

MAPPING THE MIDWEST FUTURE FREIGHT RAIL THE BACKBONE OF THE MIDWEST ECONOMY

SEPTEMBER 29TH, 2014

» *Accelerate Your Advantage*®



C.H. ROBINSON

» C.H. ROBINSON SNAPSHOT

- One of the world's largest third party logistics (3PL) providers of freight and transportation logistics, outsource solutions, fresh produce sourcing, and information services
- 100+ years of industry expertise
- Largest network of motor carrier capacity in North America
- \$12.8 billion in 2013 gross revenues
- 11,000+ employees worldwide
- Offices in North America, South America, Europe, and Asia
- 63,000+ transportation providers under contract globally
- 46,000+ customers worldwide
- Publicly owned and traded on NASDAQ
(Symbol: CHRW)

* Includes transportation management business



Our people, processes, and technology improve the world's transportation and supply chains, delivering exceptional value to our customers and suppliers.

ACCELERATE

YOUR

ADVANTAGE



C.H. ROBINSON

» C.H. ROBINSON HELPS YOU GROW

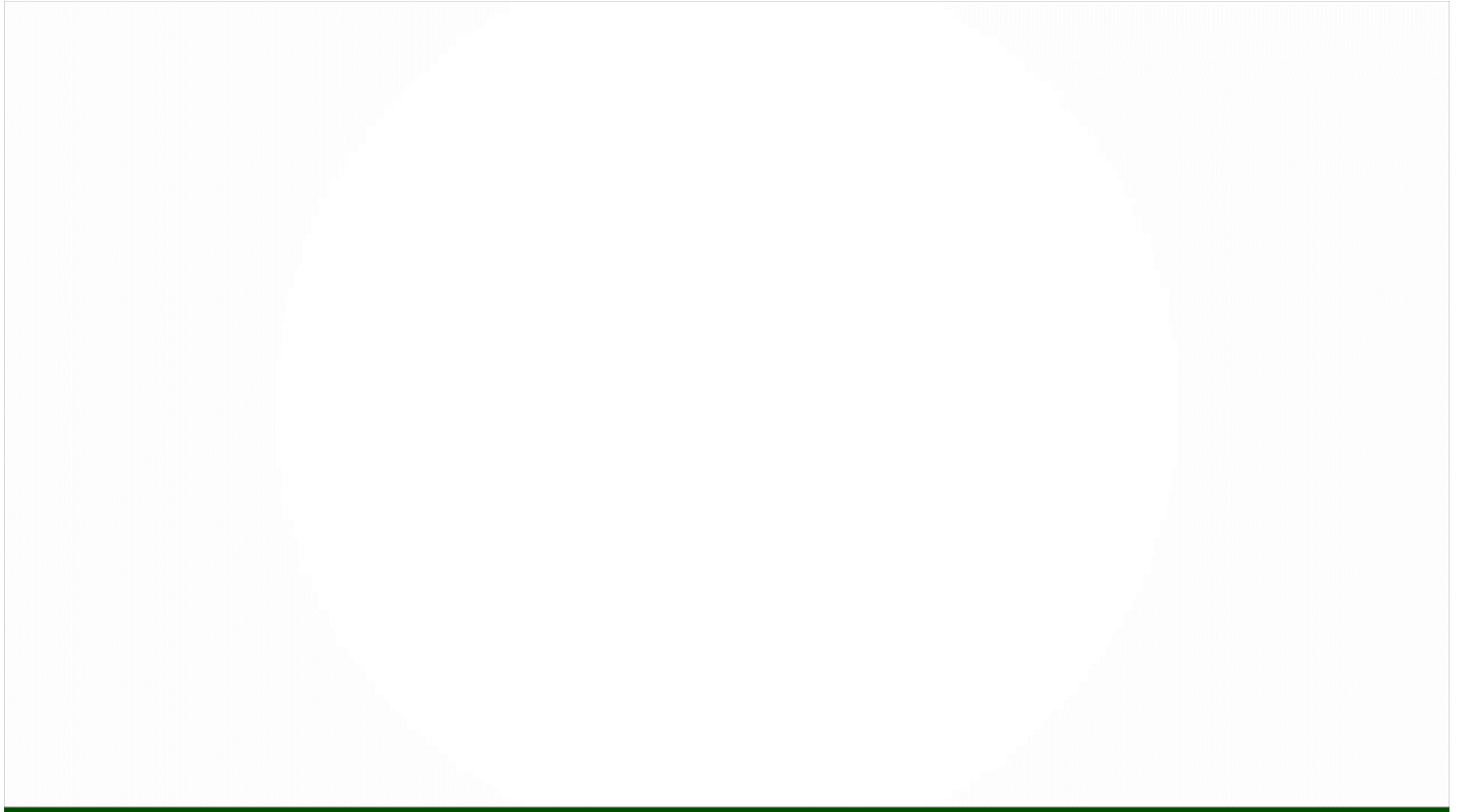


- ① Manage Spend
- ② Improve Efficiency
- ③ Manage Risk
- ④ Manage Change

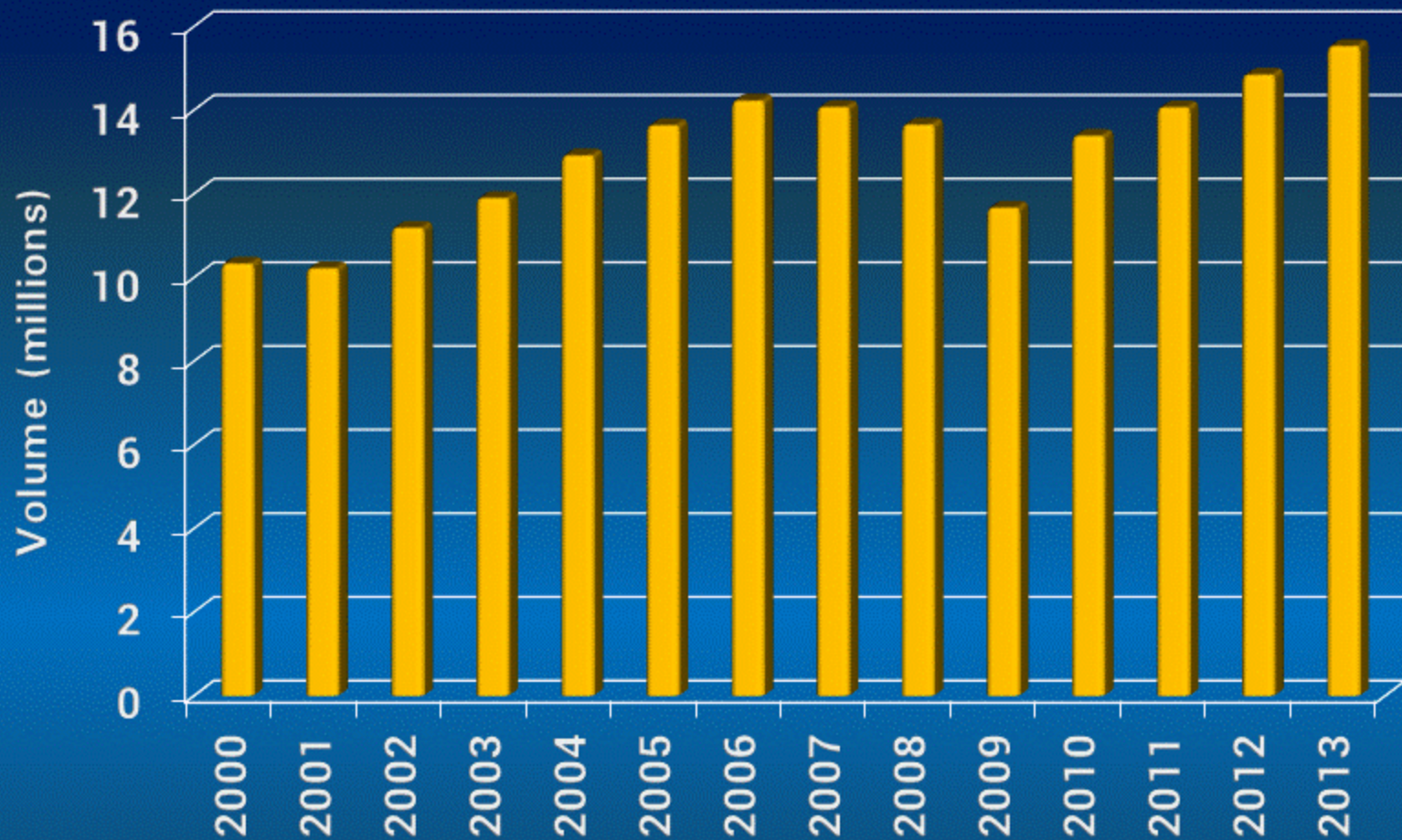
» The Other Short Line



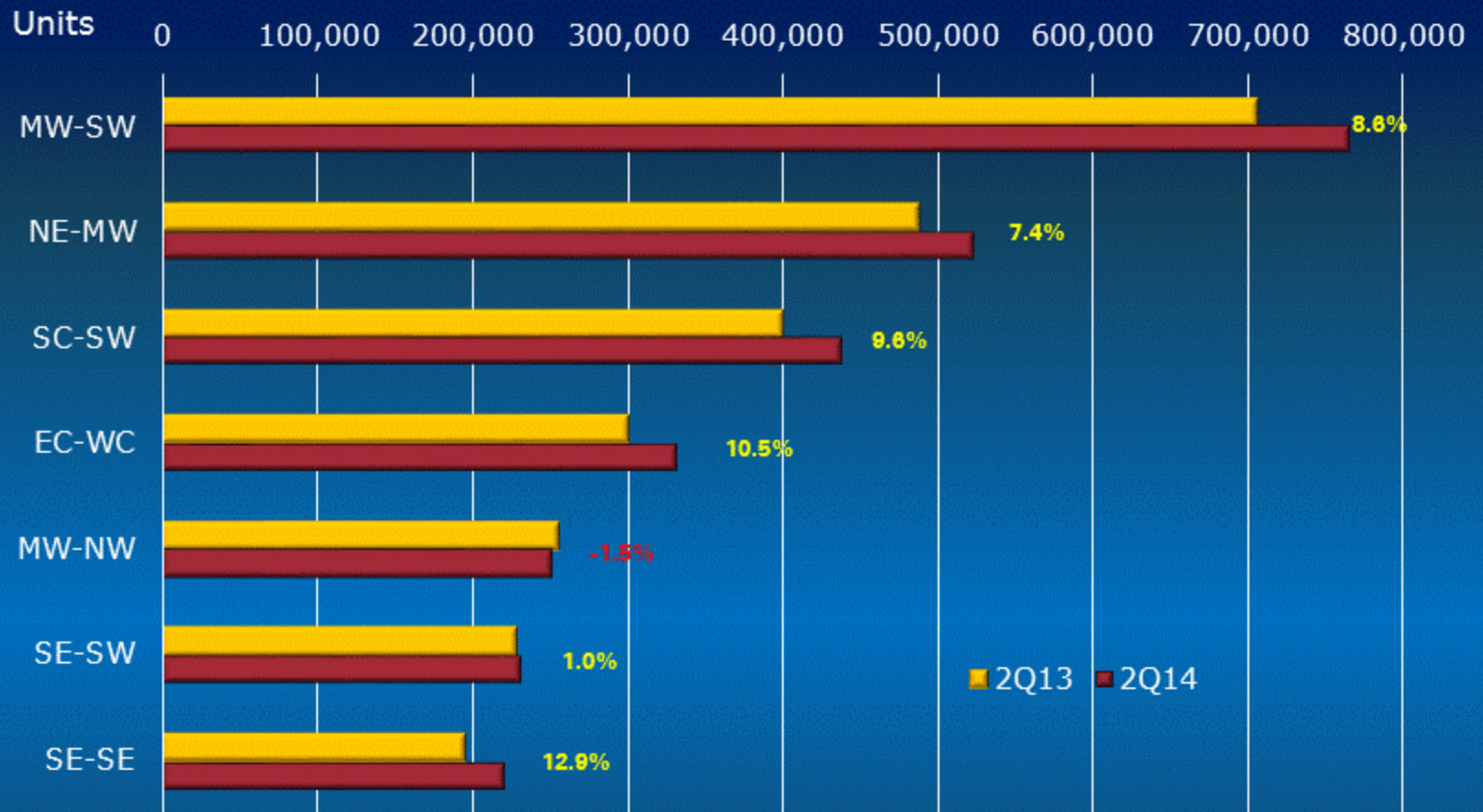
» Efficiency and Agility in Action



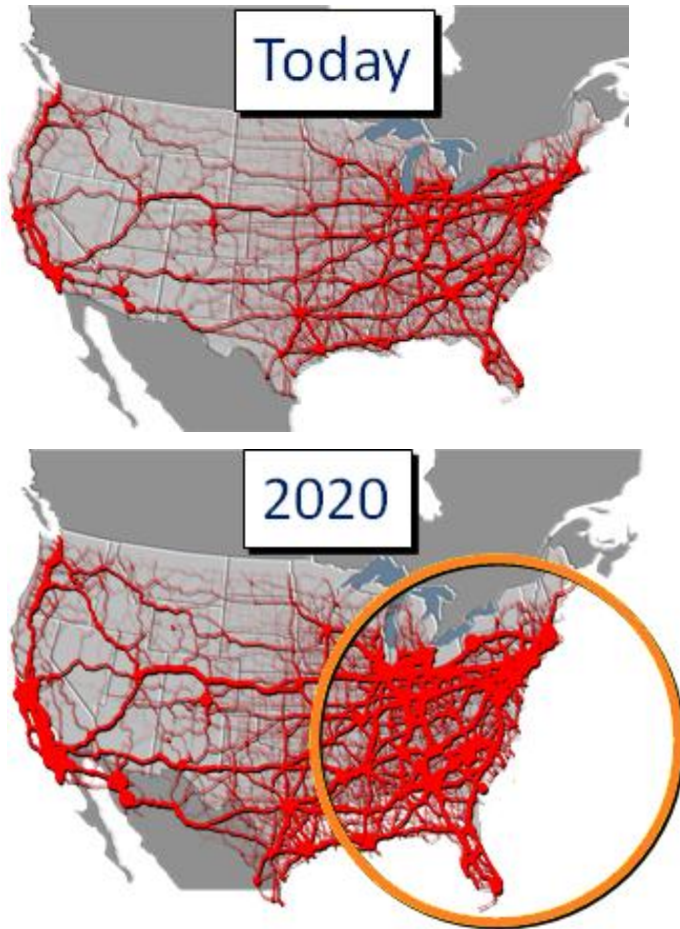
Total Intermodal Loadings 2000-2013



Second Quarter Corridor Growth



