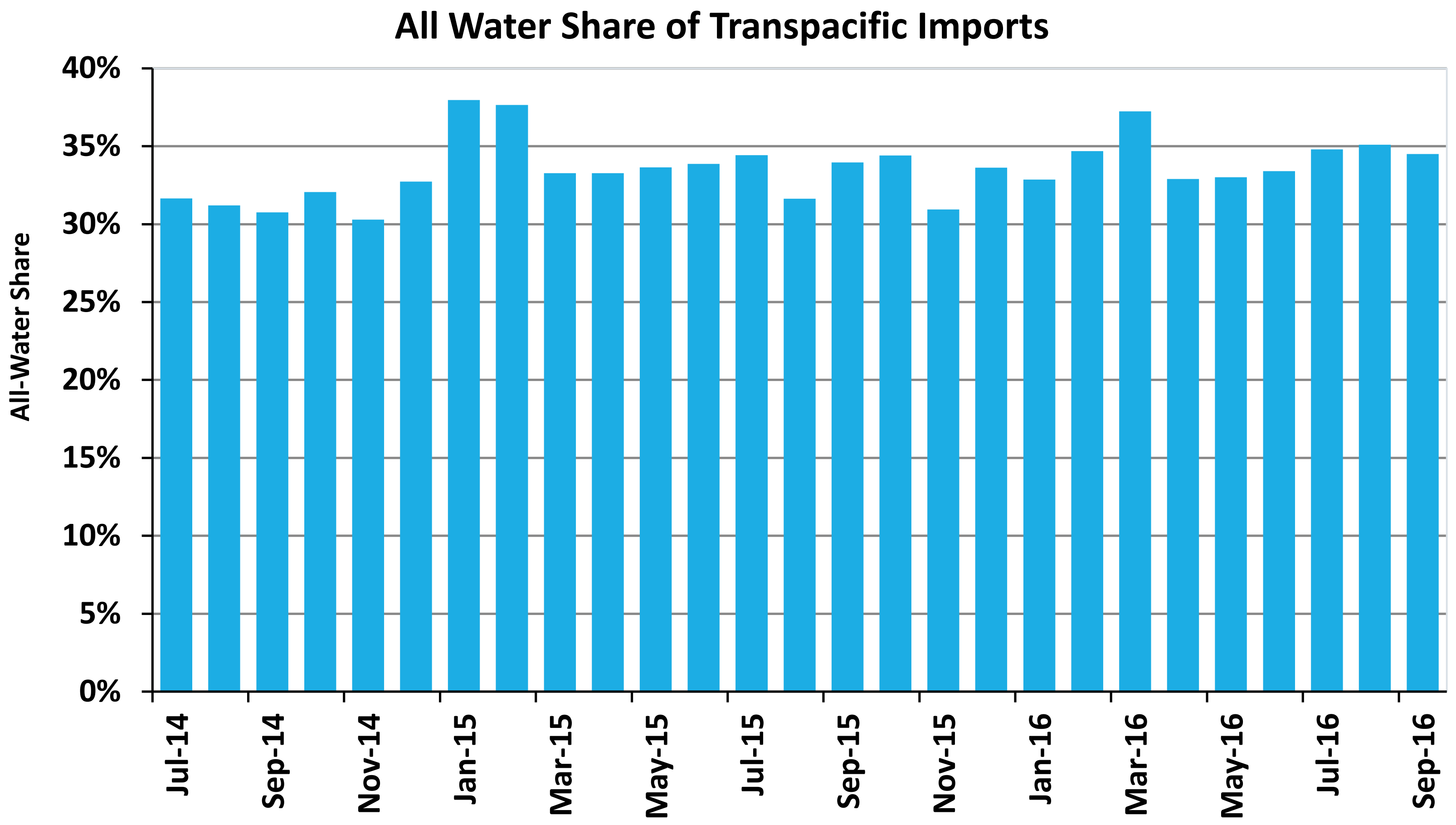
International Intermodal

International intermodal growth has been volatile and inconsistent with import growth



