

## Equipment Focus

Truck & Trailer Outlook  
Rail Equipment Outlook

## Freight Focus

Shippers Update  
Trucking Update  
Rail Update  
**Intermodal**



# Intermodal

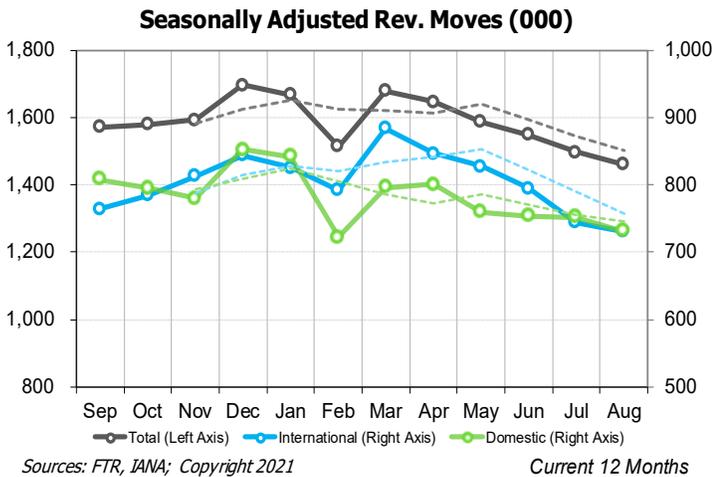
*October 2021*



# Intermodal October 2021

*COMMENTARY (pg 30):  
 The top two issues facing intermodal.  
 Service and mergers are top of mind.*

## Congestion and delays lead to reduced expectations for peak season, which will dent full-year growth rates.



- Overview: Intermodal volumes moved up ever so slightly in the latest month but are still down compared with year-prior as congestion and other issues cause shippers to seek alternate means to move their freight.
- International: International volumes increased 2% compared with August 2020 in the latest month. That figure was essentially flat with July 2020 which saw widespread disruptions to international movements.
- Domestic: Domestic fared better sequentially, but worse compared with last year, creating a decidedly mixed picture of the intermodal market. Volumes increased nearly 2% sequentially but were still 5% below the same time last year.
- Domestic Container: Domestic container movements followed the overall pattern of domestic loadings and represented about an additional 100,000 units compared with international in the month.
- Weekly: Weekly traffic levels have held fairly stable for intermodal, essentially at their five-year average levels and in line with typical seasonal behavior.
- Trailer: Trailer volumes have steadily declined through the month and are holding below their five-year average level around 21,000 weekly carloads.
- Service: Service, particularly for intermodal, remains a struggle for the carriers. Service levels are essentially following seasonal patterns at a low level.
- Intermodal Outlook: The outlook for intermodal has come down as the peak season is now expected to be more of a plateau than an actual peak.
- Intermodal Rate Forecast: Intermodal rate growth is little changed from prior months with a slow decline in the growth rate expected.
- Trucking Data: Active truck utilization remains near 100%, keeping the tight capacity fundamentals.
- Spotlight on Service and Mergers: This month we will examine what the service situation and potential mergers mean for intermodal shippers.

Segment	Current Month			% Mkt Segment	QTD Vs. Last Year	YTD Vs. Last Year	12 Mo. Vs. Last Year
	Rev Moves	Vs. Last Mo.	Vs. Last Year				
International	786,503	0.3%	2.0%	50.7%	2.0%	15.7%	13.0%
Domestic	763,762	1.8%	-5.1%	49.3%	-5.1%	6.4%	8.0%
<b>Grand Total</b>	<b>1,550,265</b>	<b>1.0%</b>	<b>-1.6%</b>	<b>100%</b>	<b>-1.6%</b>	<b>11.0%</b>	<b>10.4%</b>

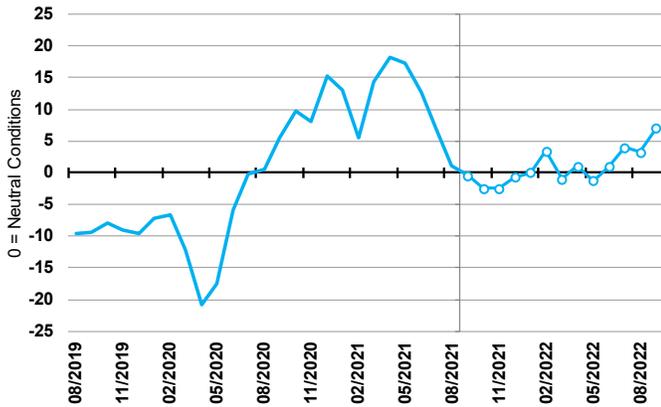
Segment	Seasonally Adjusted Revenue Moves	
	Rev Moves	Vs. Last Mo.
International	730,504	-1.9%
Domestic	731,306	-2.8%
<b>Grand Total</b>	<b>1,461,810</b>	<b>-2.4%</b>

Description	N.A. INTERMODAL OUTLOOK			YEAR		
	QUARTER			2021	2022	2023
	2021'Q2	2021'Q3	2021'Q4			
U.S. Imports of Goods <sup>1</sup>	4.1%	6.7%	7.9%	14.8%	7.2%	5.6%
U.S. Exports of Goods <sup>1</sup>	6.2%	4.5%	3.1%	7.6%	3.4%	3.1%
Truck Loads <sup>2</sup>	13.6%	5.1%	4.4%	5.9%	4.2%	2.9%
Active Truck Utilization	100.0%	100.0%	98.0%	99.4%	97.0%	96.2%
Intermodal Loads <sup>2</sup>	20.4%	-2.7%	-8.0%	4.3%	1.7%	6.6%
-International <sup>2</sup>	24.8%	1.3%	-8.3%	7.5%	0.9%	6.6%
-Domestic <sup>2</sup>	16.1%	-6.4%	-7.6%	1.2%	2.6%	6.7%

Notes: <sup>1</sup> SAAR Q/Q % Change <sup>2</sup> Y/Y % Change  
 Sources: FTR, IANA; Copyright 2020



**FTR Intermodal Competitive Index**



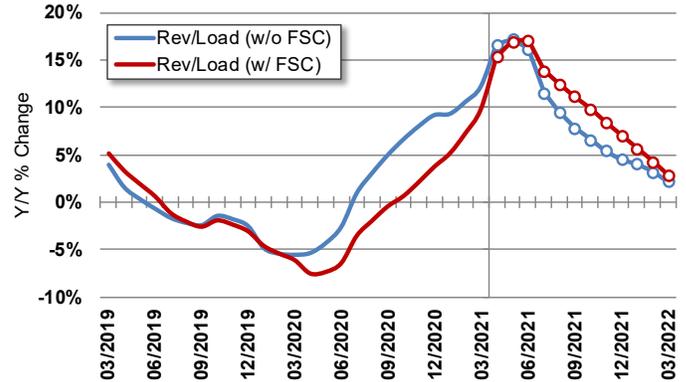
Source: FTR; Copyright 2021

**Intermodal Competitive Index**

The Intermodal Competitive Index shows a material weakening in intermodal's competitive position to a more neutral stance over the next 12 months.

*The Intermodal Competitive Index provides an indication of Domestic Intermodal's competitive stance versus over-the-road truck.*

**Rate Outlook: Intermodal**



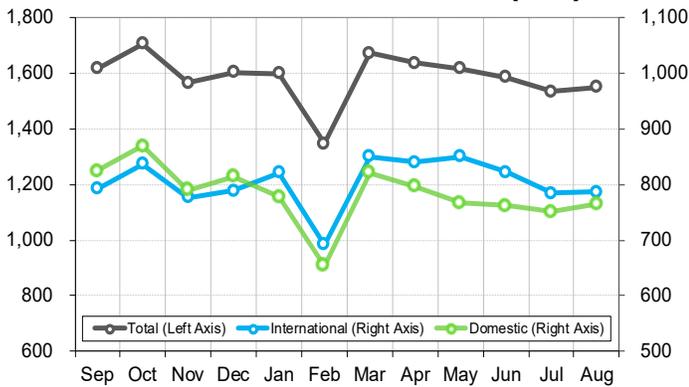
Source: FTR; Copyright 2021

**Intermodal Rate Outlook**

The outlook for intermodal rate increases is little changed month-to-month as a slow decline in the growth rate remains expected through the first quarter of 2022.

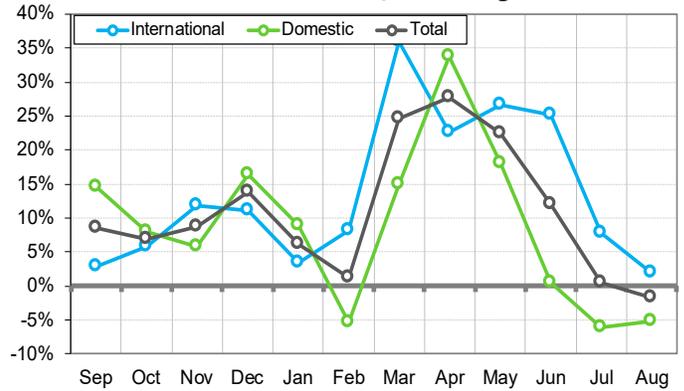
Rates will remain above year-prior levels throughout.

**Total Intermodal: Rev. Moves - Actual (000s)**



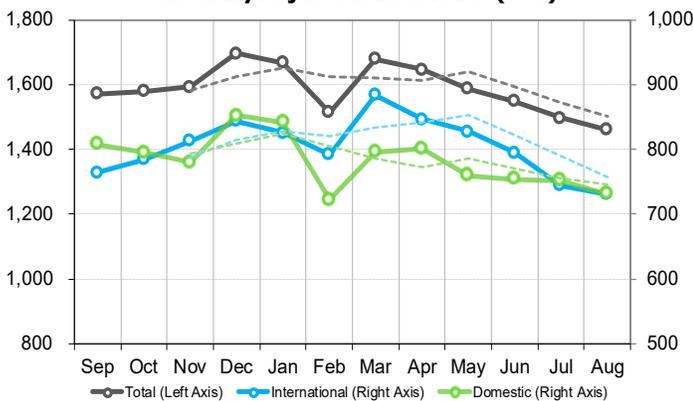
Sources: FTR, IANA; Copyright 2021

**Total Intermodal: Y/Y% Change**



Sources: FTR, IANA; Copyright 2021

**Seasonally Adjusted Rev. Moves (000)**



Sources: FTR, IANA; Copyright 2021

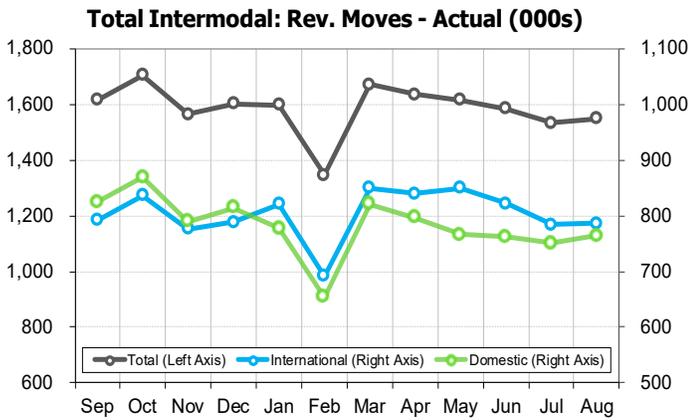
Current 12 Months

**Intermodal Revenue Moves**

- **Total:** Total intermodal volumes ticked up slightly in the latest month, but not enough to exceed the 1.6mn load threshold for the third consecutive month.
- **International:** International movements were essentially flat with the prior year and prior month, which suggests a weak month considering July was marked by service delays and cancellations.
- **Domestic:** Domestic volumes ticked up slightly, but remain held back by the ongoing congestion and delays occurring at many inland intermodal facilities. A weak trailer market suggests that parcel carriers are moving more freight on the highways.

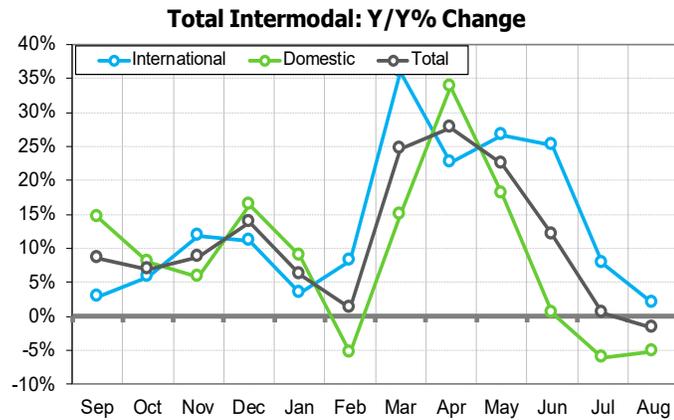


**Total North America**



Sources: FTR, IANA; Copyright 2021

LEFT AXIS: Total: —○— RIGHT AXIS: International: —○— Domestic: —○—



Sources: FTR, IANA; Copyright 2021

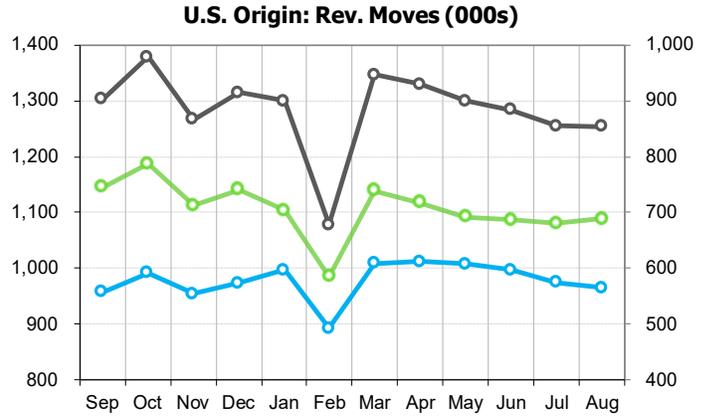
Total—○— International: —○— Domestic: —○—

Segment	Current Month			QTD	YTD	12 Mo.
	Rev Moves	Vs. Last Mo.	Vs. Last Year			
International	786,503	0.3%	2.0%	50.7%	2.0%	15.7%
Domestic	763,762	1.8%	-5.1%	49.3%	-5.1%	6.4%
<b>Grand Total</b>	<b>1,550,265</b>	<b>1.0%</b>	<b>-1.6%</b>	<b>100%</b>	<b>-1.6%</b>	<b>11.0%</b>

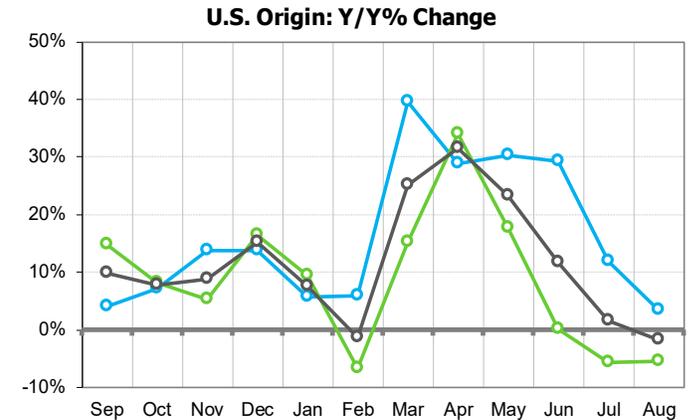
Seasonally Adjusted Revenue Moves		
Segment	Rev Moves	Vs. Last Mo.
International	730,504	-1.9%
Domestic	731,306	-2.8%
<b>Grand Total</b>	<b>1,461,810</b>	<b>-2.4%</b>

**U.S. Market**



Sources: FTR, IANA; Copyright 2021

LEFT AXIS: Total: —○— RIGHT AXIS: International: —○— Domestic: —○—



Sources: FTR, IANA; Copyright 2021

Total—○— International: —○— Domestic: —○—

Segment	Current Month			QTD	YTD	12 Mo.
	Rev Moves	Vs. Last Mo.	Vs. Last Year			
International	565,287	-1.6%	3.4%	45.1%	3.4%	18.5%
Domestic	688,981	1.3%	-5.5%	54.9%	-5.5%	6.2%
<b>Lane Total</b>	<b>1,254,268</b>	<b>0.0%</b>	<b>-1.7%</b>	<b>100%</b>	<b>-1.7%</b>	<b>11.5%</b>

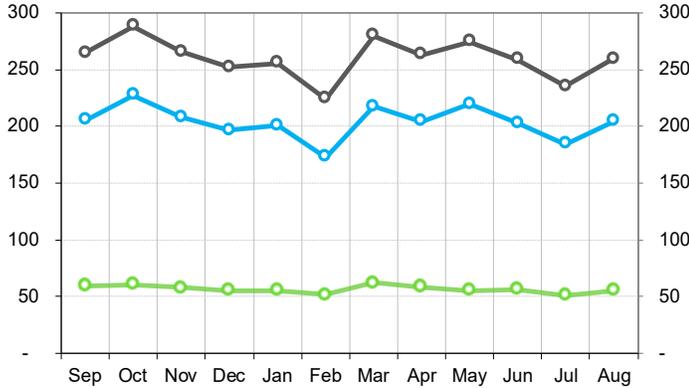
National Performance vs. Network Average						
Segment	Current Month			QTD	YTD	12 Mo.
	Share of Total	Vs. Last Mo.	Vs. Last Year			
International	71.9%	-1.9%	1.4%	1.4%	2.7%	2.4%
Domestic	90.2%	-0.5%	-0.4%	-0.4%	-0.2%	-0.1%
<b>Lane Total</b>	<b>80.9%</b>	<b>-1.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.5%</b>	<b>0.7%</b>

Sources: Intermodal Association of North America ETSO Database; FTR Analysis



**Canada Market**

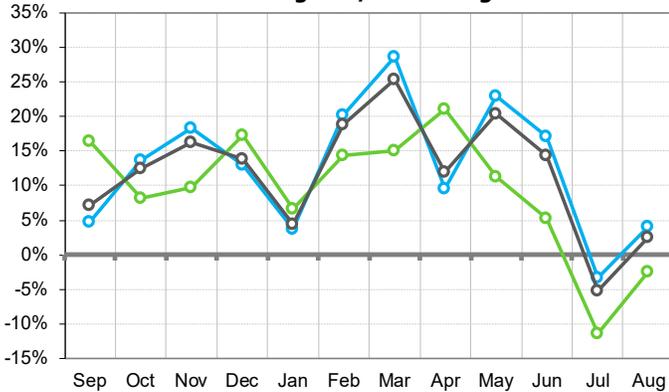
**Canada Origin: Rev Moves (000s)**



Sources: FTR, IANA; Copyright 2021

LEFT AXIS: Total: —○— RIGHT AXIS: International: —○— Domestic: —○—

**Canada Origin: Y/Y % Change**



Sources: FTR, IANA; Copyright 2021

Total—○— International: —○— Domestic: —○—

**August 2021 Canada Revenue Moves**

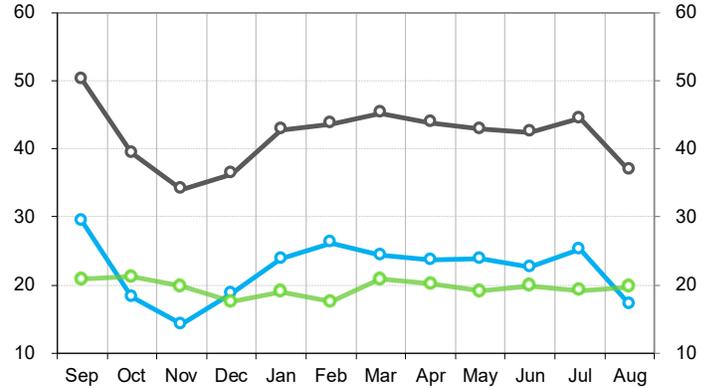
Segment	Rev Moves	Current Month			QTD	YTD	12 Mo.
		Vs. Last Mo.	Vs. Last Year	% Mkt			
International	204,063	10.7%	4.0%	78.7%	4.0%	12.2%	12.2%
Domestic	55,077	8.2%	-2.5%	21.3%	-2.5%	6.9%	8.9%
<b>Lane Total</b>	<b>259,140</b>	<b>10.2%</b>	<b>2.6%</b>	<b>100%</b>	<b>2.6%</b>	<b>11.0%</b>	<b>11.5%</b>

**National Performance vs. Network Average**

Segment	Share of Total	Current Month		QTD	YTD	12 Mo.
		Vs. Last Mo.	Vs. Last Year			
International	25.9%	10.4%	2.0%	2.0%	-3.5%	-0.7%
Domestic	7.2%	6.5%	2.6%	2.6%	0.5%	0.9%
<b>Lane Total</b>	<b>16.7%</b>	<b>9.1%</b>	<b>4.2%</b>	<b>4.2%</b>	<b>0.0%</b>	<b>1.0%</b>