Conversion Opportunities – U.S. Highway Traffic

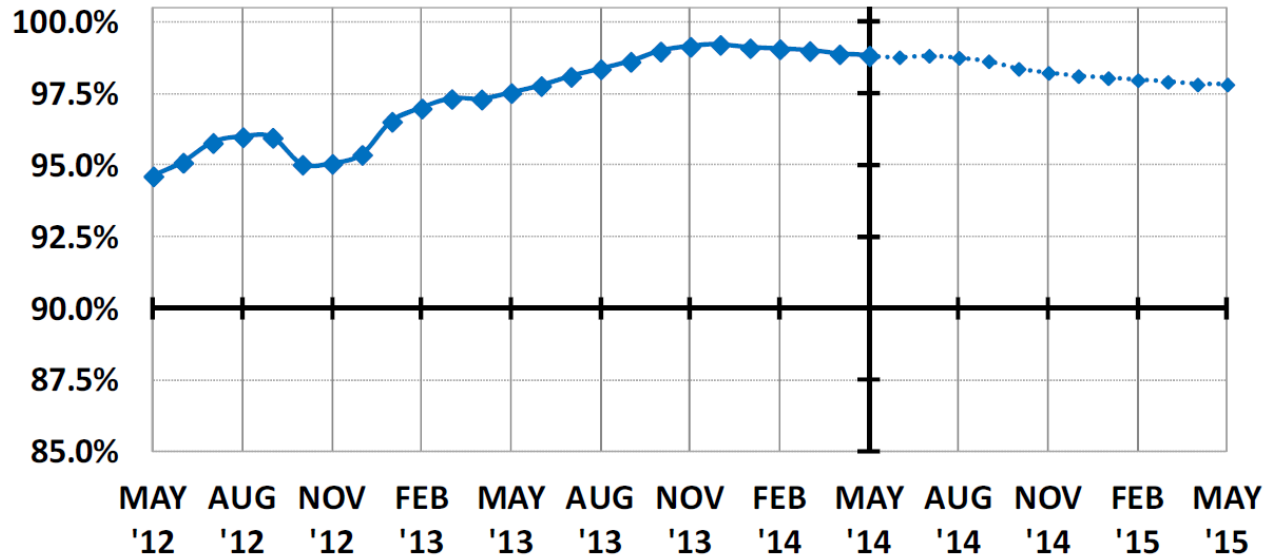


- Highway transportation faces challenges with congestion, truck capacity, driver supply
- Intermodal conversion results in additional baseline capacity and cost savings for shippers
- Over-the-road conversion still in early stages
- Over **20 million** loads still have conversion potential

» Truckload Capacity Constraints

Active Truck Utilization (%)