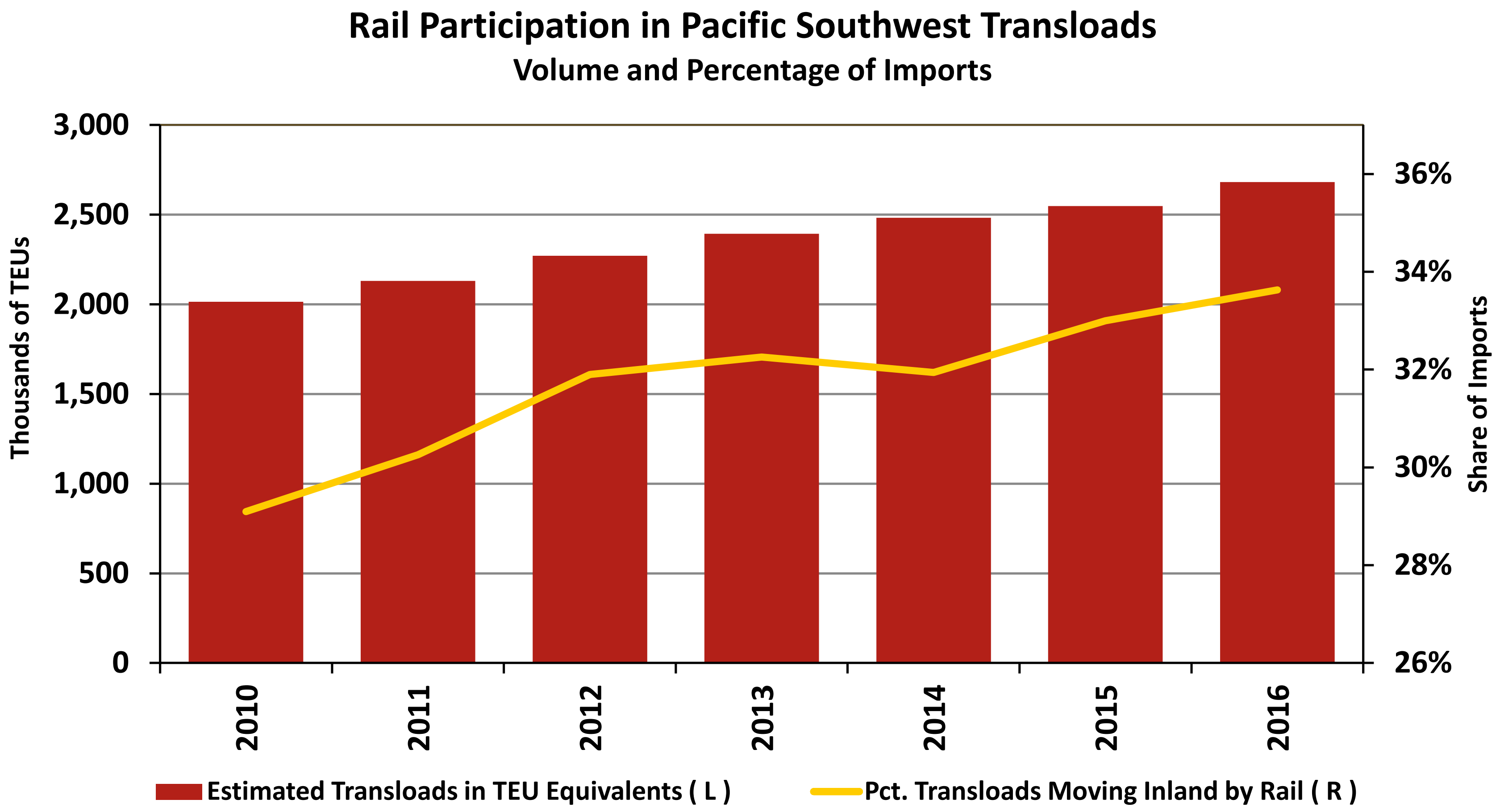
Source: PIERS, IANA, TTX

After a big jump in 2015, all-water share is expected to climb slowly



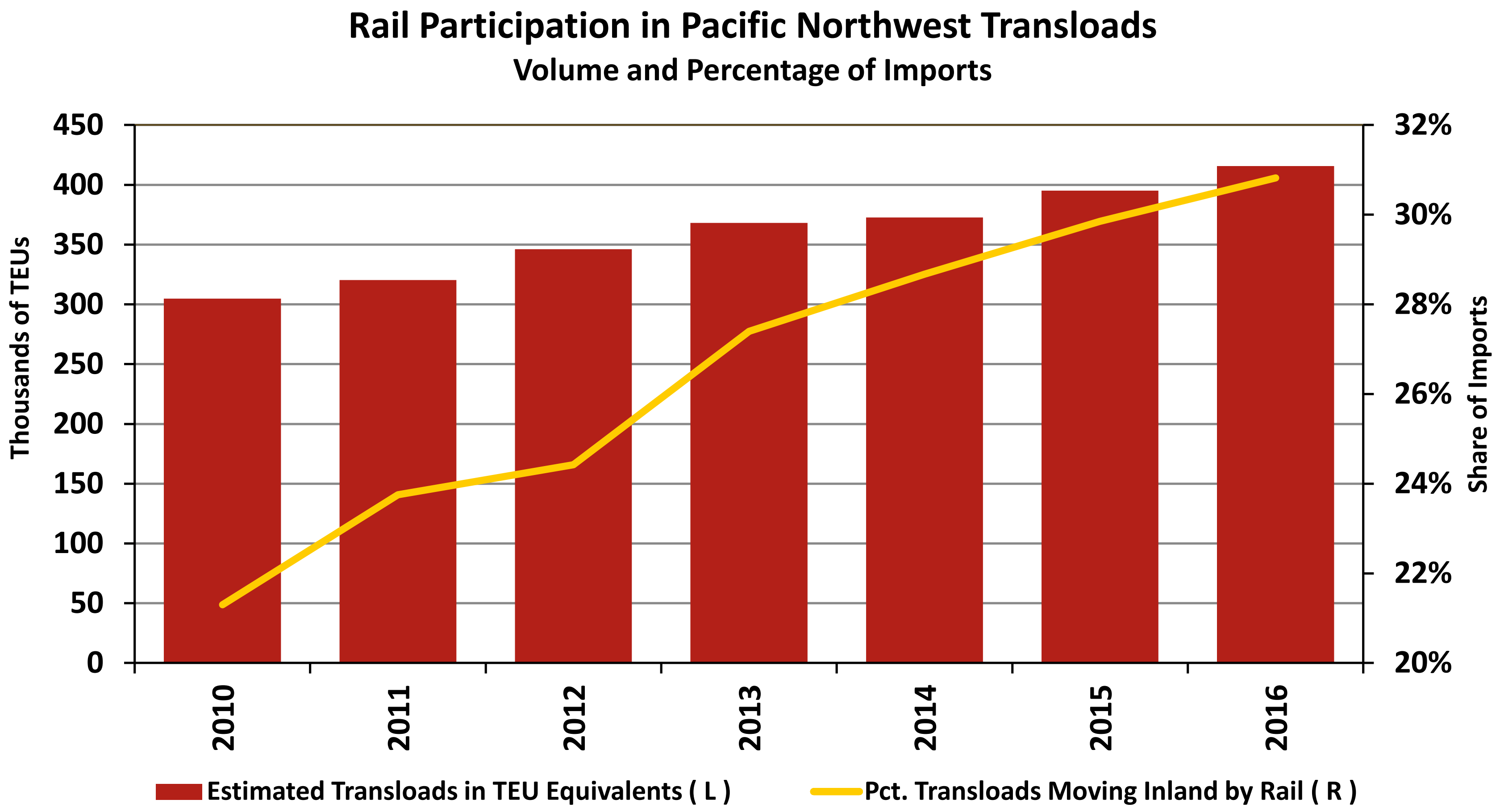
Source: PIERS, TTX

PSW transloading has grown, both in volume and as a share of imports