**Mexico Market**

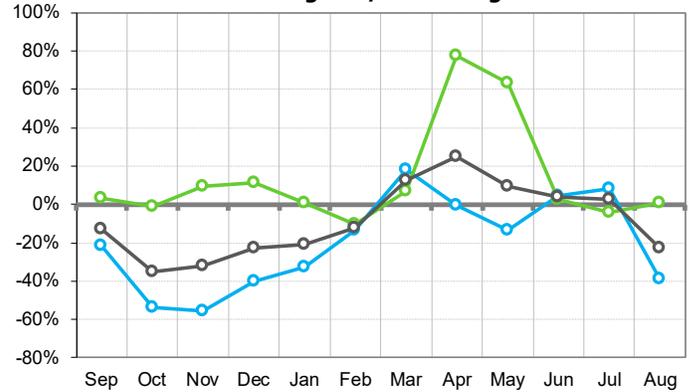
**Mexico Origin: Rev Moves (000s)**



Sources: FTR, IANA; Copyright 2021

LEFT AXIS: Total: —○— RIGHT AXIS: International: —○— Domestic: —○—

**Mexico Origin: Y/Y % Change**



Sources: FTR, IANA; Copyright 2021

Total—○— International: —○— Domestic: —○—

**August 2021 Mexico Revenue Moves**

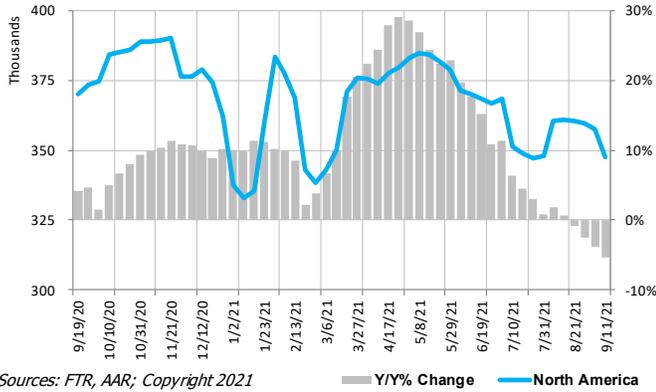
Segment	Rev Moves	Current Month			QTD	YTD	12 Mo.
		Vs. Last Mo.	Vs. Last Year	% Mkt			
International	17,153	-32.1%	-39.0%	46.5%	-39.0%	-11.3%	-23.8%
Domestic	19,704	2.5%	1.0%	53.5%	1.0%	11.1%	9.0%
<b>Lane Total</b>	<b>36,857</b>	<b>-17.1%</b>	<b>-22.6%</b>	<b>100%</b>	<b>-22.6%</b>	<b>-2.4%</b>	<b>-11.3%</b>

**National Performance vs. Network Average**

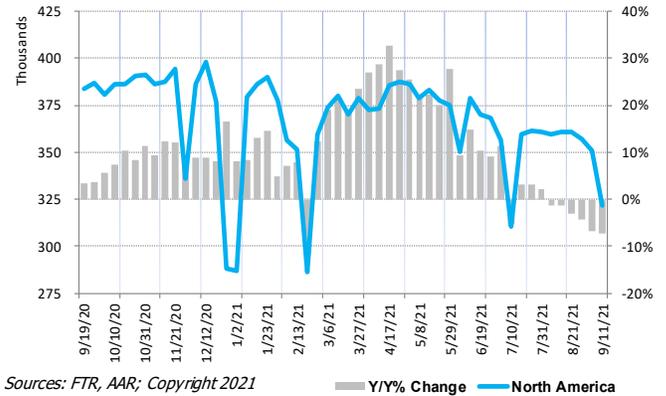
Segment	Share of Total	Current Month		QTD	YTD	12 Mo.
		Vs. Last Mo.	Vs. Last Year			
International	2.2%	-32.4%	-41.0%	-41.0%	-27.0%	-36.8%
Domestic	2.6%	0.8%	6.1%	6.1%	4.7%	1.1%
<b>Lane Total</b>	<b>2.4%</b>	<b>-18.1%</b>	<b>-21.0%</b>	<b>-21.0%</b>	<b>-13.3%</b>	<b>-21.7%</b>



**AAR Weekly Intermodal Loadings**  
(North American 4 Week Rolling Average)



**AAR Weekly Intermodal Loadings**  
(North American Weekly Volumes)



**AAR Weekly Intermodal Loadings**  
(U.S. 4 Week Rolling Average)



**AAR Weekly Intermodal Loadings**

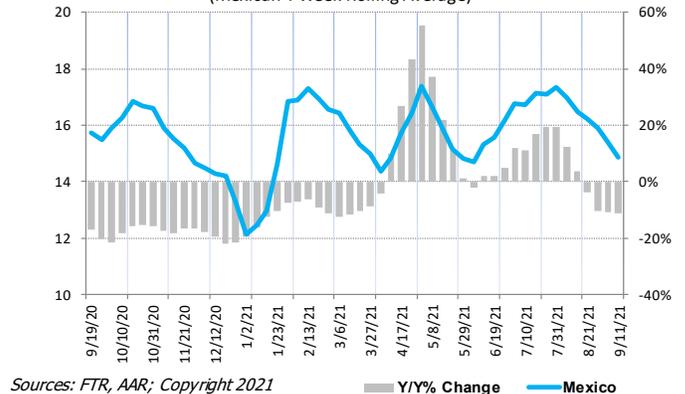
AAR weekly data provides the most timely information on recent intermodal activity. Data is issued on Wednesday of each week, covering the prior week's movements.

- **Overview:** Intermodal volumes showed the effect of the Labor Day holiday in the latest week, but had been generally flat prior to the holiday effect.
- **United States:** U.S. volumes continued their trajectory of slow decline, dating back to early May, as shippers seek alternative modes.
- **Canada:** Canadian volumes were declining rather steeply even before the holiday after recovering from wildfires, and port projects caused declines earlier in the summer.
- **Mexico:** Mexican volumes bounced back a bit in the latest week but not enough to change the downward trajectory of the 4 week average.

**AAR Weekly Intermodal Loadings**  
(Canadian 4 Week Rolling Average)

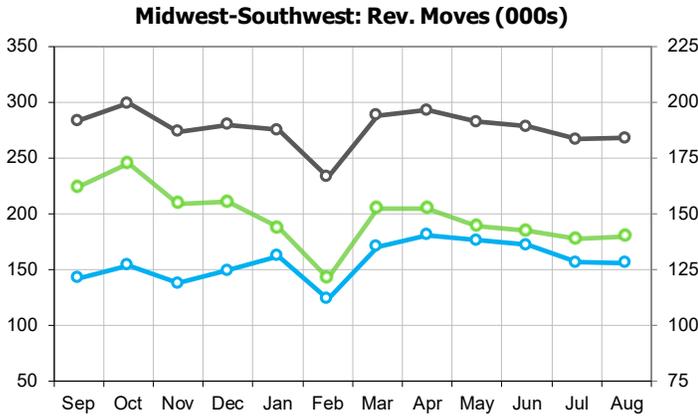


**AAR Weekly Intermodal Loadings**  
(Mexican 4 Week Rolling Average)



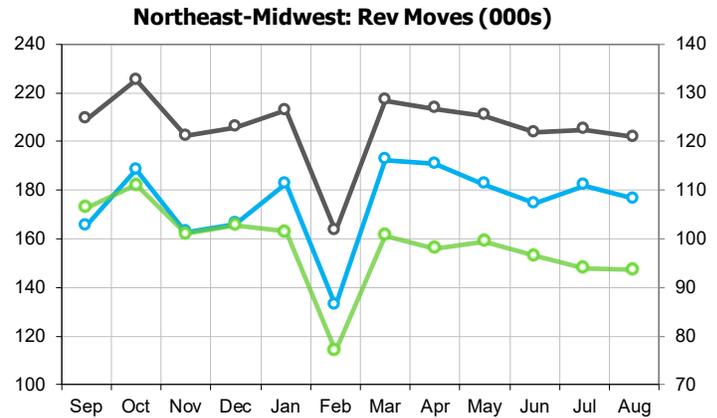


**Lane 1**  
**Midwest – Southwest**  
*Typical Lane: L.A. – Chicago*



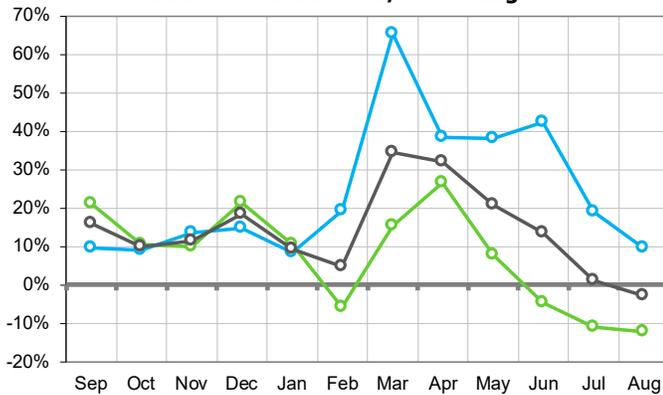
Sources: FTR, IANA; Copyright 2021

**Lane 2**  
**Northeast – Midwest**  
*Typical Lane: New York – Chicago*



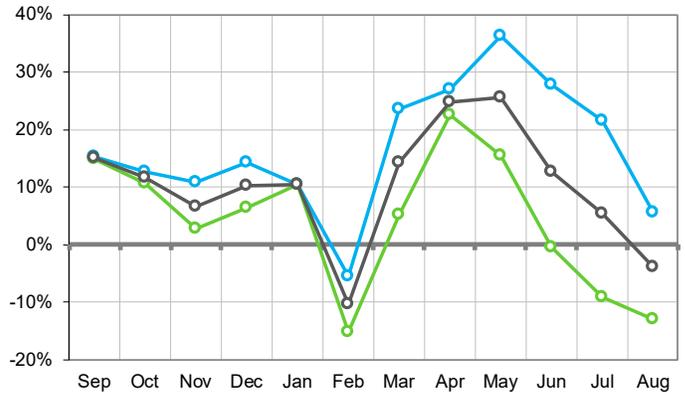
Sources: FTR, IANA; Copyright 2021

**Midwest-Southwest: Y/Y % Change**



Sources: FTR, IANA; Copyright 2021

**Northeast-Midwest: Y/Y % Change**



Sources: FTR, IANA; Copyright 2021

Total — International: — Domestic: —

Total — International: — Domestic: —

**August 2021 Midwest-Southwest**

Segment	Current Month			% Mkt Segment	QTD Vs. Last Year	YTD Vs. Last Year
	Rev Moves	Vs. Last Mo.	Vs. Last Year			
International	127,951	-0.1%	9.7%	47.7%	9.7%	28.2%
Domestic	140,015	1.0%	-12.2%	52.3%	-12.2%	2.3%
<b>Lane Total</b>	<b>267,966</b>	<b>0.5%</b>	<b>-3.0%</b>	<b>100%</b>	<b>-3.0%</b>	<b>13.3%</b>

**Lane Performance vs. Network Average**

Segment	Current Month			QTD Vs. Last Year	YTD Vs. Last Year
	Share of Total	Vs. Last Mo.	Vs. Last Year		
International	16.3%	-0.4%	7.6%	7.6%	12.5%
Domestic	18.3%	-0.8%	-7.1%	-7.1%	-4.1%
<b>Lane Total</b>	<b>17.3%</b>	<b>-0.6%</b>	<b>-1.3%</b>	<b>-1.3%</b>	<b>2.3%</b>

**August 2021 Northeast - Midwest**

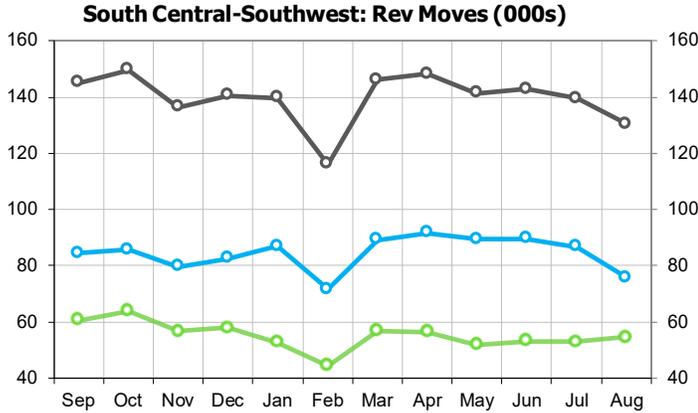
Segment	Current Month			% Mkt Segment	QTD Vs. Last Year	YTD Vs. Last Year
	Rev Moves	Vs. Last Mo.	Vs. Last Year			
International	108,171	-2.5%	5.7%	53.6%	5.7%	17.7%
Domestic	93,615	-0.3%	-13.0%	46.4%	-13.0%	1.1%
<b>Lane Total</b>	<b>201,786</b>	<b>-1.5%</b>	<b>-3.9%</b>	<b>100%</b>	<b>-3.9%</b>	<b>9.3%</b>

**Lane Performance vs. Network Average**

Segment	Current Month			QTD Vs. Last Year	YTD Vs. Last Year
	Share of Total	Vs. Last Mo.	Vs. Last Year		
International	13.8%	-2.8%	3.7%	3.7%	2.0%
Domestic	12.3%	-2.1%	-7.9%	-7.9%	-5.3%
<b>Lane Total</b>	<b>13.0%</b>	<b>-2.5%</b>	<b>-2.3%</b>	<b>-2.3%</b>	<b>-1.7%</b>

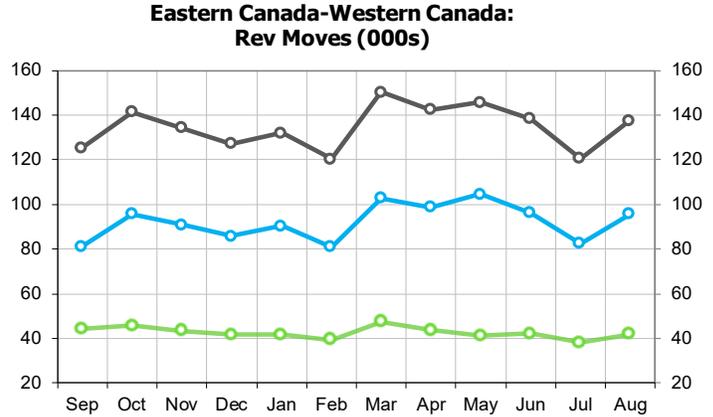


**Lane 3**  
**South Central – Southwest**  
*Typical Lane: L.A. – Dallas*



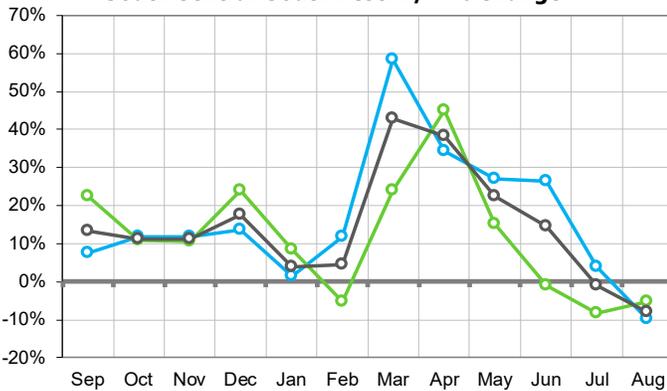
Sources: FTR, IANA; Copyright 2021

**Lane 4**  
**Eastern Canada – Western Canada**  
*Typical Lane: Vancouver – Toronto*



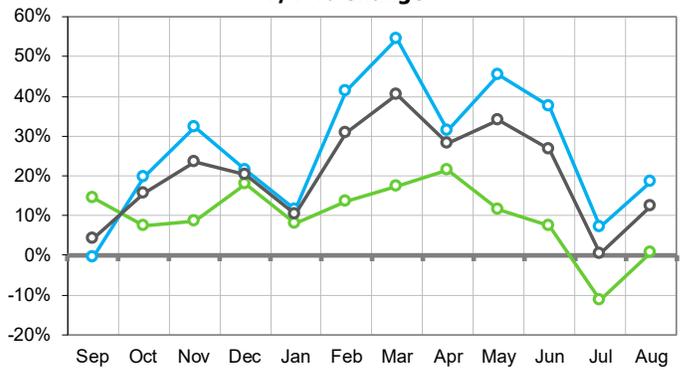
Sources: FTR, IANA; Copyright 2021

**South Central-Southwest: Y/Y % Change**



Sources: FTR, IANA; Copyright 2021

**Eastern Canada-Western Canada: Y/Y % Change**



Sources: FTR, IANA; Copyright 2021

Total—○ International: —○ Domestic: —○

Total—○ International: —○ Domestic: —○

**August 2021**

**South Central - Southwest**

Segment	Rev Moves	Current Month		% Mkt Segment	QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year			
International	75,821	-12.5%	-9.8%	58.2%	-9.8%	16.8%
Domestic	54,558	3.0%	-5.2%	41.8%	-5.2%	7.2%
<b>Lane Total</b>	<b>130,379</b>	<b>-6.6%</b>	<b>-7.9%</b>	<b>100%</b>	<b>-7.9%</b>	<b>12.9%</b>

**Lane Performance vs. Network Average**

Segment	Share of Total	Current Month		QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year		
International	9.6%	-12.8%	-11.8%	-11.8%	1.1%
Domestic	7.1%	1.3%	-0.1%	-0.1%	0.9%
<b>Lane Total</b>	<b>8.4%</b>	<b>-7.6%</b>	<b>-6.3%</b>	<b>-6.3%</b>	<b>1.9%</b>

**August 2021**

**Eastern Canada - Western Canada**

Segment	Rev Moves	Current Month		% Mkt Segment	QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year			
International	95,687	16.1%	18.5%	69.6%	18.5%	29.8%
Domestic	41,877	9.9%	0.8%	30.4%	0.8%	8.0%
<b>Lane Total</b>	<b>137,564</b>	<b>14.1%</b>	<b>12.5%</b>	<b>100%</b>	<b>12.5%</b>	<b>22.2%</b>

**Lane Performance vs. Network Average**

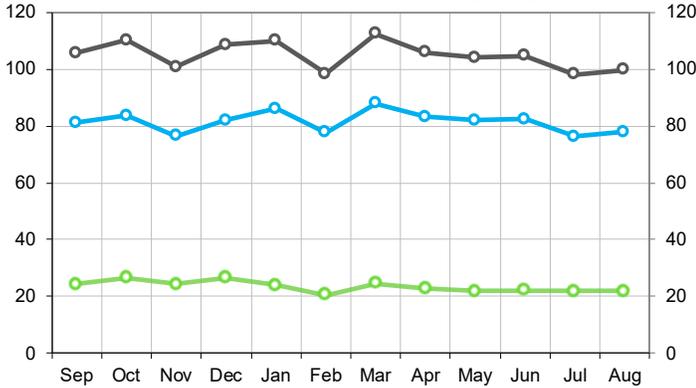
Segment	Share of Total	Current Month		QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year		
International	12.2%	15.8%	16.5%	16.5%	14.1%
Domestic	5.5%	8.1%	5.9%	5.9%	1.7%
<b>Lane Total</b>	<b>8.9%</b>	<b>13.1%</b>	<b>14.1%</b>	<b>14.1%</b>	<b>11.2%</b>



**Lane 5**  
**Intra – Southeast**

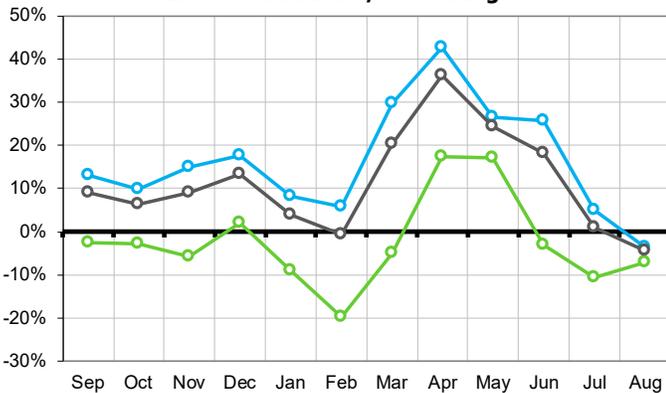
Typical Lane: Savannah – Atlanta

**Intra Southeast: Rev Moves (000s)**



Sources: FTR, IANA; Copyright 2021

**Intra Southeast: Y/Y % Change**



Sources: FTR, IANA; Copyright 2021

Total— International: — Domestic: —

**August 2021**  
**Intra - Southeast**

Segment	Current Month Rev Moves	Current Month		% Mkt Segment	QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year			
International	77,927	2.2%	-3.6%	78.1%	-3.6%	16.1%
Domestic	21,829	-0.4%	-7.2%	21.9%	-7.2%	-3.8%
<b>Lane Total</b>	<b>99,756</b>	<b>1.6%</b>	<b>-4.4%</b>	<b>100%</b>	<b>-4.4%</b>	<b>11.1%</b>