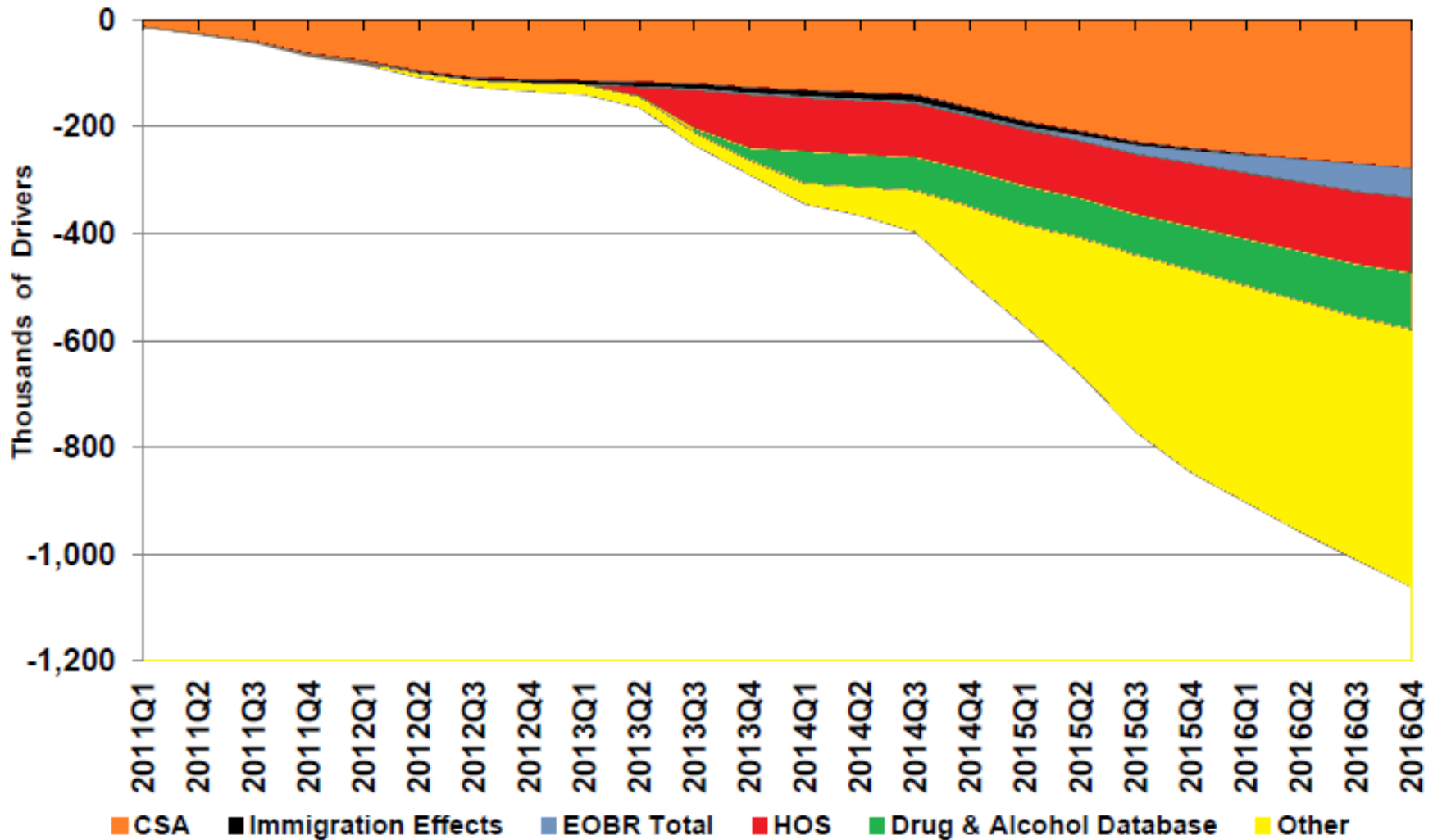
Truck Fleet In Use vs. Active Trucks Available



Source: FTR; Copyright 2014 -- Historical Average = 90%

» Cumulative Regulatory Impact on U.S. Driver Pool

Source: FTR Associates



» CONSEQUENCES FOR RAIL CAPACITY

- DEMAND GROWTH ACCELERATING
 - TRUCKING SUPPLY SHORTAGES
 - CONVERGING WITH OTHER DEMANDS
- TRANSIT TIMES EXTENDED
 - INVENTORY INCREASES
 - INDUSTRY CAPITAL ALLOCATION
 - WASTE AND DOWNTIME
- PRODUCTIVITY LOST
 - ASSET VELOCITY
 - LABOR REQUIREMENTS
 - COST TO SERVE



» HOW DOES INDUSTRY ADAPT

- INFORMATION MANAGEMENT
 - MORE GRANULAR
 - MORE INTEGRATED
- FACILITY FLEXIBILITY
 - ACCESS AND PARKING
 - APPOINTMENT FLEXIBILITY
- URBAN PLANNING AND INVESTMENT
 - COLLABORATE WITH INDUSTRY
 - RESOLVE PASSENGER AND FREIGHT INFRASTRUCTURE CONFLICTS
 - ENSURE FUNDING



THANK YOU

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