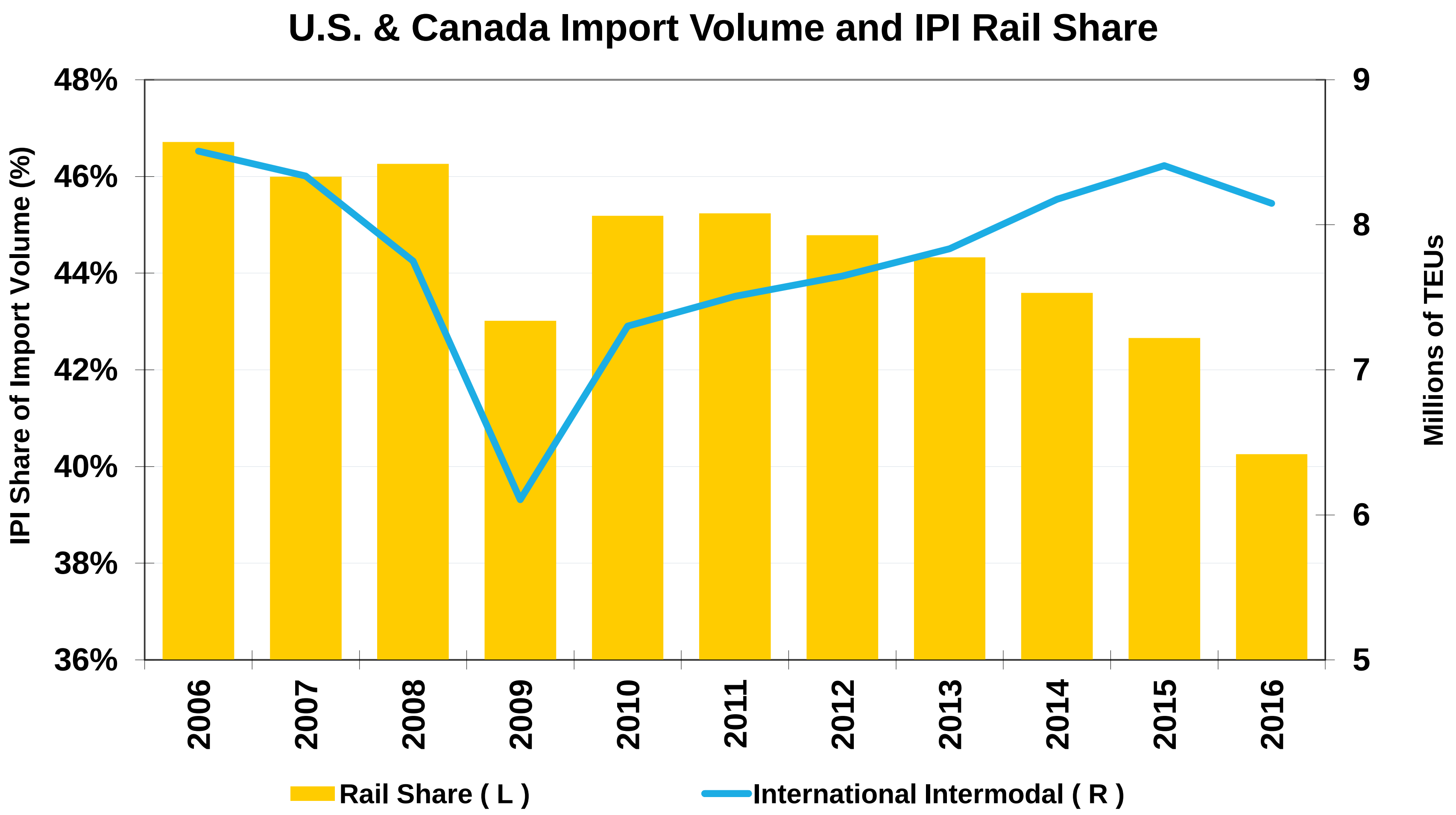
Source: TTX, IANA, PIERS

Similarly, PNW transloading has grown in volume and share of imports over time



Source: TTX, IANA, PIERS

Increased transloading and AWS reduced IPI share, but in 2016, IPI volume declined too



Source: PIERS, IANA, TTX

Questions?

Enter your questions in the control panel

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IANA

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