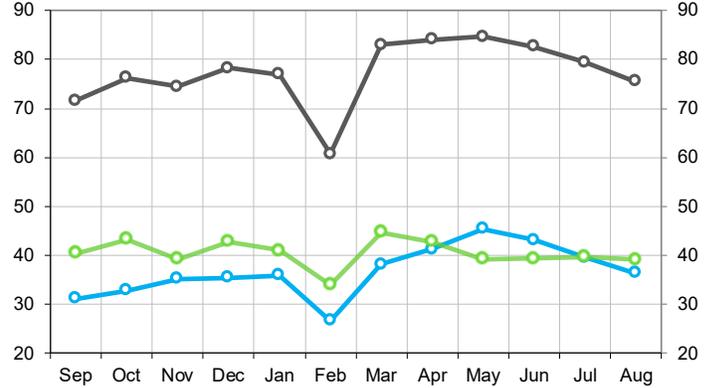
**Lane Performance vs. Network Average**

Segment	Current Month Share of Total	Current Month		QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year		
International	9.9%	1.9%	-5.6%	-5.6%	0.4%
Domestic	2.9%	-2.2%	-2.1%	-2.1%	-10.2%
<b>Lane Total</b>	<b>6.4%</b>	<b>0.6%</b>	<b>-2.8%</b>	<b>-2.8%</b>	<b>0.1%</b>

**Lane 6**  
**Midwest – Northwest**

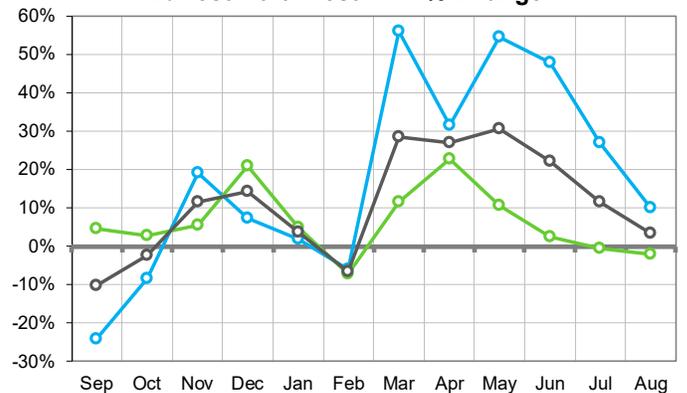
Typical Lane: Seattle – Chicago

**Midwest - Northwest: Rev Moves (000s)**



Sources: FTR, IANA; Copyright 2021

**Midwest-Northwest: Y/Y % Change**



Sources: FTR, IANA; Copyright 2021

Total— International: — Domestic: —

**August 2021**  
**Midwest - Northwest**

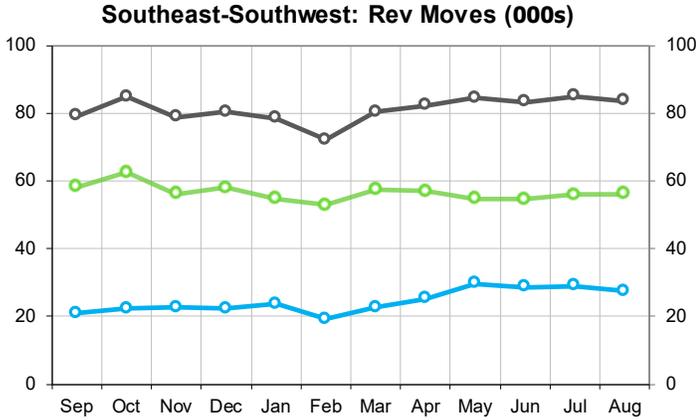
Segment	Current Month Rev Moves	Current Month		% Mkt Segment	QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year			
International	36,401	-8.3%	10.0%	48.2%	10.0%	26.6%
Domestic	39,185	-1.4%	-2.0%	51.8%	-2.0%	5.2%
<b>Lane Total</b>	<b>75,586</b>	<b>-4.8%</b>	<b>3.4%</b>	<b>100%</b>	<b>3.4%</b>	<b>14.7%</b>

**Lane Performance vs. Network Average**

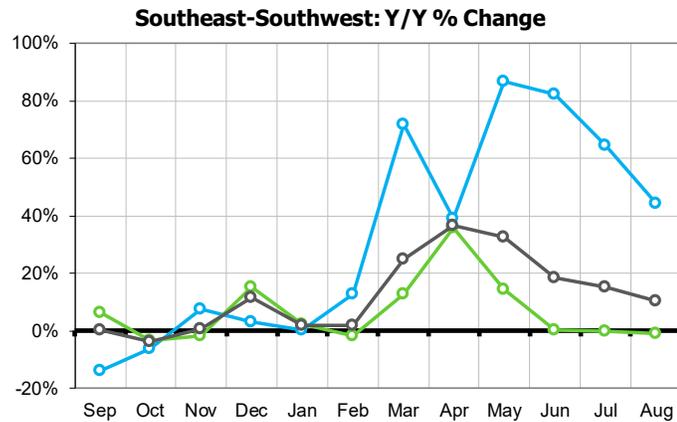
Segment	Current Month Share of Total	Current Month		QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year		
International	4.6%	-8.6%	8.0%	8.0%	10.9%
Domestic	5.1%	-3.2%	3.1%	3.1%	-1.2%
<b>Lane Total</b>	<b>4.9%</b>	<b>-5.9%</b>	<b>5.1%</b>	<b>5.1%</b>	<b>3.7%</b>



**Lane 7**  
**Southeast – Southwest**  
*Typical Lane: L.A. – Atlanta*



Sources: FTR, IANA; Copyright 2021



Sources: FTR, IANA; Copyright 2021

Total — International: — Domestic: —

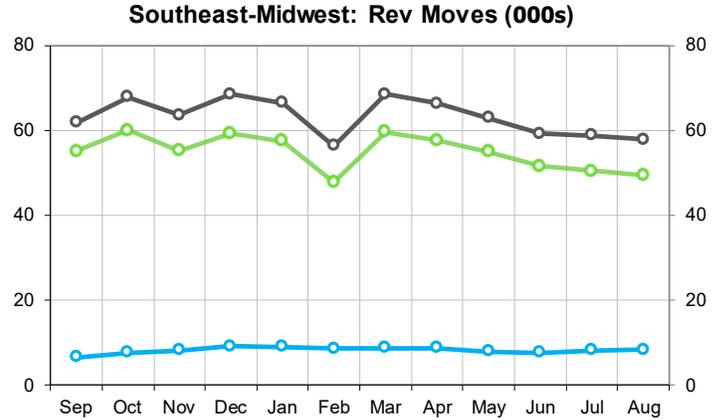
**August 2021 Southeast - Southwest**

Segment	Rev Moves	Current Month			QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year	% Mkt Segment		
International	27,398	-5.8%	44.3%	32.8%	44.3%	46.7%
Domestic	56,150	0.3%	-1.0%	67.2%	-1.0%	6.9%
<b>Lane Total</b>	<b>83,548</b>	<b>-1.8%</b>	<b>10.3%</b>	<b>100%</b>	<b>10.3%</b>	<b>16.9%</b>

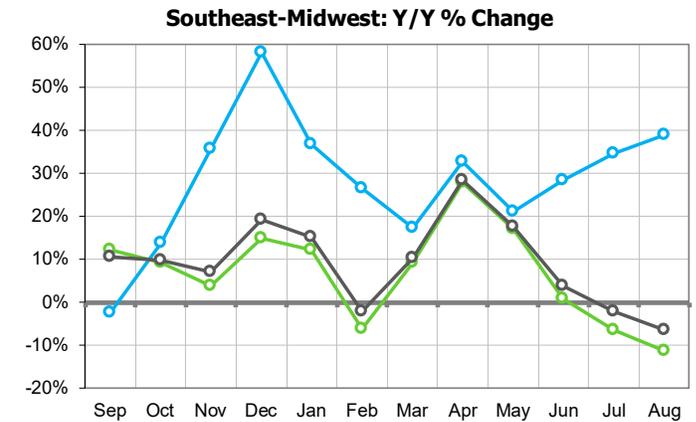
**Lane Performance vs. Network Average**

Segment	Share of Total	Current Month		QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year		
International	3.5%	-6.1%	42.3%	42.3%	31.0%
Domestic	7.4%	-1.5%	4.1%	4.1%	0.5%
<b>Lane Total</b>	<b>5.4%</b>	<b>-2.8%</b>	<b>11.9%</b>	<b>11.9%</b>	<b>5.9%</b>

**Lane 8**  
**Southeast – Midwest**  
*Typical Lane: Chicago – Atlanta*



Sources: FTR, IANA; Copyright 2021



Sources: FTR, IANA; Copyright 2021

Total — International: — Domestic: —

**August 2021 Southeast - Midwest**

Segment	Rev Moves	Current Month			QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year	% Mkt Segment		
International	8,424	1.3%	39.0%	14.6%	39.0%	29.3%
Domestic	49,464	-2.2%	-11.4%	85.4%	-11.4%	4.7%
<b>Lane Total</b>	<b>57,888</b>	<b>-1.7%</b>	<b>-6.4%</b>	<b>100%</b>	<b>-6.4%</b>	<b>7.5%</b>

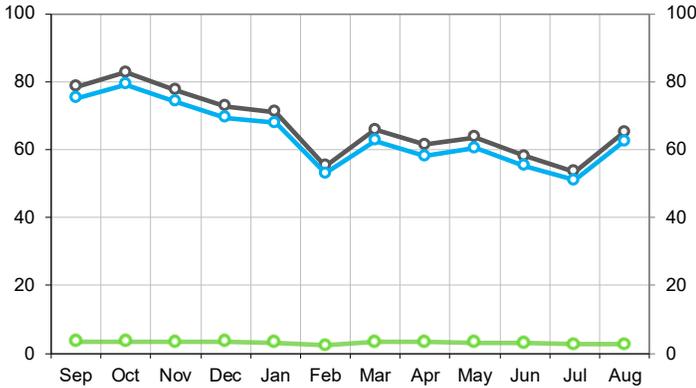
**Lane Performance vs. Network Average**

Segment	Share of Total	Current Month		QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year		
International	1.1%	1.0%	37.0%	37.0%	13.5%
Domestic	6.5%	-4.0%	-6.3%	-6.3%	-1.6%
<b>Lane Total</b>	<b>3.7%</b>	<b>-2.7%</b>	<b>-4.8%</b>	<b>-4.8%</b>	<b>-3.5%</b>



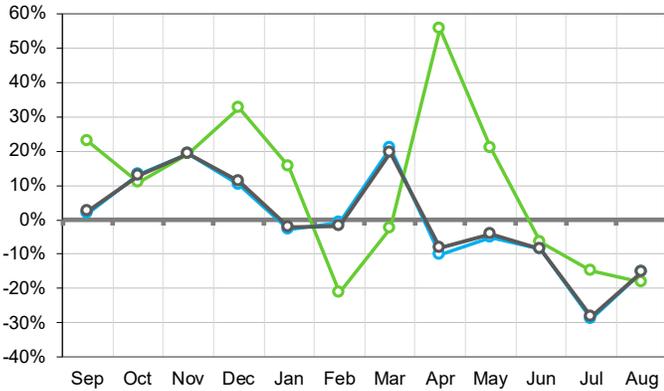
**Lane 9**  
**Midwest – Western Canada**  
*Typical Lane: Prince Rupert—Chicago*

**Midwest-Western Can.: Rev Moves (000s)**



Sources: FTR, IANA; Copyright 2021

**Midwest-Western Can.: Y/Y % Change**



Sources: FTR, IANA; Copyright 2021

Total—○ International: —○ Domestic: —○

**August 2021**

**Midwest - Western Canada**

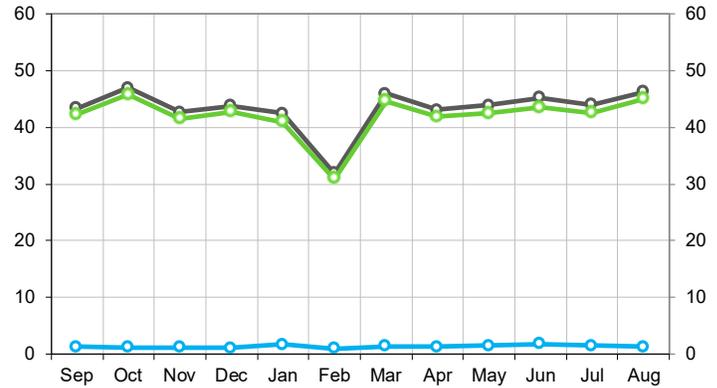
Segment	Current Month			% Mkt Segment	QTD Vs. Last Year	YTD Vs. Last Year
	Rev Moves	Vs. Last Mo.	Vs. Last Year			
International	62,495	22.7%	-15.1%	95.8%	-15.1%	-7.6%
Domestic	2,707	1.0%	-18.0%	4.2%	-18.0%	0.9%
<b>Lane Total</b>	<b>65,202</b>	<b>21.7%</b>	<b>-15.3%</b>	<b>100%</b>	<b>-15.3%</b>	<b>-7.2%</b>

**Lane Performance vs. Network Average**

Segment	Share of Total	Current Month		QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year		
International	7.9%	22.4%	-17.1%	-17.1%	-23.3%
Domestic	0.4%	-0.7%	-12.9%	-12.9%	-5.5%
<b>Lane Total</b>	<b>4.2%</b>	<b>20.6%</b>	<b>-13.6%</b>	<b>-13.6%</b>	<b>-18.2%</b>

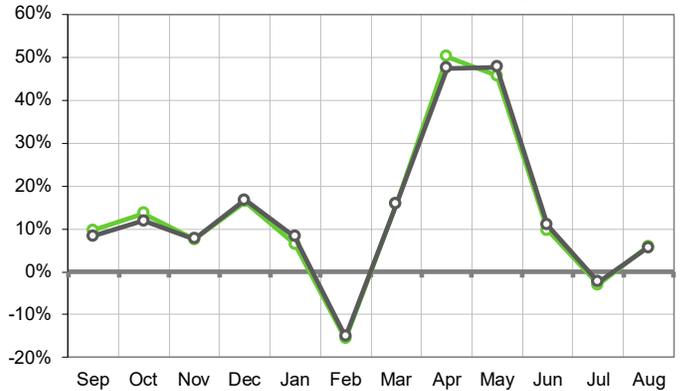
**Lane 10**  
**Midwest – South Central**  
*Typical Lane: Chicago—Dallas*

**Midwest-South Central: Rev Moves (000s)**



Sources: FTR, IANA; Copyright 2021

**Midwest-South Central: Y/Y % Change**



Sources: FTR, IANA; Copyright 2021

Total—○ International: —○ Domestic: —○

**August 2021**

**Midwest - South Central**

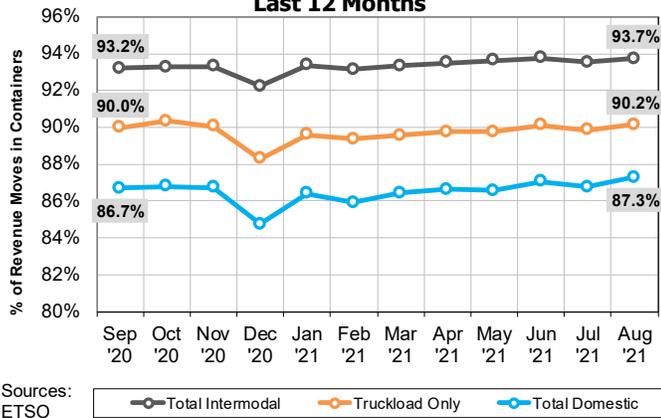
Segment	Current Month			% Mkt Segment	QTD Vs. Last Year	YTD Vs. Last Year
	Rev Moves	Vs. Last Mo.	Vs. Last Year			
International	1,277	-11.3%	-3.0%	2.8%	-3.0%	29.6%
Domestic	45,050	5.9%	5.9%	97.2%	5.9%	11.8%
<b>Lane Total</b>	<b>46,327</b>	<b>5.3%</b>	<b>5.6%</b>	<b>100%</b>	<b>5.6%</b>	<b>12.3%</b>

**Lane Performance vs. Network Average**

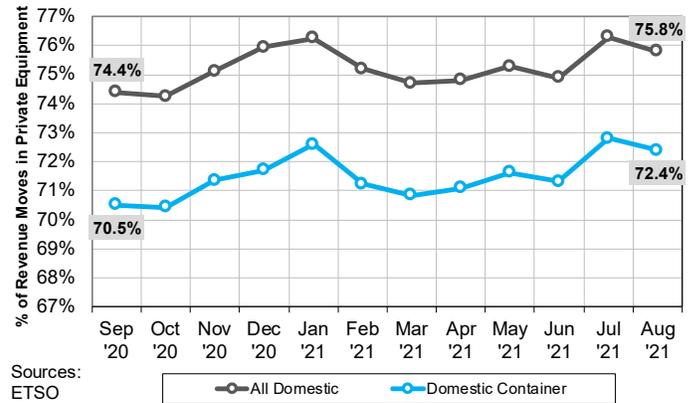
Segment	Share of Total	Current Month		QTD Vs. Last Year	YTD Vs. Last Year
		Vs. Last Mo.	Vs. Last Year		
International	0.2%	-11.6%	-5.0%	-5.0%	13.9%
Domestic	5.9%	4.1%	11.0%	11.0%	5.4%
<b>Lane Total</b>	<b>3.0%</b>	<b>4.3%</b>	<b>7.2%</b>	<b>7.2%</b>	<b>1.3%</b>



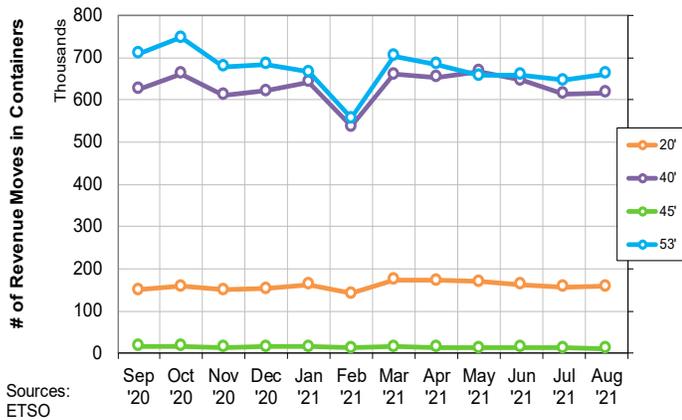
**Container Share of Intermodal Movements - Last 12 Months**



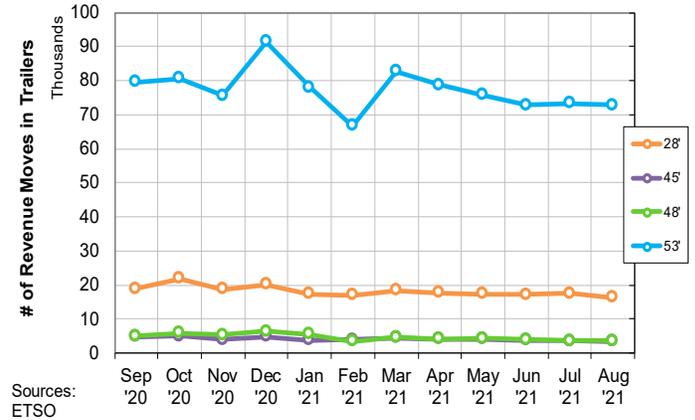
**Privately Owned Equipment Share by Type - Last 12 Months**



**Container Size Profile - All Movements**

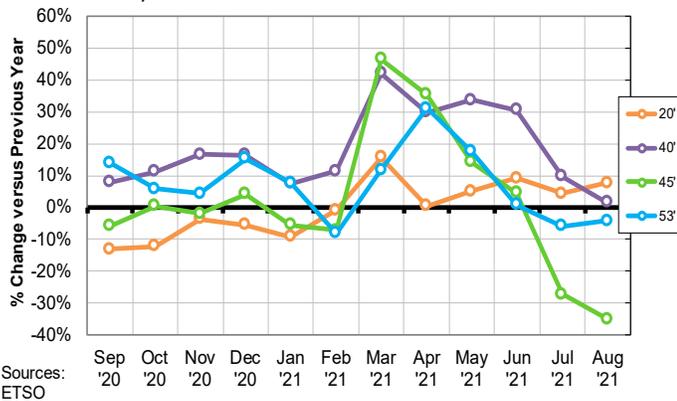


**Trailer Size Profile**



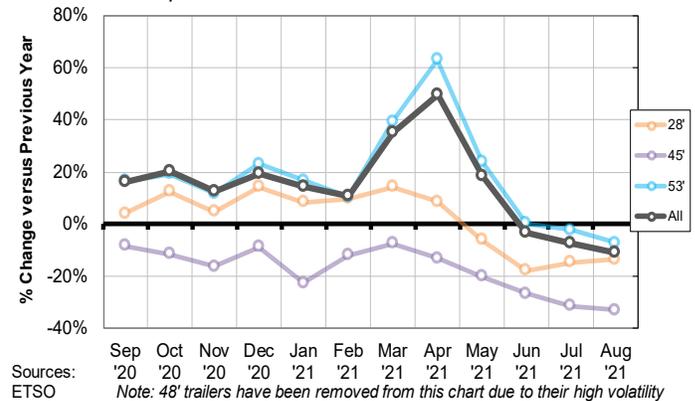
**Container Size Trends**

Monthly Revenue Moves vs. Same Month Previous Year



**Trailer Size Trends**

Monthly Revenue Moves vs. Same Month Previous Year



Sources: IANA ETSO Data



*Intermodal train speeds are an imperfect indicator of service quality, in that they only deal with line-haul (not terminal) operations and also say nothing about service consistency. However, when speeds drop sharply, it is a good indication of service issues. Because of differences between railroads, speeds should not be compared one to another; rather, each railroad's current performance should be viewed in the context of previous historical trends.*

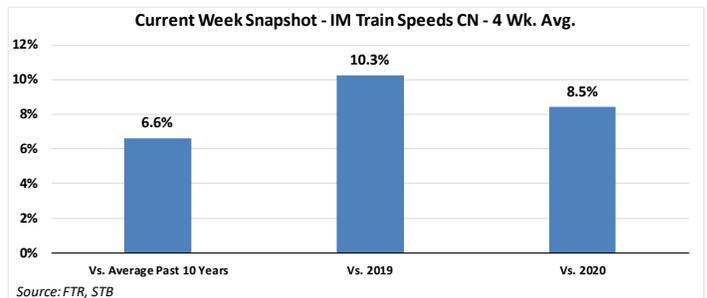
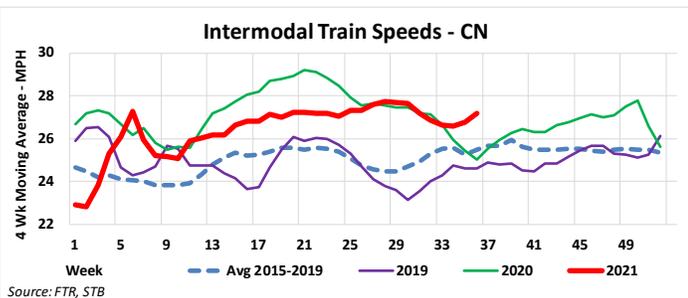
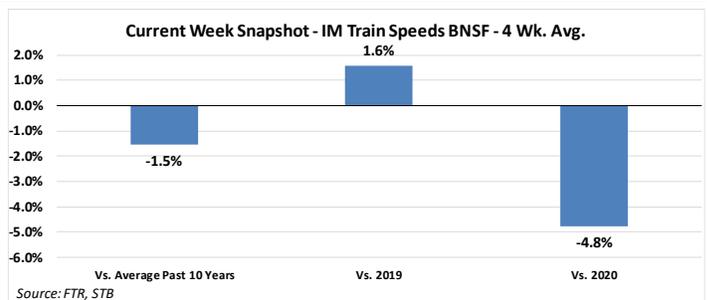
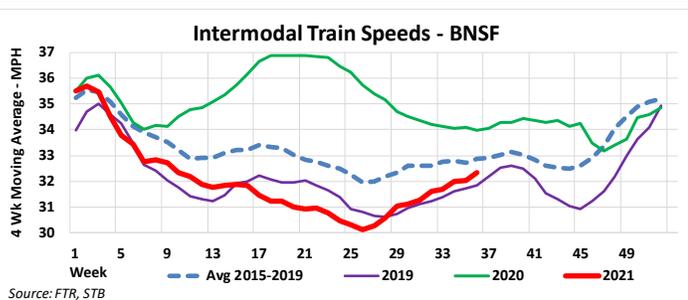
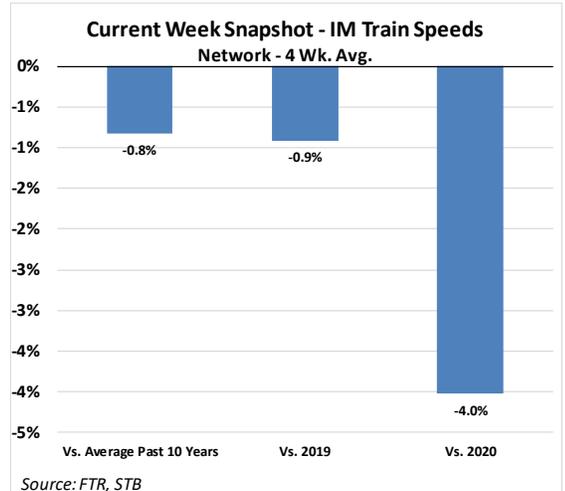
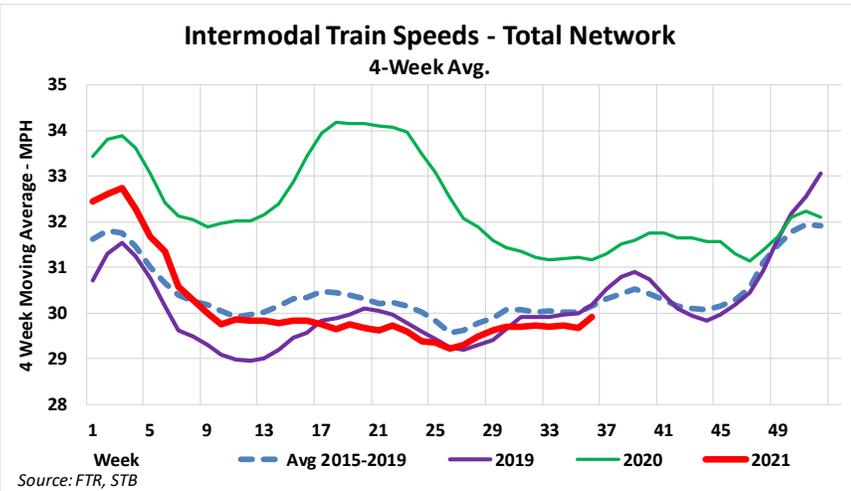
Intermodal service continues to struggle more than overall rail service. While rail service is a bit above its five-year average, intermodal specific trains continue to run below their five-year averages. There has been some improvement lately, but that is primarily a result of seasonal improvement that occurs every year around this time. The absolute position of intermodal service velocities compared with its long-run average or the

overall carload network remains unchanged even as the recent performance improved in absolute terms.

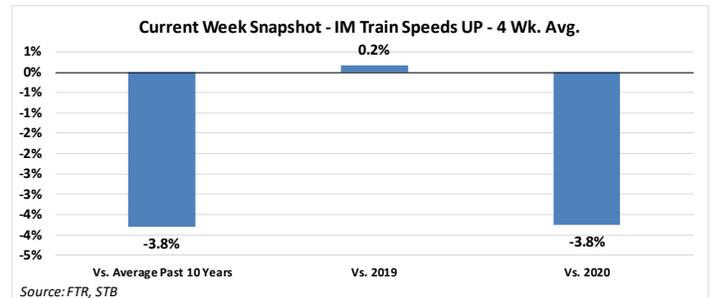
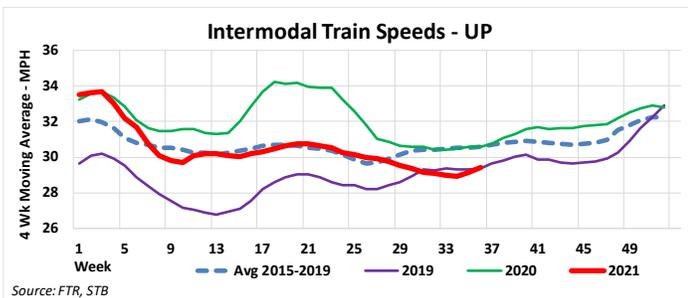
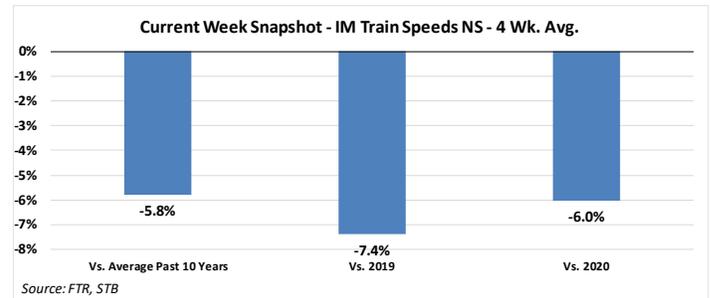
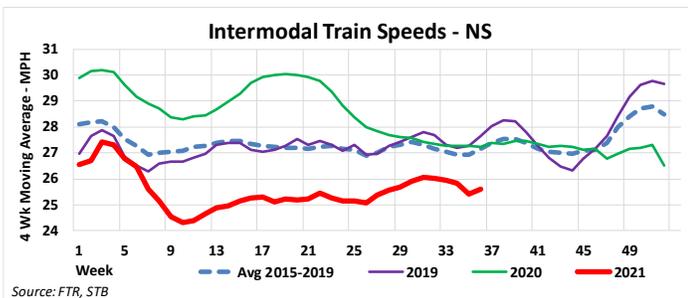
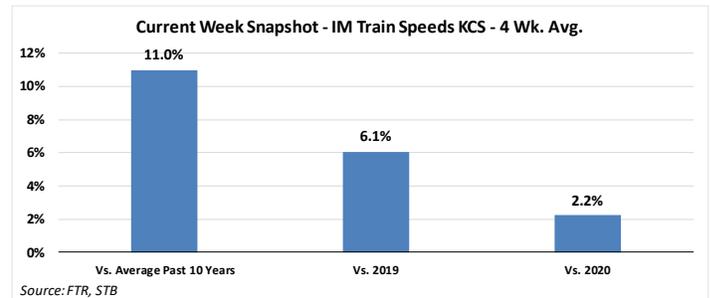
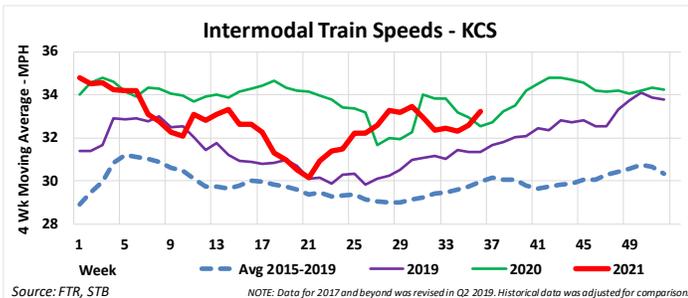
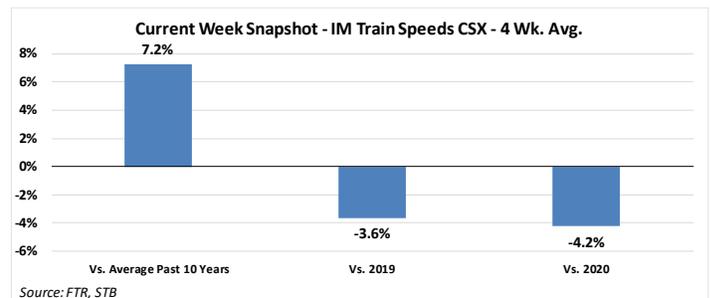
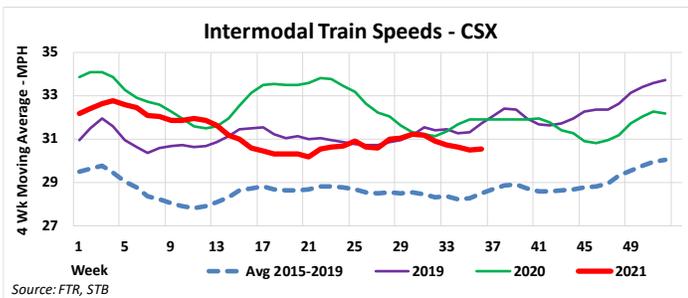
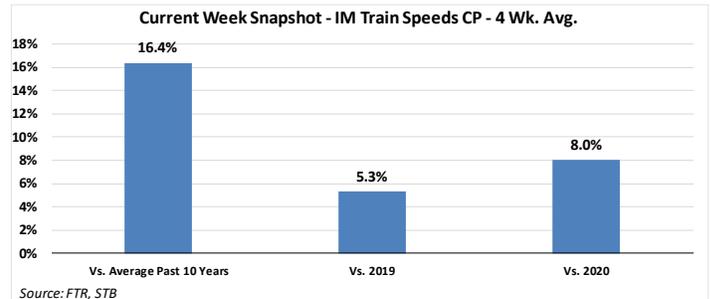
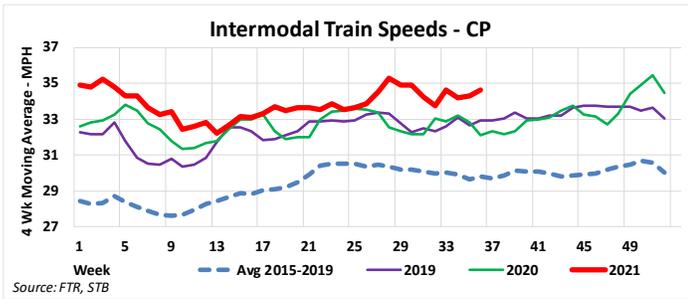
Intermodal trains are running nearly a full mile-and-a-half per hour slower than they were at this time last year. That may not sound like a lot, but it has a dramatic effect on the throughput of the overall intermodal supply chain.

This is especially true when beneficial cargo owners are already facing delays on the water and from congestion at on-dock rail terminals, before the freight ever makes it to the rail carrier.

Something else not captured by the rail-specific figures are the delays shippers face finding a chassis once their box is delivered to the rail carrier's inland terminal.



Source: Railroad Performance Measures

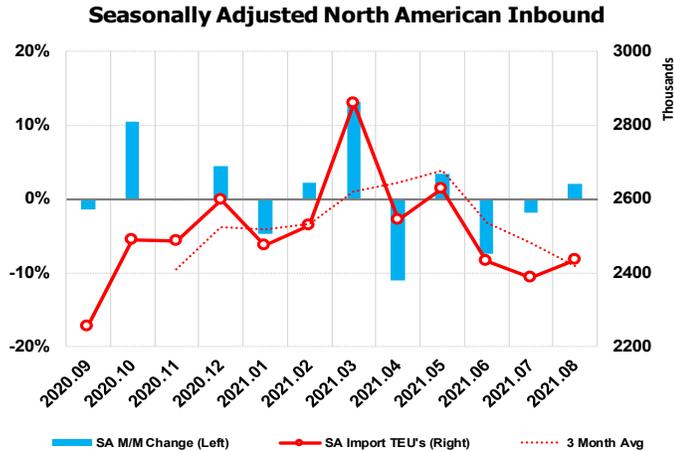




## North America

Ports included: United States and Western Canada

### Import Statistics



North America	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	2,643	5,197	20,125	30,051
Vs. Prior Mo.	3.5%			
Vs. Prior Year	6.6%	9.7%	26.9%	23.8%
<b>Seasonally Adjusted</b>	2,436			
Vs. Prior Mo.	2.1%			

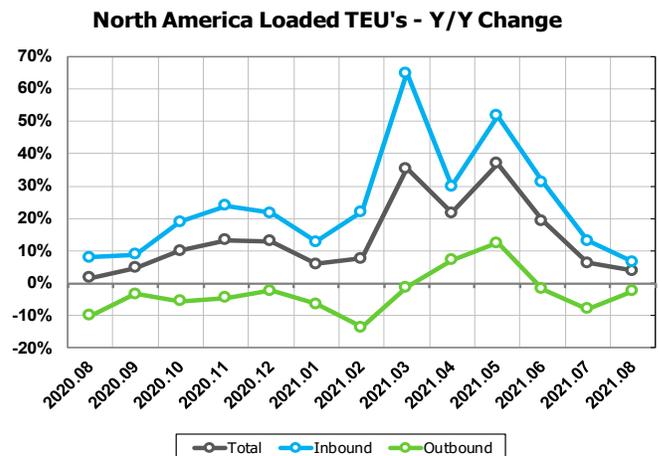
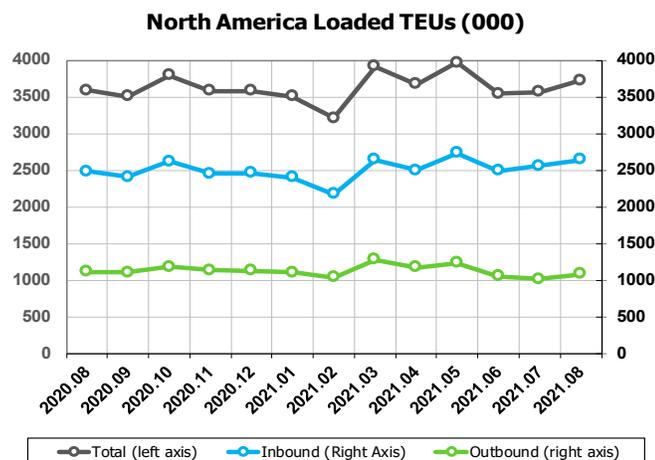
- Import volumes kept up their torrid pace of the last few months in August, increasing 6.6% compared with last year and 3.5% sequentially.
- The only port complex that did not have sequential gains were the Pacific Northwest ports, but volumes were still 3% stronger than the same time last year.
- Western Canadian volumes increased nearly 15% sequentially in August.

Sources: FTR, Port Reports

### Full Port Statistics (Preliminary)

- Overall port activity increased 4% compared with the prior year in August, with exports showing some momentum across port complexes.
- On an overall basis, exports increased more than 7% in August sequentially, showing some strong sequential momentum even though exports are still almost 3% below last year's levels.
- The San Pedro Bay ports of Los Angeles and Long Beach moved nearly 10% more exports in August than July, though they were still down more than 14% from the same month last year.

North America	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	2,643	5,197	20,125	30,051
Vs. Prior Mo.	3.5%			
Vs. Prior Year	6.6%	9.7%	26.9%	23.8%
<b>Outbound</b>	1,081	2,089	8,956	13,489
Vs. Prior Mo.	7.2%			
Vs. Prior Year	-2.4%	-5.2%	-1.9%	-2.6%
<b>Total</b>	3,724	7,286	29,082	43,540
Vs. Prior Mo.	4.5%			
Vs. Prior Year	3.8%	5.0%	16.4%	14.2%

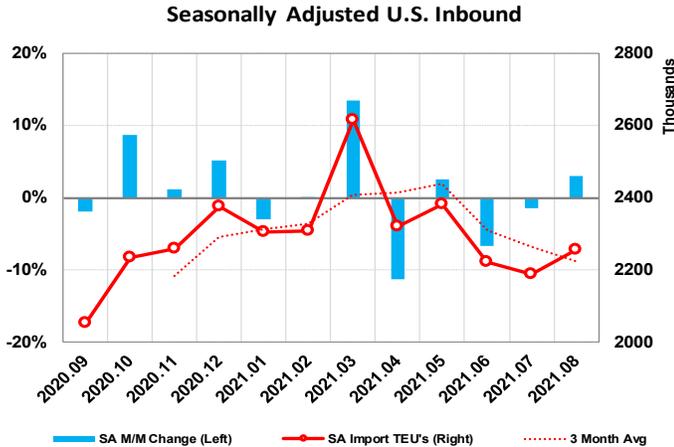




# United States

Ports included: U.S. West Coast, U.S. East/Gulf Coasts

## Import Statistics



United States	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	2,418	4,776	18,454	27,462
Vs. Prior Mo.	2.5%			
Vs. Prior Year	7.8%	11.7%	28.7%	25.1%
<b>Seasonally Adjusted</b>	2,256			
Vs. Prior Mo.	3.0%			

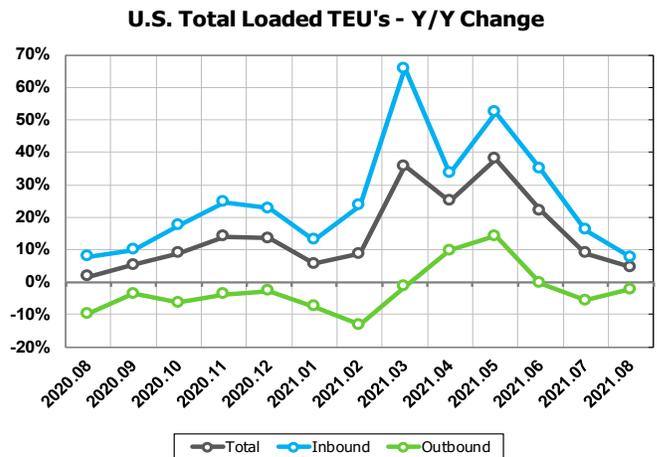
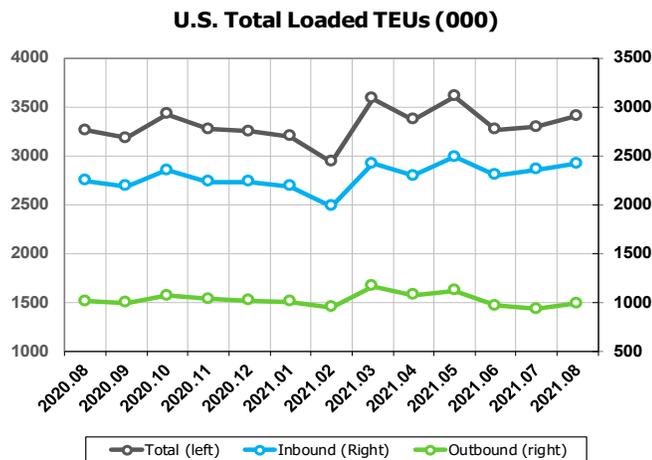
- Sequential momentum for imports appears to be slowing on the east coast as August volumes were up by less than 1% compared with July.
- However, the eastern ports remain strongly above where they were last year, averaging nearly a 10% gain compared with August 2020.
- Los Angeles and Long Beach imports are up 1.8% in the third quarter through August compared with 2020.

Sources: FTR, Port Reports

## Full Port Statistics (Preliminary)

- Even with the relatively modest gain in volumes compared with the prior year, congestion remains an issue in Southern California and at most port complexes.
- Los Angeles and Long Beach this month announced additional night and weekend gate hours to try and increase throughput and ease some of the congestion that has beset the complex for over a year.
- Western Canadian throughput struggled over the summer, but the worst appears to be over as volumes increased 17.3% in August compared with July.

United States	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	2,418	4,776	18,454	27,462
Vs. Prior Mo.	2.5%			
Vs. Prior Year	7.8%	11.7%	28.7%	25.1%
<b>Outbound</b>	991	1,927	8,210	12,332
Vs. Prior Mo.	5.9%			
Vs. Prior Year	-2.3%	-4.0%	-1.1%	-2.2%
<b>Total</b>	3,409	6,702	26,664	39,794
Vs. Prior Mo.	3.5%			
Vs. Prior Year	4.6%	6.7%	17.8%	15.2%

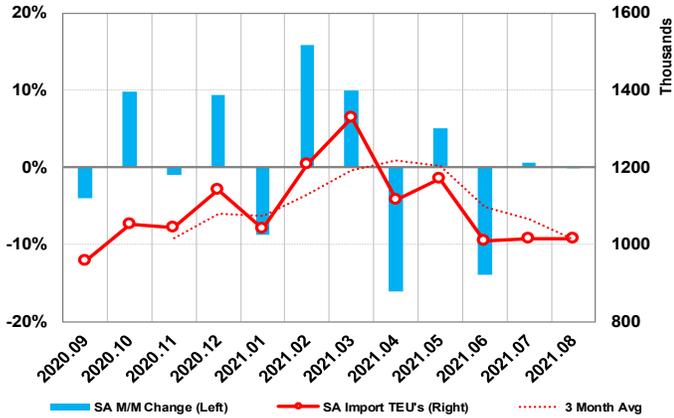




## U.S. West Coast

Ports included: Los Angeles; Long Beach; Northern California; Pacific Northwest

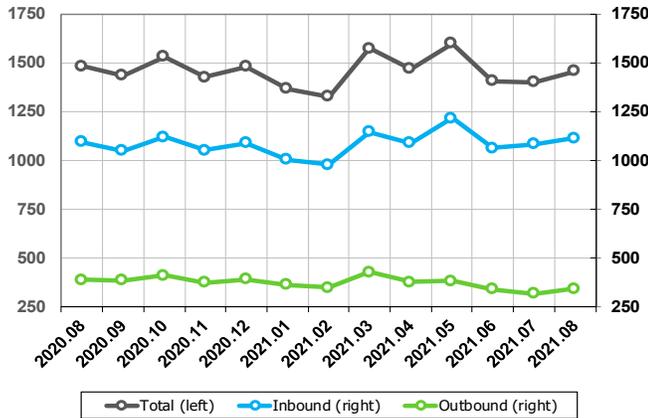
**Seasonally Adjusted U.S. West Coast Inbound**



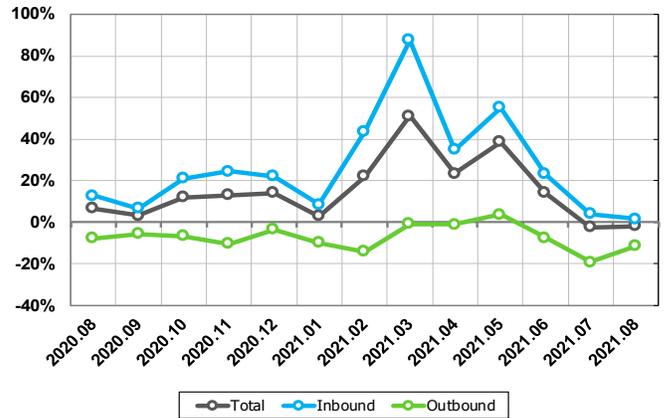
**U.S. West Coast Inbound TEU's - N.A. Share**



**U.S. West Coast Loaded TEUs (000)**



**U.S. West Coast Loaded TEU's - Y/Y Change**



### Import Statistics

U.S. West Coast	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	1,114	2,198	8,704	13,017
Vs. Prior Mo.	2.8%			
Vs. Prior Year	1.7%	2.8%	27.7%	24.4%
<b>Seasonally Adjusted</b>	1,016			
Vs. Prior Mo.	0.0%			

### Full Port Statistics (Preliminary)

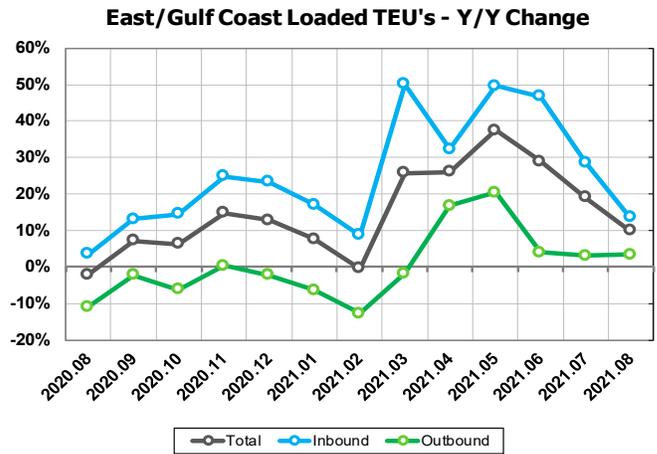
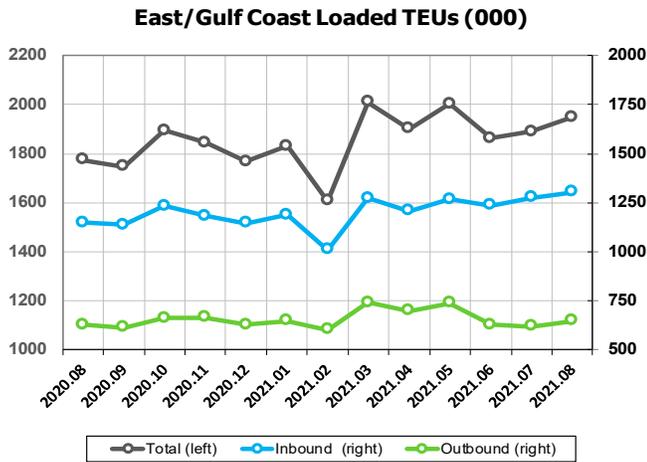
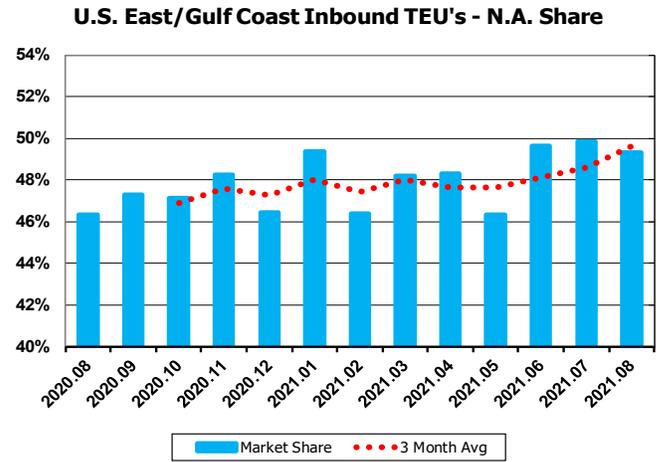
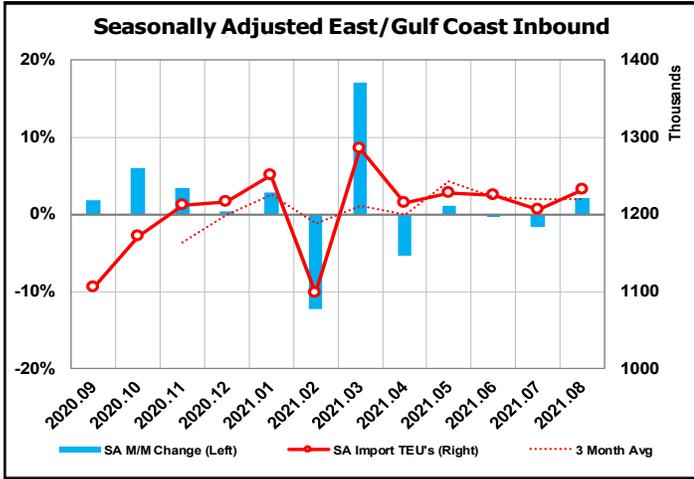
U.S. West Coast	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	1,114	2,198	8,704	13,017
Vs. Prior Mo.	2.8%			
Vs. Prior Year	1.7%	2.8%	27.7%	24.4%
<b>Outbound</b>	345	664	2,908	4,472
Vs. Prior Mo.	8.1%			
Vs. Prior Year	-11.5%	-15.3%	-7.5%	-7.2%
<b>Total</b>	1,459	2,862	11,611	17,489
Vs. Prior Mo.	4.0%			
Vs. Prior Year	-1.8%	-2.0%	16.6%	14.5%

Sources: Port reports, FTR analysis



**U.S. East/Gulf Coasts**

Ports included: Northeast; Southeast; Gulf



**Import Statistics**

East/Gulf Coasts	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	1,303	2,577	9,751	14,445
Vs. Prior Mo.	2.3%			
Vs. Prior Year	13.5%	20.5%	29.5%	25.8%
<b>Seasonally Adjusted</b>	1,231			
Vs. Prior Mo.	2.2%			

**Full Port Statistics (Preliminary)**

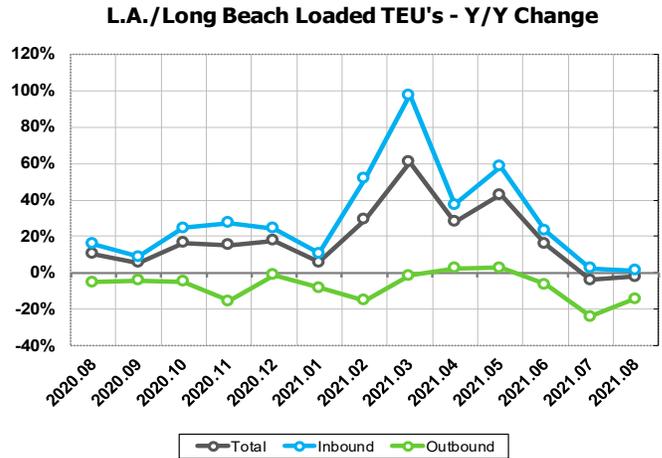
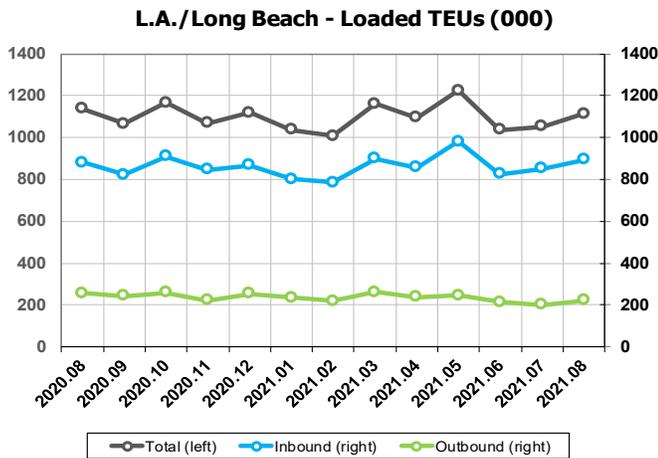
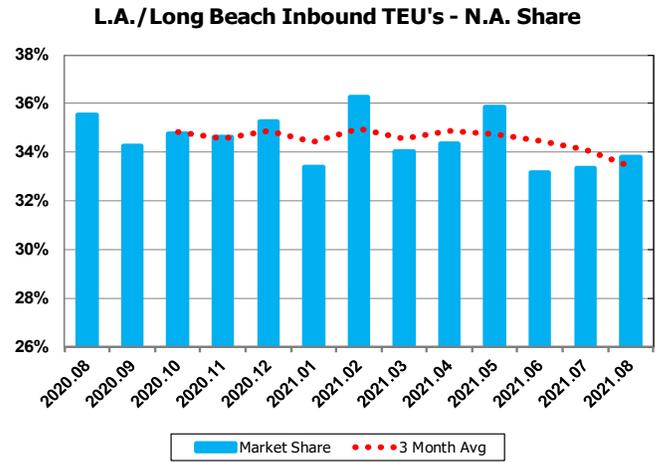
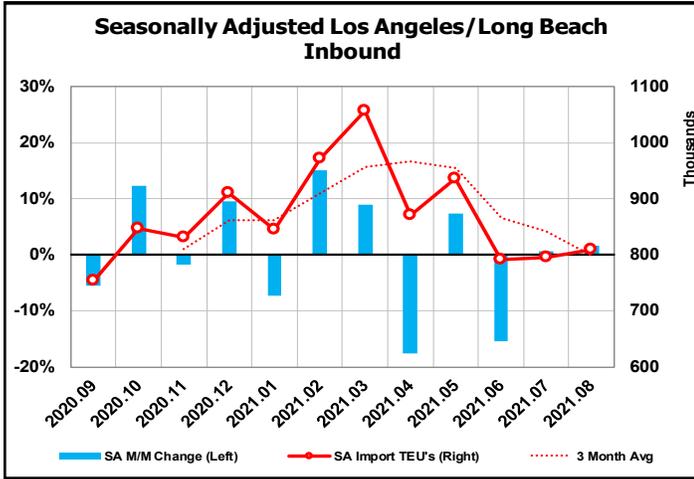
East/Gulf Coasts	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	1,303	2,577	9,751	14,445
Vs. Prior Mo.	2.3%			
Vs. Prior Year	13.5%	20.5%	29.5%	25.8%
<b>Outbound</b>	646	1,263	5,302	7,860
Vs. Prior Mo.	4.8%			
Vs. Prior Year	3.4%	3.3%	2.8%	1.0%
<b>Total</b>	1,950	3,840	15,052	22,305
Vs. Prior Mo.	3.1%			
Vs. Prior Year	10.0%	14.2%	18.7%	15.8%

Sources: Port reports, FTR analysis



## L.A./Long Beach

Ports included: Los Angeles, Long Beach



### Import Statistics

L.A. / Long Beach	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	893	1,745	6,895	10,342
Vs. Prior Mo.	4.8%			
Vs. Prior Year	1.4%	1.8%	29.5%	26.5%
<b>Seasonally Adjusted</b>	808			
Vs. Prior Mo.	1.5%			

### Full Port Statistics (Preliminary)

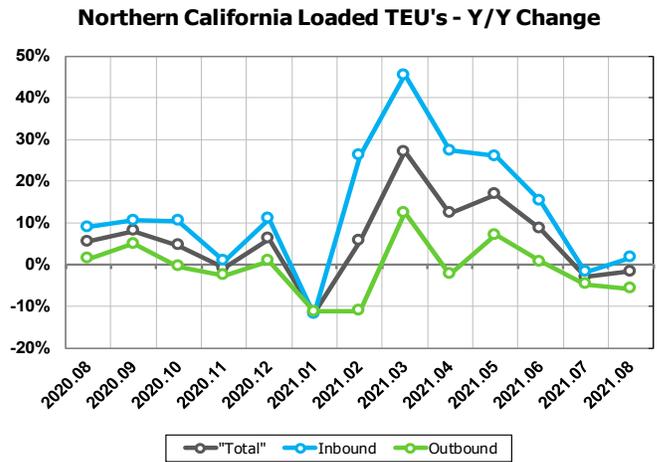
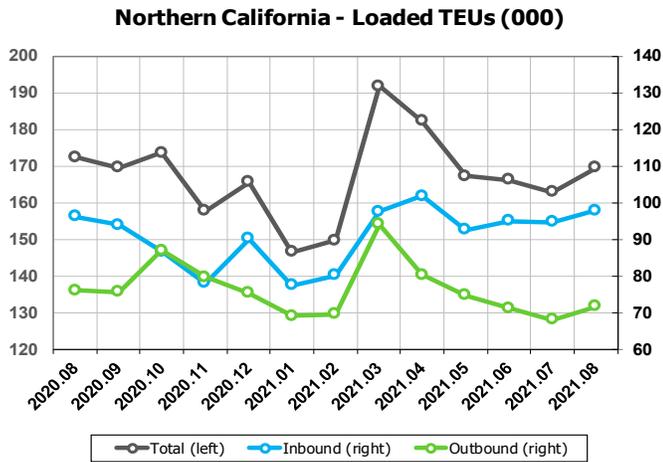
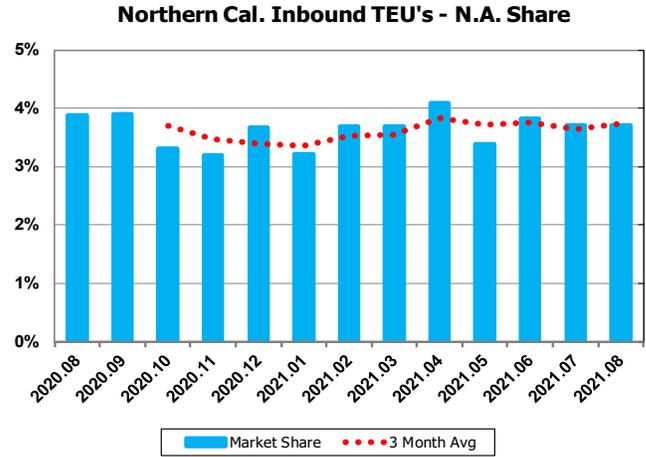
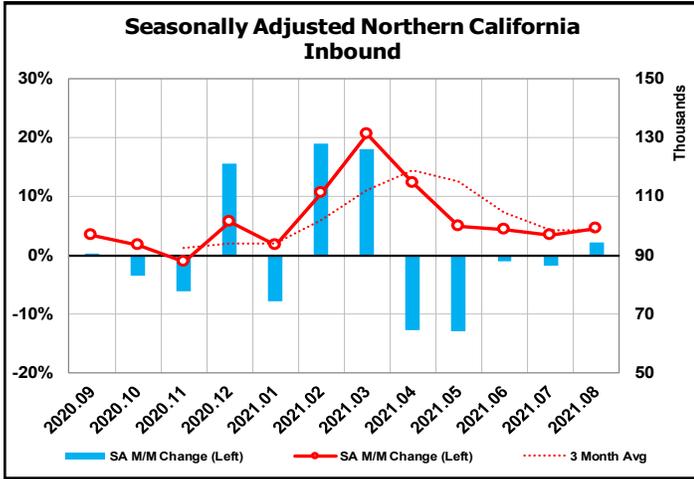
L.A./Long Beach	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	893	1,745	6,895	10,342
Vs. Prior Mo.	4.8%			
Vs. Prior Year	1.4%	1.8%	29.5%	26.5%
<b>Outbound</b>	221	422	1,838	2,814
Vs. Prior Mo.	9.6%			
Vs. Prior Year	-14.3%	-19.2%	-8.3%	-7.7%
<b>Total</b>	1,114	2,168	8,733	13,155
Vs. Prior Mo.	5.7%			
Vs. Prior Year	-2.2%	-3.1%	19.1%	17.2%

Sources: Port reports, FTR analysis



# Northern California

Ports included: Oakland, Richmond, San Francisco, Sacramento, Stockton, Monterey, Pittsburg



## Import Statistics

Northern California	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	98	193	737	1,086
Vs. Prior Mo.	3.3%			
Vs. Prior Year	1.6%	0.0%	13.9%	12.1%
<b>Seasonally Adjusted</b>	99			
Vs. Prior Mo.	2.3%			

## Full Port Statistics (Preliminary)

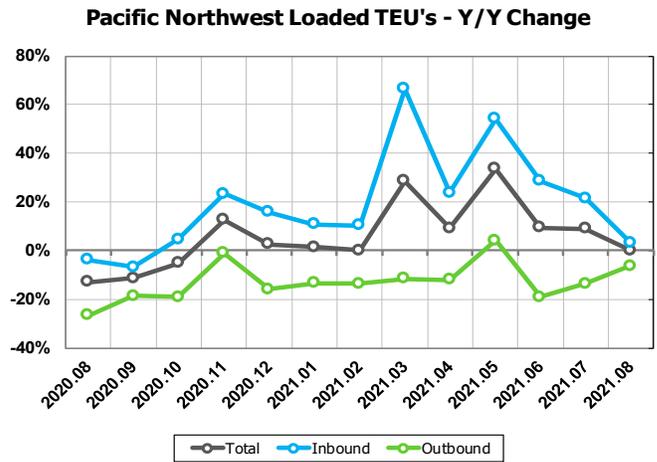
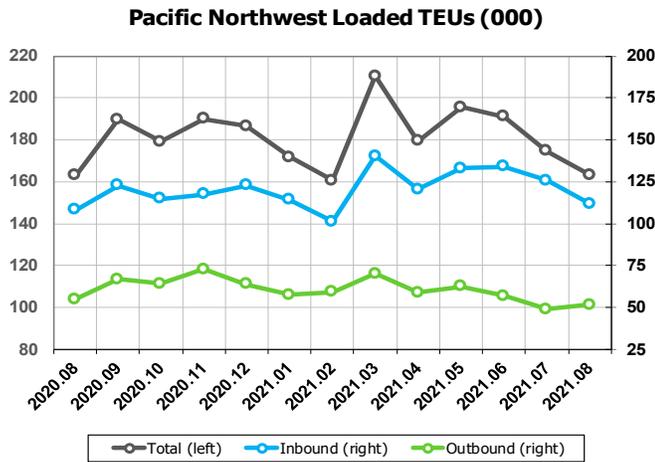
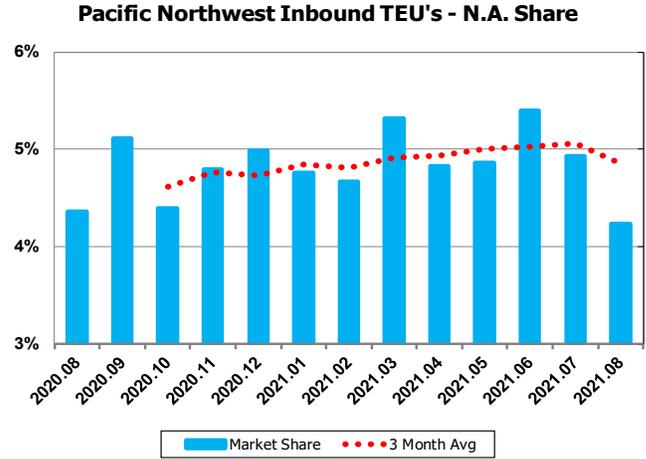
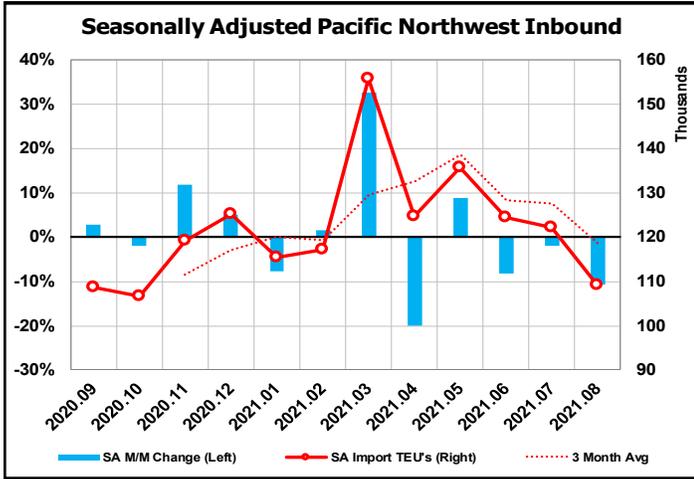
North. California	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	98	193	737	1,086
Vs. Prior Mo.	3.3%			
Vs. Prior Year	1.6%	0.0%	13.9%	12.1%
<b>Outbound</b>	72	140	599	917
Vs. Prior Mo.	5.3%			
Vs. Prior Year	-5.8%	-5.3%	-1.8%	-1.0%
<b>Total</b>	170	333	1,336	2,003
Vs. Prior Mo.	4.1%			
Vs. Prior Year	-1.6%	-2.3%	6.3%	5.7%

Sources: Port reports, FTR analysis



## Pacific Northwest

Ports included: Seattle, Tacoma, Portland OR, Aberdeen, Anacortes, Everett, Hoquiam, Olympia, Port Angeles, Vancouver WA, Coos Bay



### Import Statistics

Pacific Northwest	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	112	238	981	1,459
Vs. Prior Mo.	-11.3%			
Vs. Prior Year	3.3%	12.2%	26.0%	19.5%
<b>Seasonally Adjusted</b>	109			
Vs. Prior Mo.	-10.8%			

### Full Port Statistics (Preliminary)

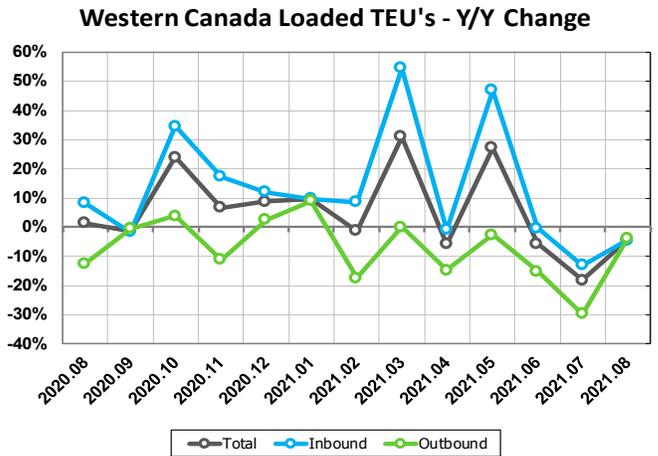
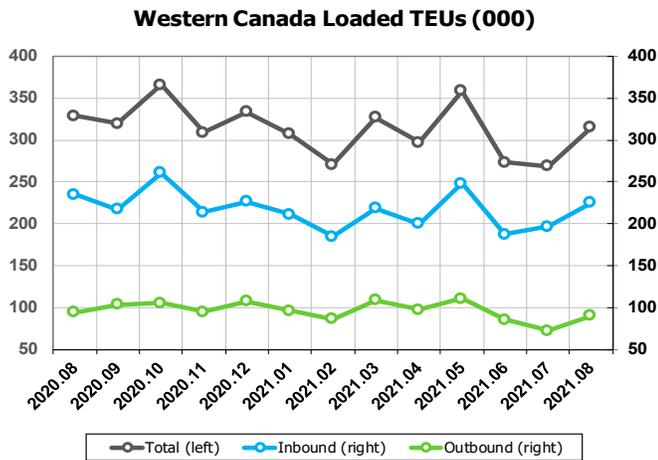
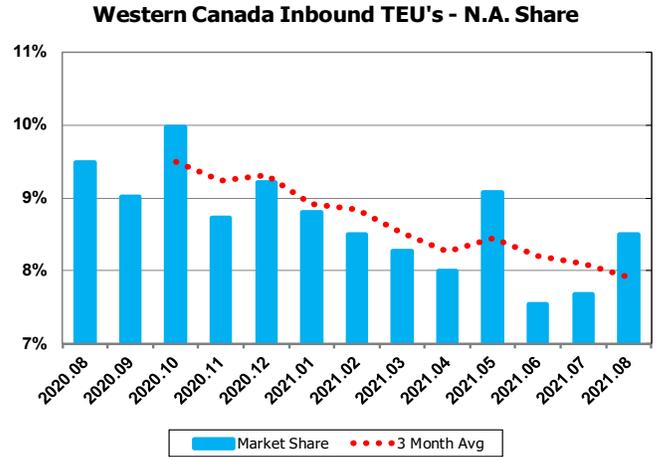
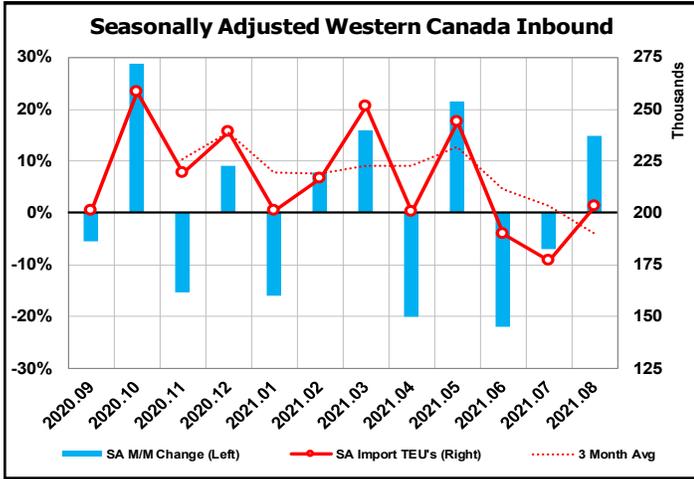
Pacific Northwest	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	112	238	981	1,459
Vs. Prior Mo.	-11.3%			
Vs. Prior Year	3.3%	12.2%	26.0%	19.5%
<b>Outbound</b>	51	100	466	733
Vs. Prior Mo.	5.4%			
Vs. Prior Year	-6.2%	-10.0%	-11.0%	-12.1%
<b>Total</b>	163	338	1,447	2,192
Vs. Prior Mo.	-6.6%			
Vs. Prior Year	0.1%	4.6%	11.1%	6.7%

Sources: Port reports, FTR analysis



**Western Canada**

Ports included: Vancouver, BC; Prince Rupert



**Import Statistics**

Western Canada	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	225	421	1,671	2,589
Vs. Prior Mo.	14.5%			
Vs. Prior Year	-4.4%	-8.6%	9.7%	11.5%
<b>Seasonally Adjusted</b>	203			
Vs. Prior Mo.	14.8%			

**Full Port Statistics (Preliminary)**

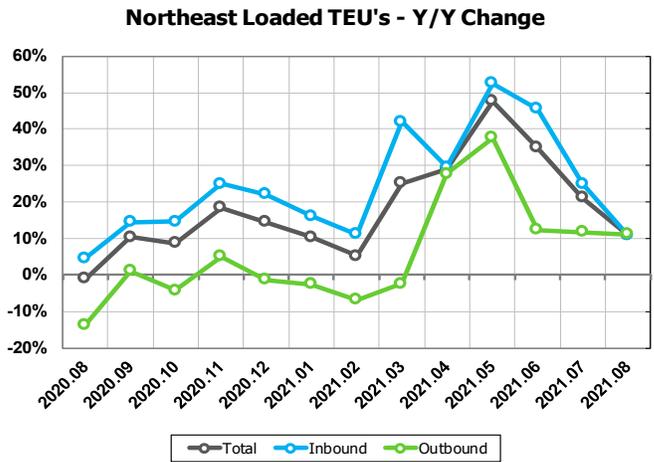
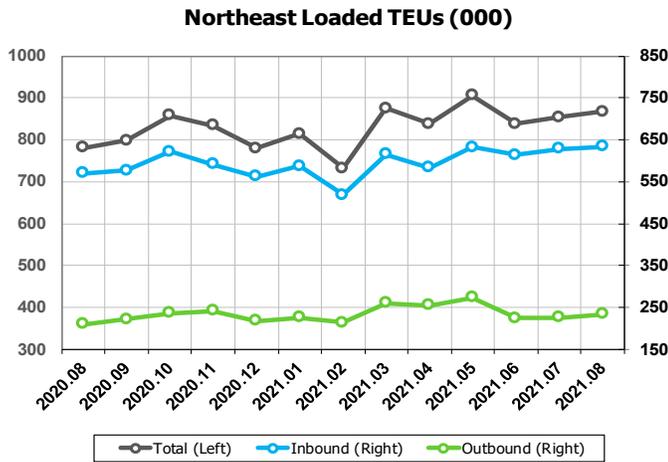
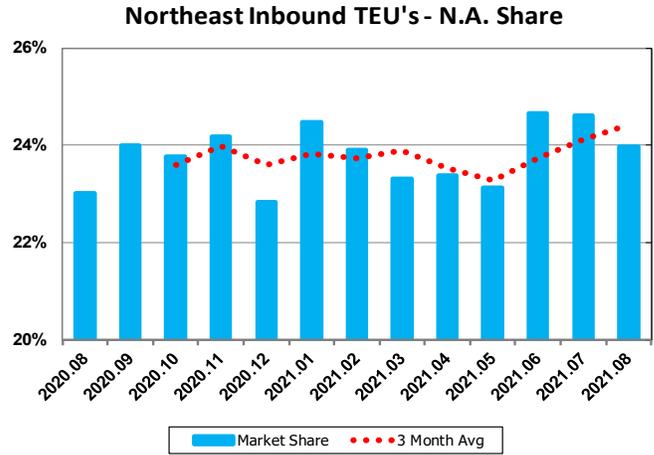
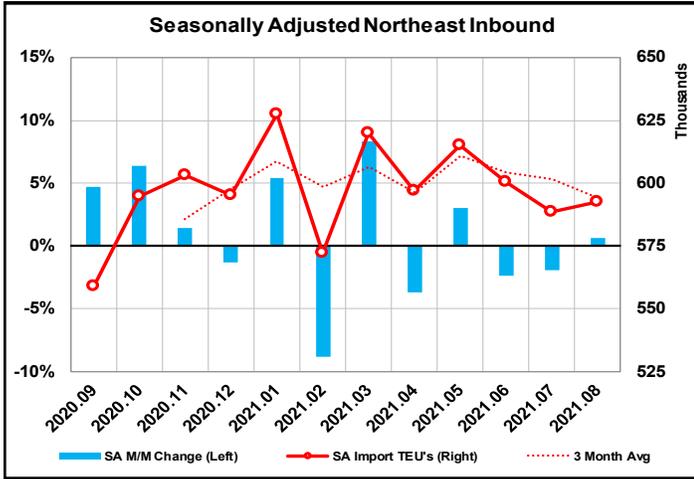
Western Canada	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	225	421	1,671	2,589
Vs. Prior Mo.	14.5%			
Vs. Prior Year	-4.4%	-8.6%	9.7%	11.5%
<b>Outbound</b>	90	163	747	1,157
Vs. Prior Mo.	24.7%			
Vs. Prior Year	-3.9%	-17.5%	-9.6%	-6.9%
<b>Total</b>	315	584	2,418	3,746
Vs. Prior Mo.	17.3%			
Vs. Prior Year	-4.3%	-11.3%	2.9%	5.1%

Sources: Port reports, FTR analysis



## U.S. Northeast

Ports included: NY/NJ; Baltimore; Norfolk; Hampton Roads; Philadelphia, Boston, Delaware River / New England / North Carolina / Other NY Ports



### Import Statistics

Northeast	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	633	1,262	4,813	7,164
Vs. Prior Mo.	0.8%			
Vs. Prior Year	11.0%	17.6%	27.8%	24.7%
<b>Seasonally Adjusted</b>	593			
Vs. Prior Mo.	0.6%			

### Full Port Statistics (Preliminary)

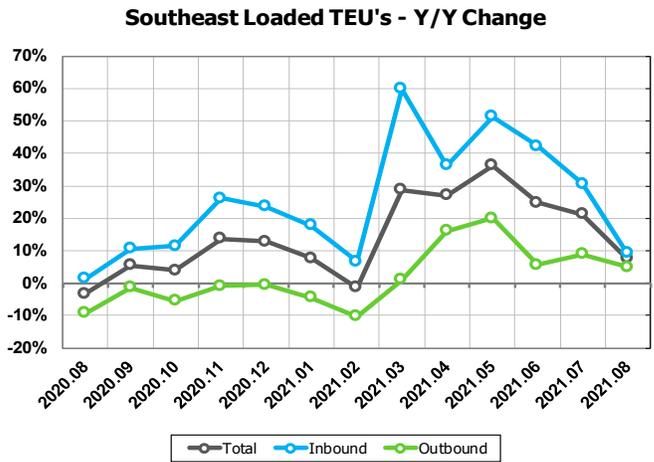
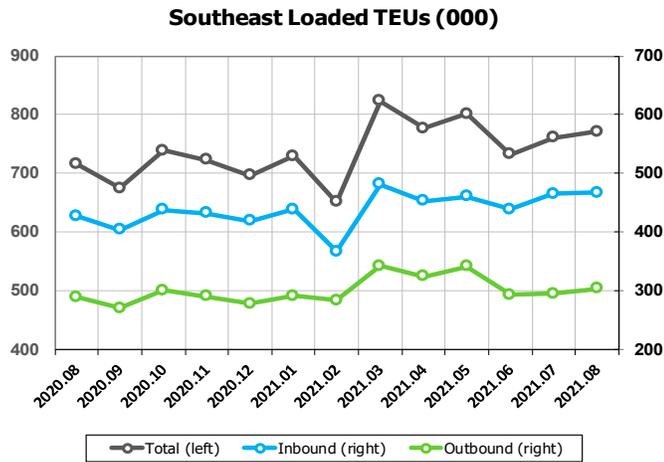
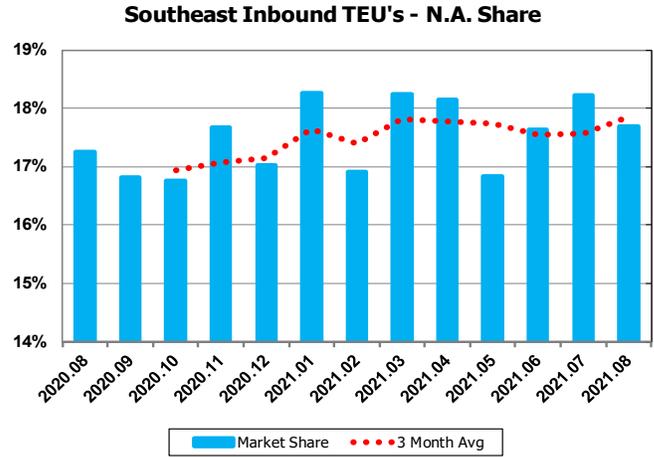
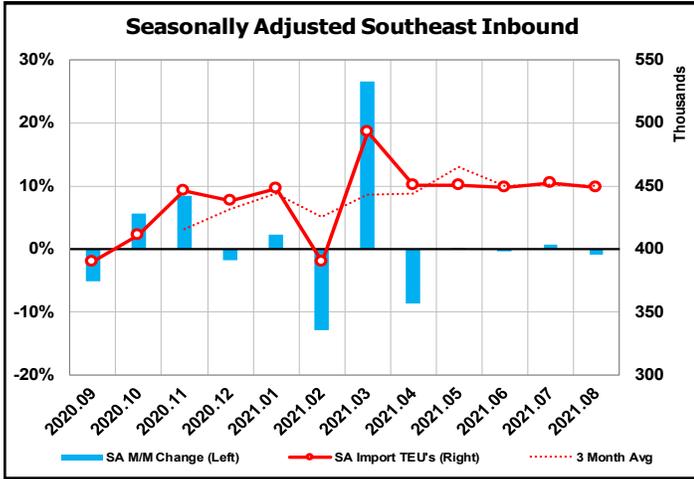
Northeast	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	633	1,262	4,813	7,164
Vs. Prior Mo.	0.8%			
Vs. Prior Year	11.0%	17.6%	27.8%	24.7%
<b>Outbound</b>	234	460	1,914	2,834
Vs. Prior Mo.	3.7%			
Vs. Prior Year	11.1%	11.4%	10.0%	6.6%
<b>Total</b>	867	1,722	6,727	9,998
Vs. Prior Mo.	1.6%			
Vs. Prior Year	11.1%	15.9%	22.2%	19.0%

Sources: Port reports, FTR analysis



## U.S. Southeast

Ports included: Savannah, Charleston, Other South Carolina/Georgia Ports, Miami, Port Everglades, Jacksonville, Other East Coast Florida



### Import Statistics

Southeast	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	468	933	3,572	5,265
Vs. Prior Mo.	0.5%			
Vs. Prior Year	9.3%	19.0%	30.0%	25.8%
<b>Seasonally Adjusted</b>	449			
Vs. Prior Mo.	-0.9%			

### Full Port Statistics (Preliminary)

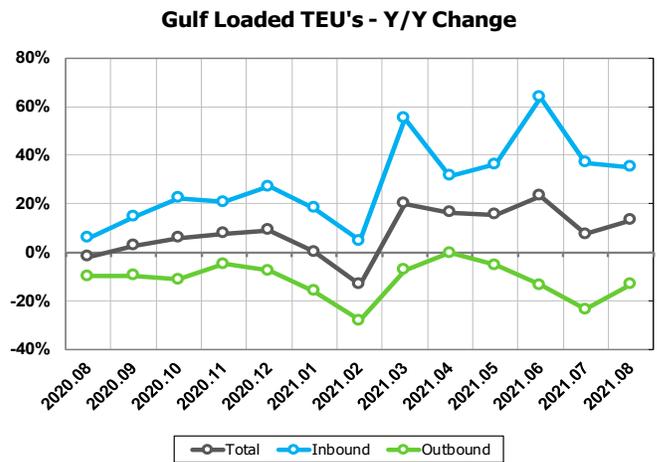
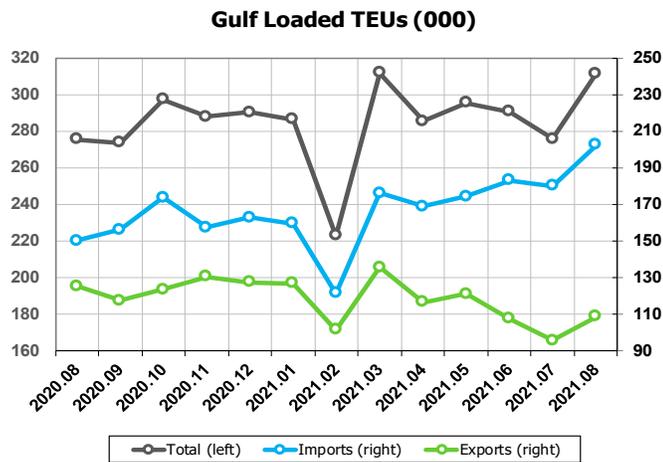
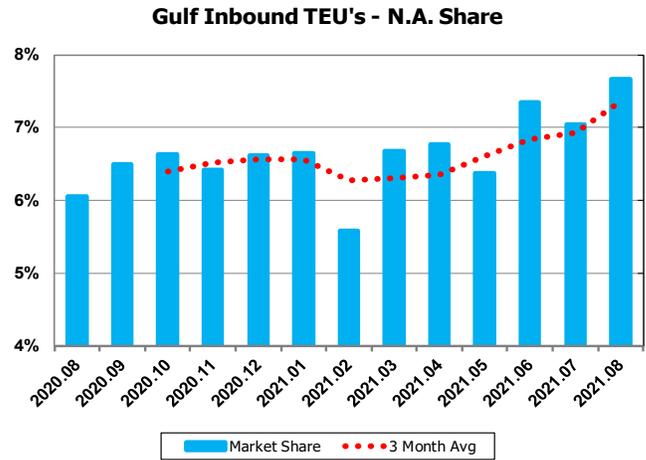
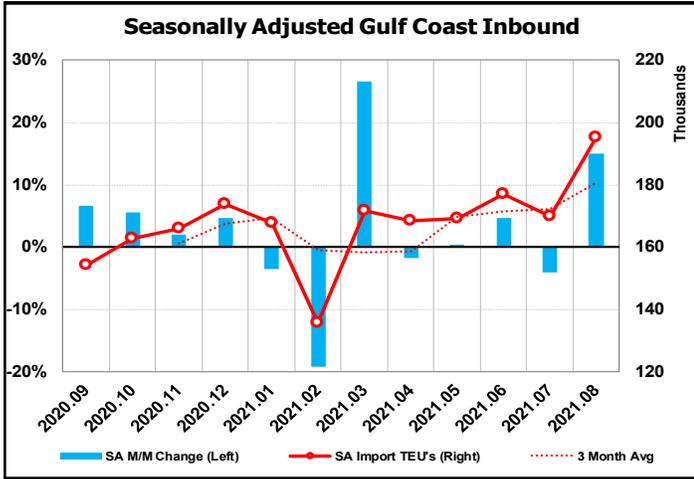
Southeast	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	468	933	3,572	5,265
Vs. Prior Mo.	0.5%			
Vs. Prior Year	9.3%	19.0%	30.0%	25.8%
<b>Outbound</b>	303	598	2,474	3,613
Vs. Prior Mo.	2.8%			
Vs. Prior Year	5.0%	6.9%	4.8%	2.5%
<b>Total</b>	771	1,531	6,046	8,879
Vs. Prior Mo.	1.4%			
Vs. Prior Year	7.6%	14.0%	18.4%	15.1%

Sources: Port reports, FTR analysis



## U.S. Gulf Coast

Ports included: Houston, New Orleans, Mobile, Florida West Coast ports, Other Louisiana, Alabama, Mississippi and Texas Ports



### Import Statistics

Gulf Coast	Preliminary Inbound Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound (NSA)</b>	203	383	1,366	2,016
Vs. Prior Mo.	12.6%			
Vs. Prior Year	35.1%	35.9%	34.7%	30.0%
<b>Seasonally Adjusted</b>	195			
Vs. Prior Mo.	14.9%			

### Full Port Statistics (Preliminary)

Gulf Coast	Preliminary Port Statistics: 000 TEU's			
Aug 2021	Current Month	QTD	YTD	Last 12 Months
<b>Inbound</b>	203	383	1,366	2,016
Vs. Prior Mo.	12.6%			
Vs. Prior Year	35.1%	35.9%	34.7%	30.0%
<b>Outbound</b>	109	205	914	1,413
Vs. Prior Mo.	13.5%			
Vs. Prior Year	-13.2%	-18.3%	-13.6%	-11.8%
<b>Total</b>	311	587	2,279	3,429
Vs. Prior Mo.	12.9%			
Vs. Prior Year	13.1%	10.4%	10.0%	8.8%

Sources: Port reports, FTR analysis



Excerpt from FTR's Freight Focus: Trucking Update

Continued strength in freight rates keep market conditions very robust for carriers.



FTR Trucking Conditions Index

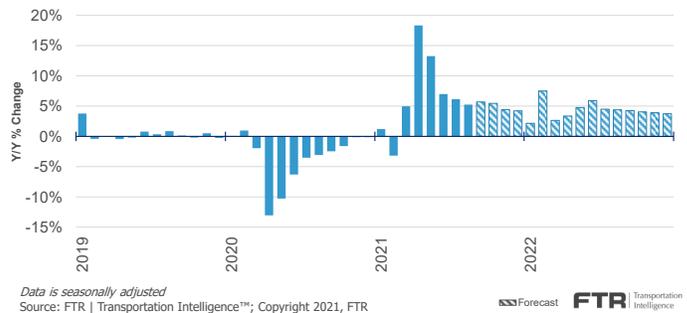
TCI is a broad measure of carrier conditions – volumes, rates, costs, etc.



Although freight volume and capacity utilization were not as favorable in August as they were in July, more robust freight rates resulted in stronger overall market conditions.

The TCI increased to 11.63 from 10.78 in July. The outlook remains for double-digit readings through yearend.

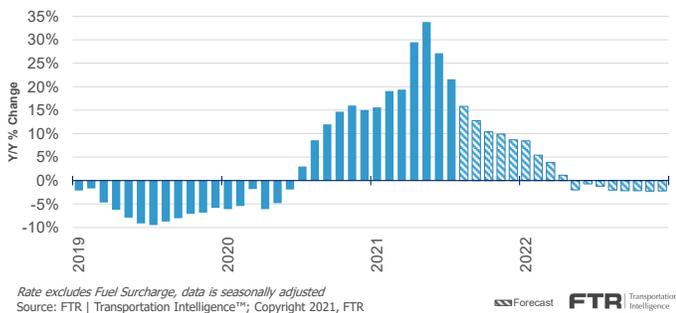
Truck Loadings Outlook



The 2021 outlook for truck loadings is slightly weaker at an increase of 5.8%, but the 2022 forecast is nearly a full point stronger at a gain of 4.2%.

For 2021, a stronger forecast for refrigerated and flatbed were offset by weaker growth in dry van and bulk/dump.

Truck Rates Outlook

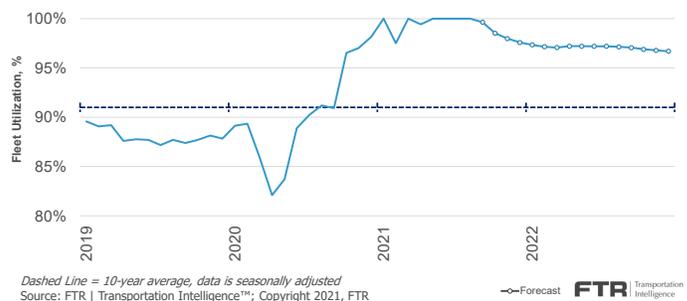


Total truckload rates are still trending at about 18% higher for all of 2021. The forecast for 2022 is marginally stronger at just above flat.

The 2021 LTL rate outlook is stronger at a gain of 16.6%. The 2022 forecast remains down about 2%.

Active Truck Utilization Outlook

Share of seated trucks actively engaged in freight hauling



The forecast for active truck utilization is marginally weaker for the rest of 2021 but slightly stronger in the second half of 2022 than in the previous outlook.

Active utilization is seen above 97% through late 2022, but the risks are mostly toward weaker utilization.



## NORTH AMERICAN INTERMODAL LOADINGS OUTLOOK

Thousands of Units, Revenue Loadings

Description	QUARTER								ANNUAL		
	PRELIMINARY		FORECAST								
	2021'Q1	2021'Q2	2021'Q3	2021'Q4	2022'Q1	2022'Q2	2022'Q3	2022'Q4	2021	2022	2023
Total Intermodal Loadings	4,616.3	4,838.1	4,593.6	4,486.5	4,391.3	4,634.3	4,892.4	4,940.5	18,534.5	18,858.5	20,112.5
% Change, Y/Y	11.1%	20.4%	-2.7%	-8.0%	-4.9%	-4.2%	6.5%	10.1%	4.3%	1.7%	6.6%
-International Equipment	2,362.7	2,513.0	2,320.5	2,202.9	2,196.2	2,354.0	2,487.5	2,445.9	9,399.2	9,483.5	10,109.1
% Change, Y/Y	16.0%	24.8%	1.3%	-8.3%	-7.0%	-6.3%	7.2%	11.0%	7.5%	0.9%	6.6%
Market Share	51.2%	51.9%	50.5%	49.1%	50.0%	50.8%	50.8%	49.5%	50.7%	50.3%	50.3%
-Domestic Equipment	2,253.5	2,325.1	2,273.1	2,283.5	2,195.1	2,280.4	2,404.8	2,494.6	9,135.2	9,374.9	10,003.4
% Change, Y/Y	6.3%	16.1%	-6.4%	-7.6%	-2.6%	-1.9%	5.8%	9.2%	1.2%	2.6%	6.7%
Market Share	48.8%	48.1%	49.5%	50.9%	50.0%	49.2%	49.2%	50.5%	49.3%	49.7%	49.7%
-Domestic Trailers	309.3	307.9	288.5	283.1	263.2	268.0	280.2	295.2	1,188.8	1,106.5	1,140.9
% Change, Y/Y	20.0%	18.5%	-11.5%	-17.7%	-14.9%	-13.0%	-2.9%	4.3%	0.1%	-6.9%	3.1%
Market Share	6.7%	6.4%	6.3%	6.3%	6.0%	5.8%	5.7%	6.0%	6.4%	5.9%	5.7%
-Domestic Containers	1,944.2	2,017.2	1,984.6	2,000.4	1,931.9	2,012.4	2,124.7	2,199.5	7,946.4	8,268.5	8,862.5
% Change, Y/Y	4.4%	15.7%	-5.6%	-6.0%	-0.6%	-0.2%	7.1%	9.9%	1.4%	4.1%	7.2%
Market Share	42.1%	41.7%	43.2%	44.6%	44.0%	43.4%	43.4%	44.5%	42.9%	43.8%	44.1%
MEMO:											
-Dom. Containers & Long Trailers	2,185.3	2,256.6	2,207.3	2,217.4	2,128.3	2,210.9	2,333.6	2,422.8	8,866.6	9,095.7	9,714.0
% Change, Y/Y	6.4%	17.0%	-6.1%	-7.4%	-2.6%	-2.0%	5.7%	9.3%	1.6%	2.6%	6.8%
Market Share	47.3%	46.6%	48.1%	49.4%	48.5%	47.7%	47.7%	49.0%	47.8%	48.2%	48.3%

Source: FTR; Historical Data Ties to ETSO Report - Copyright 2021

- The expectation for a normal peak season evaporated this month, and the focus is now on a peak plateau at current volume levels.
- Given the erosion of a peak season uptick in volumes, expectations for intermodal loadings came down across the board this month, in line closer to present run rates rather than another leg up.

Congestion remains a widespread issue in the intermodal space from the ocean-going carriers to ports to rail lines and inland terminals. Shippers are heard to be shifting some freight away from intermodal in response, and this is another reason the outlook was lowered this month.

**International:** International intermodal volumes increased just slightly in August, despite July being the subject of a week-long closure of eastbound traffic from the west coast into Chicago-area rail terminals. That made for

a disappointing result and suggested that metering of capacity may still be occurring on many rail lines.

Ocean carriers are also doing what they can to encourage transloading or warehousing international container freight as close to the port as possible, to allow for the quick return of international containers and chassis.

Chassis availability is an issue for both sides of the international chain, with street times being elevated at the ports and further inland. This has extended the amount of time that containers have dwelt in yards and the headaches shippers experienced as a result.

**Domestic:** Domestic traffic fared a bit better than international on a sequential basis, but remains 5% below this time last year.

It has been heard that some smaller domestic shippers or those that exceed their capacity allocation were not able to find additional slots in the intermodal system.



**Summary**

The economy is expanding at a robust pace but is starting to transition toward trend growth. The spread of the Delta variant has dampened some business activity and hurt employment growth in Q3. Despite some headwinds, the economy is still expanding at a healthy pace. COVID infections started to retreat in September, and more than 56% of Americans are fully vaccinated. The effect of the pandemic on the economy seems to be fading more with each wave that comes along. Shortages of semiconductors and other manufacturing inputs are restraining production and fueling inflation. We expect progress, although it may linger well into 2022.

**Consumer**

Retail sales surprised on the upside in August, rising 0.7% and up 15.1% from a year earlier. There was a large downward revision to July's number, where sales fell 1.8%. Total sales excluding motor vehicles and parts were up 1.8% in August and 0.8% excluding autos and gasoline. Motor vehicle and parts sales fell 3.6% for the month. Most other sectors saw advances. Food and beverage establishments sales were unchanged, hurt by COVID fears. The report indicates a stronger consumer sector than thought a month earlier when sales declined sharply. The consumer remains healthy, although spending is shifting to services rather than goods.

**Manufacturing**

The ISM manufacturing index increased 1.2 points in September to a strong reading of 61.1. However, the improvement did not come in areas most directly associated with transportation. The new orders component was unchanged at a robust 66.7, and production eased six-tenths of a point to 59.4.

U.S. industrial production increased 0.4% in August, but the impact of Hurricane Ida shaved 0.3 of a percentage point off of total production. Manufacturing increased by 0.2%, but the hurricane closed plants for petroleum-based products. Supply chain problems continue to limit output.

**Residential Construction**

U.S. housing starts increased 3.9% in August to a seasonally adjusted annual pace of 1.615 million units. All the August strength came from the multi-family sector. Single-family starts fell 2.8% to a 1.076 million rate. The multi-family sector saw a 21.6% jump to 530,000. Future building looks more promising as permits rose 6.0% to a 1.728 million annual pace. Single-family permits increased 0.6% to 1.054 million while the multi-family sector saw a 19.7% increase to 632,000. Single-family starts have been flat recently due to a lack of labor and high prices. Job growth coupled with slower price gains and very low mortgage rates should support continued construction.

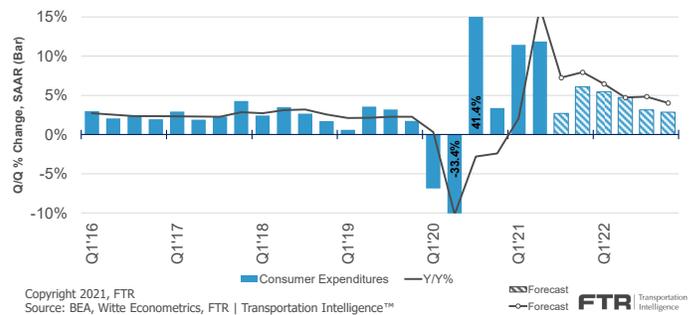
**Economic Outlook Overview**

Q/Q % Change, SAAR	Q2'21	Q3'21F	2021F	2022F
<b>Real Gross Domestic Product (GDP)</b>	6.6%	4.8%	5.9%	4.7%
<b>Industrial Production (IP)</b>	6.2%	8.0%	6.1%	4.5%
<b>Goods Transportation Sector (GTS)</b>	4.8%	3.0%	11.6%	6.0%

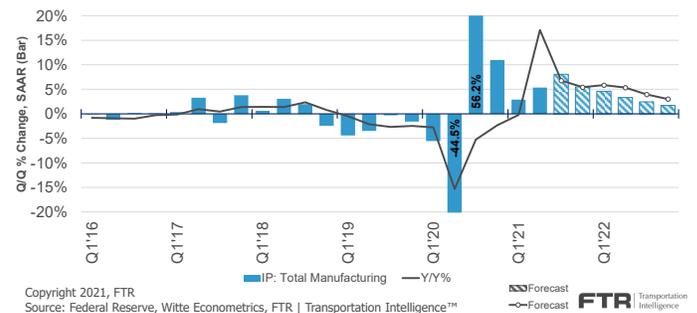
F = Forecast

Source: Witte Econometrics, FTR; Copyright 2021, FTR

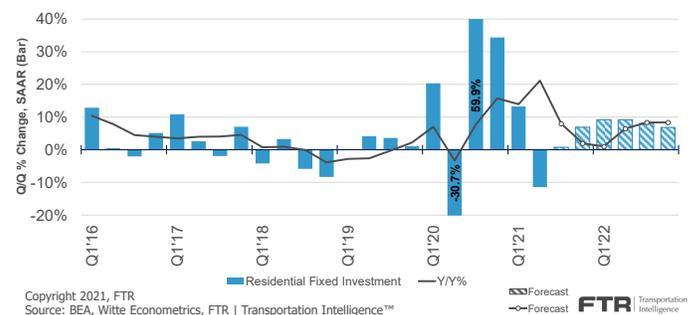
**GDP: Consumer Expenditures**



**IP Outlook: Manufacturing**



**GDP: Residential Investment**





**Monthly Business & Economic Highlights**

*August's Economic Environment:*

- *The mixed bag view of the economy re-emerges as Delta curtails some activity. Manufacturing held up, but payroll was weak.*

	May	Jun	Jul	Aug	Impact	Y/Y Chg.	Comments
<b>INDUSTRIAL PRODUCTION</b>							
Total Industrial Production	0.6%	0.5%	0.8%	0.4%	▲	5.9%	
Total Manufacturing	1.0%	-0.2%	1.6%	0.1%	▲	6.2%	
Automobile and Light Duty Motor Vehicle Production	6.3%	-6.4%	14.8%	-0.7%	●	-11.3%	Auto production held up surprisingly well following July's jump. Supply chains have not eased and production output continues to be impacted to some degree.
<b>BUSINESS INDICATORS</b>							
Unemployment Rate	5.8%	5.9%	5.4%	5.2%	▲	-320 bp	
Job Creation (Payroll Employment)	614k	962k	1,053k	235k	●	6,041k	The surge in coronavirus infections seems to have had a dampening effect on employment and services. Construction activity is being held up by strong demand for residential.
ISM Manufacturing Index	61.2	60.6	59.5	59.9	▲	390 bp	
<b>CONSUMER INDICATORS</b>							
Consumer Confidence (Conference Board)	120.0	128.9	125.1	113.8	●	27.5 pts	
Housing Starts	5.3%	4.0%	-6.2%	3.9%	▲	17.4%	Housing activity is running at a strong clip but is no longer surging. Retail improved in August, but not enough to make up for July's decline. Consumer sentiment has cooled.
Retail Sales	-1.4%	0.9%	-1.8%	0.7%	▲	15.1%	
Consumer Price Index	0.6%	0.9%	0.5%	0.3%	●	5.2%	
<b>OIL AND FUEL</b>							
National Avg. Diesel/Gal.	\$3.217	\$3.287	\$3.339	\$3.350	▼	37.9%	
W. Texas Int. Crude Oil (\$Bbl.)	\$65.17	\$71.38	\$72.49	\$67.73	●	60.0%	While already elevated, diesel and crude pricing have continued to increase during September.

Impacts: ▲ = Positive / ▼ = Negative / ● = Neutral

Source: Federal Reserve, BLS, ISM, Conference Board, Census Bureau, EIA, FTR | Transportation Intelligence™; Copyright 2021, FTR

**Employment**

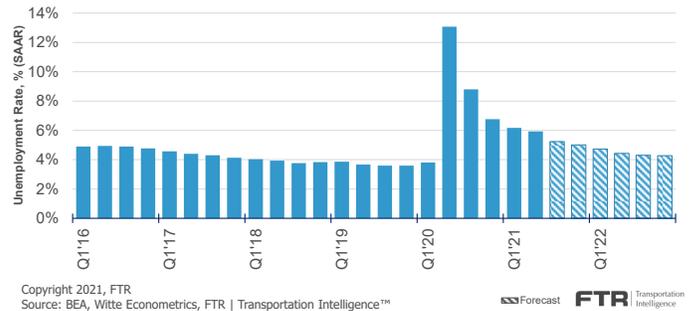
Payroll employment growth was sharply weaker in August at 235,000 jobs, seasonally adjusted. However, gains for July were revised up to 1.053 million. The number of unemployed edged down to 8.4 million after a large decrease in July. The unemployment rate fell to 5.2%. Both are greatly improved from the contraction but well above the 5.7 million and 3.2% rate before the pandemic began. The main August weakness was in hospitality/leisure, which was unchanged. Manufacturing added 37,000, and business services added 74,000. The report suggests that COVID-19 is still hurting the economy, but there is a still strong demand for workers.

**Forecast Risks**

The economy is expanding at a robust pace and has good momentum, but a rise in COVID infections has slowed services activity and hurt employment growth. However, infection rates have retreated and vaccination numbers are increasing. Some analysts speculate that COVID could fade and have only a modest effect on activity within a year. That would likely have an upside risk for economic growth. The supply chain problems persist, constraining production and boosting inflation. Part of the problem is a tight labor market. The pandemic may have impacted labor in a fundamental fashion that could restrain production and hurt overall economic growth for years.

See page 29 for detailed economic outlook...

**Unemployment Rate Outlook**



Copyright 2021, FTR  
Source: BEA, Witte Econometrics, FTR | Transportation Intelligence™

Forecast FTR | Transportation Intelligence

**Economic Outlook Probabilities**

*GDP Forecast Confidence Levels*

	Next 4 Quarters		Following 2 Years	
	GDP Range	Probability ↓	GDP Range	Probability
<b>Faster Growth</b>	> 7%	20%	> 3%	25%
<b>Base Forecast</b>	<b>5.0%</b>	<b>55%</b>	<b>2.5%</b>	<b>45%</b>
<b>Slower Growth</b>	< 3%	25%	< 2%	30%

Source: FTR | Transportation Intelligence™; Copyright 2021, FTR



**U.S. Economic & Industrial Outlook**

*Forecasts of key economic data*

	2021				2022				Annual			
	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	2020	2021	2022	2023
<i>F = Forecast</i>			F	F	F	F	F	F		F	F	F
<b>Gross Domestic Product (SAAR)</b>												
<b>Real GDP</b>	<b>6.3%</b>	<b>6.6%</b>	<b>4.8%</b>	<b>5.9%</b>	<b>5.0%</b>	<b>4.3%</b>	<b>3.2%</b>	<b>2.5%</b>	<b>-3.4%</b>	<b>5.9%</b>	<b>4.7%</b>	<b>2.6%</b>
Consumer Expenditures	11.4%	11.9%	2.7%	6.1%	5.4%	4.7%	3.1%	2.9%	-3.8%	8.2%	5.0%	2.9%
Residential Fixed Investment	13.3%	-11.5%	0.7%	6.9%	9.2%	9.2%	8.1%	6.9%	6.8%	10.8%	6.0%	5.9%
Change-Business Inventories	-88.3	-169.4	-82.9	-29.9	0.1	30.1	63.3	63.6	-42.3	-92.6	39.3	64.4
Real Exports of Goods	-1.4%	6.2%	4.5%	3.1%	3.1%	3.1%	3.1%	3.1%	-10.2%	7.6%	3.4%	3.1%
Real Imports of Goods	13.3%	-11.5%	0.7%	6.9%	9.2%	9.2%	8.1%	6.9%	6.8%	10.8%	6.0%	5.9%
Goods Transportation Sector	10.0%	4.8%	3.0%	8.1%	6.6%	6.0%	5.9%	4.3%	-3.1%	11.6%	6.0%	4.4%
CPI Index	3.7%	8.4%	6.0%	4.7%	4.3%	3.8%	3.6%	3.5%	1.2%	4.4%	4.6%	3.5%
<b>Housing Starts - Millions (SAAR)</b>	<b>1.60</b>	<b>1.59</b>	<b>1.62</b>	<b>1.65</b>	<b>1.64</b>	<b>1.63</b>	<b>1.61</b>	<b>1.60</b>	<b>1.40</b>	<b>1.61</b>	<b>1.62</b>	<b>1.58</b>
% Change (SAAR)	6.1%	-3.2%	10.2%	5.7%	-1.4%	-3.4%	-5.0%	-2.8%	8.1%	15.6%	0.2%	-2.3%
<b>Auto Sales - Millions (SAAR)</b>	<b>16.8</b>	<b>16.9</b>	<b>15.0</b>	<b>16.3</b>	<b>16.5</b>	<b>16.6</b>	<b>16.6</b>	<b>16.6</b>	<b>14.5</b>	<b>16.2</b>	<b>16.6</b>	<b>16.7</b>
3 Month T-Bill Rate, %	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.4%	0.4%	0.1%	0.2%	0.5%
Moody AAA Bonds, %	2.7%	2.9%	2.7%	3.0%	3.1%	3.2%	3.3%	3.3%	2.5%	2.8%	3.2%	3.5%
Unemployment Rate, %	6.2%	5.9%	5.2%	5.0%	4.7%	4.4%	4.3%	4.3%	8.1%	5.6%	4.4%	4.2%
Federal Surplus, \$ (SAAR)	-\$4,089	-\$3,341	-\$2,599	-\$2,081	-\$1,992	-\$1,899	-\$1,871	-\$1,884	-\$3,110	-\$3,027	-\$1,911	-\$1,885

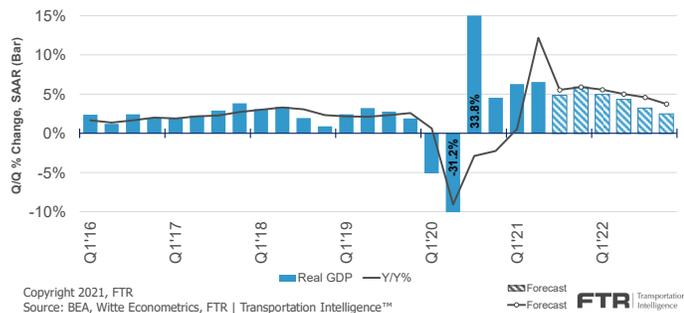
	2021				2022				Annual			
	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	2020	2021	2022	2023
<i>F = Forecast</i>			F	F	F	F	F	F		F	F	F
<b>Industrial Production (SAAR)</b>												
<b>Total IP</b>	<b>4.0%</b>	<b>6.2%</b>	<b>8.0%</b>	<b>5.1%</b>	<b>4.3%</b>	<b>3.5%</b>	<b>2.5%</b>	<b>1.7%</b>	<b>-7.2%</b>	<b>6.1%</b>	<b>4.5%</b>	<b>1.6%</b>
Manufacturing, Total	2.9%	5.4%	8.1%	5.5%	4.6%	3.3%	2.4%	1.7%	-6.4%	6.9%	4.5%	1.6%
Manufacturing, Non-Durables	-1.1%	12.3%	3.2%	4.9%	3.9%	2.7%	1.9%	1.2%	-4.4%	4.6%	3.8%	1.2%
Manufacturing, Durables	6.7%	-0.6%	12.6%	6.0%	5.2%	3.9%	2.9%	2.1%	-8.2%	9.0%	5.1%	2.0%
Mining	7.3%	22.7%	3.6%	6.9%	6.3%	4.6%	3.3%	2.6%	-14.2%	3.1%	6.1%	2.3%
Utilities	8.7%	0.6%	14.6%	1.2%	0.1%	3.9%	2.2%	0.8%	-3.4%	4.2%	3.1%	1.5%

Q/Q % Change, SAAR // F = Forecast

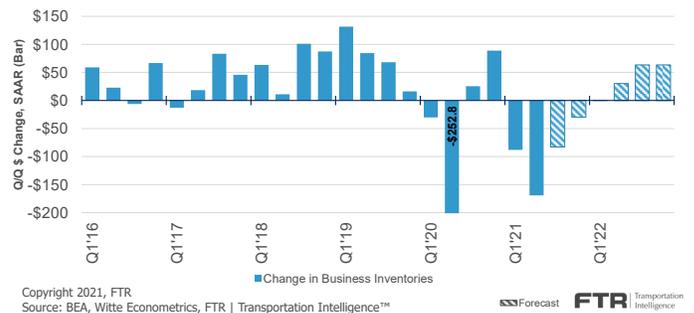
SAAR is Seasonally Adjusted Annual Rates or Seasonally Adjusted Quarter to Quarter Changes at Annual Rates.

Source: Witte Econometrics, Federal Reserve, BEA, FTR | Transportation Intelligence™; Copyright 2021, FTR

**Real GDP Outlook**



**GDP: Business Inventories**



See page 7 for detailed economic outlook...



## The top two issues facing intermodal. *Service and mergers are top of mind.*

It may seem like a broken record, but service issues remain top of mind for intermodal shippers as weekly volumes remain capped at around 360,000.

Despite intermodal having a competitive advantage over the last year relative to the domestic truckload market as measured by FTR's Intermodal Competitive Index, volumes remain stuck in neutral.

Port activity remains elevated with import and export activity at nearly all port complexes increasing sequentially, but that added volume appears not to be moving out of the ports by rail.

Record levels of vessel congestion at the San Pedro Bay ports of Los Angeles and Long Beach have prompted the ports to initiate a process by which night and weekend gate hours can be implemented as a way to move containers off the ports more quickly.

Ocean carriers have tried to encourage shippers to return empty international boxes as quickly as possible by keeping them close to the ports, which has encouraged the transloading and warehousing of goods near ports and dented international moves.

Domestic is faring a bit better on a sequential basis, but remains well below last year's freight levels and below the levels achieved this spring.

### **No quick solution**

Unfortunately, there is not a quick solution to the congestion that is present across the intermodal supply chain, including on the railroads.

Congestion at inland terminals and ports, and a chassis shortage at many inland terminals, are not all within the carriers' control to fix even though those issues can suboptimize their inland moves.

The chassis shortages is one of the bigger issues that needs to be resolved as it directly impacts the operation and fluidity of volumes through those inland terminals. However, it will take a sense of shared sacrifice from shippers to make that happen. Street turns for chassis are elevated significantly above normal times as shippers hold onto equipment longer. Shippers will need to return equipment quicker in order to ensure there is

enough equipment available to service all the freight that wants to move.

Labor is also a large issue with active truck utilization running near 100% and expected to remain there for some time to come. It is difficult for trucking firms, particularly drayage firms, to attract and recruit additional drivers to move freight. Rail carriers have had their own issues bringing employees back with the total of operating personnel out, moving the trains a step function below where it was heading into the pandemic last year and roughly a quarter below where it was before the push to Precision Scheduled Railroading began in earnest in 2019. Neither of these issues will resolve themselves quickly and have resulted in the metering of intermodal traffic that keeps volumes tethered at recent levels.

### **Merger could be a long-run blessing**

The rampant congestion and service delays could cause shippers to seek out alternative options. One of those options, particularly with west coast port negotiations about to ramp up, could be using the port of Lazaro Cardenas in Mexico as an alternative to those in Southern California.

The pending merger of Canadian Pacific and Kansas City Southern, which appears likely to meet regulatory approval after a similar transaction proposed by Canadian National did not pass muster, could bolster the port and its routes as an alternative.

It will take time for this to happen, but the CP-KCS combination could be online in time to help out if the west coast congestion drags into the second half of next year, which is certainly possible at this point. The combination allows intermodal shippers to get goods from Lazaro directly into Chicago without a long dray from Kansas City, and opens up other markets in the upper Midwest as well that run through the U.S. west coast today. In the midst of one of the worst service issues of the last 20 years, all alternatives to ease the pain should be examined by the industry and over time, the KCS-CP merger may end up being a life preserver for those shippers looking to diversify and mitigate at least some congestion-related pain points.



## General Terms

### **Annualized rate**

A rate of return for a given period that is less than 1 year, but it is computed as if the rate were for a full year.

### **Average Length-of-Haul**

Total tonmiles divided by total tons.

### **Basis Points**

A unit that is equal to 1/100 of 1%. If something increased from 2.2% to 2.8%, it increased 60 basis points.

### **Goods Transportation Sector**

Components of GDP that are critical in demand for goods and thereby induce demand for transportation services.

### **M/M**

Month over month. The difference in percentage or units when compared to the previous month.

### **New Truck Lead Time**

The Backlog of Class 8 truck orders divided by the Build for a given month. Gives an indication of the average length of time in months for a fleet to take delivery of a new truck order.

### **Rail Carloads**

Rail carloads is the seasonally adjusted number of carloadings originated in the United States plus loads that come to U.S. destinations from Mexico and Canada. Data in this report excludes intermodal loadings.

### **Rail Shippers Conditions Index (RCI)**

A measure of market conditions that influence the rail shippers freight transport environment. This index tracks the changes representing five major conditions in the U.S. carload freight market. The conditions are: freight demand, freight rates, fleet capacity, carload service, and fuel price. The individual metrics are combined into a single index that tracks the conditions that influence the rail shippers freight transport environment. A positive score represents good, optimistic conditions; a negative score represents bad, pessimistic conditions.

### **Railcar Utilization Rate**

This metric calculates the percentage of the total population of railcars that is required to move the N.A. rail freight. In general, a figure above 90% indicates a tight market where the majority of the railcar population is at work. A figure below 80% indicates a weak market where a significant portion of the population is idle or underutilized.

### **SAAR**

Seasonally Adjusted Annualized Rate

### **Shippers Conditions Index (SCI)**

This index tracks the changes representing four major conditions in the U.S. full-load freight market. The major conditions are: freight demand, freight rates, fleet capacity, and fuel price. The individual metrics are combined into a single index that tracks the market conditions that influence the shippers freight transport environment. A positive score represents good, optimistic conditions; a negative score represents bad, pessimistic conditions.

### **STCC**

Standard Transportation Commodity Code (Similar to the SIC/NAICS Codes with a few added categories designed for transportation movements)

### **TEU**

Twenty Foot Equivalent Unit. Used for reported port container statistics.

### **Ton**

Tonnage. Ton Originated by specific mode (i.e. one ton of coal shipped by rail and then by water would be shown as two tons of coal). This is Domestic Traffic Only. Export movements are included only as far as the border or to a port in which it will be directly exported. The same is true for Imports. An import is counted once it reaches the border or a port.

### **Tonmile**

One ton moved one mile = one tonmile.

### **Truck Driver Pressure Index**

The index tracks carriers' need for additional drivers based on trends in the business cycle, demographics, and regulations. Business cycles create natural shortages (and surpluses) that stem from typical economic activity. Demographic changes in any given year are small and only add up after a significant time span. Regulations vary across the industry and are difficult to predict due to changing priorities and uncertain response.

The index baseline is zero, representing balance in the driver hiring environment. Positive readings suggest greater pressure on rates and utilization; negative readings suggest less pressure.

### **Truck Loadings**

Truck loadings is the estimated number of truck loads originated in the United States plus truck loads that come to U.S. destinations from Mexico and Canada. It is tons divided by the average tons per load.

### **Truck Utilization Rate - "Active"**

This metric calculates the percentage of the population of active trucks that is required to move the U.S. truck freight. In general, a figure above 95% indicates a tight market where the majority of the truck population is at work. A figure below 90% indicates a weak market where a significant portion of the truck population is idle.

### **Truck Utilization Rate - "Total"**

This metric calculates the percentage of the total population of trucks that is required to move U.S. truck freight. In general, a figure above 90% indicates a tight market, a figure below 85% indicates a weak market.

### **Trucking Conditions Index (TCI)**

This index tracks the changes representing four major conditions in the U.S. full-load truck market. The major conditions are: freight demand, freight rates, fleet capacity, and fuel price. The individual metrics are combined into a single index that tracks the market conditions that influence fleet behavior. A positive score represents good, optimistic conditions; a negative score represents bad, pessimistic conditions.

### **Y/Y**

Year over year. The difference in percentage or units when compared to the same month, quarter, or time period of the previous year.



## Trailer Types

### Dry Van

An enclosed, rectangular, box trailer that carries general freight.

### Refrigerated (Reefer) Van

A refrigerated and insulated van used to transport temperature-sensitive freight.

### Flatbed (Platform)

A flat surfaced, open, trailer with no enclosure or doors.

### Specialized (Specialty)

There is a wide assortment of specialized trailers that are highly engineered for specific purposes (i.e. auto hauler, livestock, lowbed, oversized, etc.)

### Tank (Tanker)

A trailer with an enclosed, sealed, cylinder-shaped tank used to carry liquid or dry bulk freight.

### Bulk/Dump

This is a combined group of Dump trailers and Straight Trucks. A Dump trailer has an open-top box (bucket) used for hauling dirt, rocks or gravel. Discharge can be from end, bottom, or side. Straight Trucks have the trailing equipment permanently mounted to the chassis. The largest segment are Dump Trucks that haul stone and aggregates.

## Railcar Types

### Box Cars

An enclosed car which has doors. It is used for general service and for lading which must be protected from the weather.

### Covered Hoppers

A hopper car with a permanent roof and bottom openings for unloading. Used for carrying cement, grain, or other bulk commodities.

### Flat Cars

An open car without sides, ends or top, used principally for hauling lumber, stone, heavy machinery, TOFC/COFC equipment, etc.

### Gondolas

A car without a top covering which has straight sides and ends, the floor or bottom of which is approximately level. Used for bulk freight.

### Open-Top Hoppers

Cars having sides and ends but no roof with a sloping floor which will discharge its load by gravity through the hopper doors.

### Tank Cars

A car which consists of a tank for carrying liquids such as oil, molasses, vinegar, acids, compressed gasses and granular solids.

## Freight Rates

### Dry Van

Revenue per Loaded Mile. Spot/contract rates for Dry Van activity both with and w/o Fuel Surcharge (FSC).

Indexed to 1Q2008.

### Refrigerated (Reefer) Van

Temperature-Controlled (TC). Revenue per Loaded Mile. Spot/contract rates for Refrigerated activity both with and w/o Fuel Surcharge (FSC).

Indexed to 1Q2008.

### Flatbed (Platform)

Revenue per Loaded Mile. Spot/contract rates for Flatbed activity both with and w/o Fuel Surcharge (FSC).

Indexed to 1Q2008.

### Specialized

Revenue per Loaded Mile. Spot/contract rates for Specialized equipment both with and w/o Fuel Surcharge (FSC).

Indexed to 1Q2008. Note: Includes numerous types of trailer freight, but generally excludes tank trailers.

### Less-Than-Truckload (LTL)

Revenue per hundredweight. Contract rates for LTL moves. These are parcel, pallet, or less than full truckload moves by LTL carriers.

Indexed to 1Q2008.

### Intermodal

Revenue per Load. An estimate of pricing trajectory that is calculated based on the underlying cost pressures from dry van truckload and rail line-haul. Shown both with fuel surcharges (FSC) included and net of FSC.

Indexed to 1Q2008.

### Rail Carload

An estimate of U.S. Class I rail pricing power that is calculated from data reported to the STB. It measures revenue per tonmile and is shown both with fuel surcharges (FSC) included and net of FSC. It is impacted by both actual railroad rates and by changes in the mix of commodities moved.

Indexed to 1Q2008.



## **AAR Carload Commodity Definitions**

### **Chemicals**

Industrial chemicals, plastic resins, fertilizer, ethanol, hazardous materials, etc.

### **Coal**

Coal. Includes anthracite, bituminous, and lignite coal.

### **Coke**

Petroleum coke, coke produced from coal, and coal or coke briquettes

### **Crushed Stone, Sand & Gravel**

Crushed or broken stone, sand, aggregate, gravel

### **Farm Products Excluding Grain**

Primarily fresh fruits and vegetables. Includes all farm products except grains and soybeans.

### **Food Products**

Canned goods, meat and animal products, sugar, beverages, seed and vegetable oils, etc.

### **Grain**

Primarily corn, wheat, and soybeans but also includes oats, barley, rye, sorghum, etc.

### **Grain Mill Products**

Soybean meal, corn syrup, animal feed, flour, corn starch, milled rice, distiller's dried grains (DDG), etc.

### **Iron and Steel Scrap**

Iron and steel (i.e. ferrous) scrap

### **Lumber & Wood Products**

Lumber and dimension stock, plywood, etc.; does not include furniture

### **Metallic Ores**

Overwhelmingly iron ore, but some aluminum ore, copper ore, etc.

### **Motor Vehicles & Parts**

Finished vehicles, parts, auto and truck bodies, etc.

### **Nonmetallic Minerals**

Phosphate rock, rock salt, crude sulphur, clay, etc.

### **Petroleum & Petroleum Products**

Crude petroleum and products of petroleum refining such as liquefied gases, jet fuel, fuel oil, lubricating oils, asphalt tars, etc.

### **Primary Forest Products**

Wood raw materials such as pulpwood and wood chips

### **Primary Metal Products**

Primarily iron and steel products; some aluminum, copper, etc. Includes galvanized, and fabricated metal products, except ordnance materials, machinery, and transportation equipment.

### **Pulp & Paper Products**

Paperboard, pulpboard, fiberboard, printing paper, pulp, newsprint, boxes, industrial paper, etc.

### **Stone, Clay & Glass Products**

Ground nonmetallic minerals or earths, cement, lime, gypsum products, glass products, bricks and other clay products, abrasives, etc.

### **Waste & Scrap**

Non-ferrous scrap metal, scrap paper, construction debris, ashes, etc.

### **All Other Carloads**

Commodities not included in any of the above categories, excluding intermodal traffic

## **AAR Carload Summary Traffic Groups**

### **Agricultural Products**

Grain; Farm Products; Grain Mill Products; Food Products

### **Automotive**

Motor Vehicles & Parts

### **Chemicals**

Chemicals; Petroleum & Petroleum Products

### **Coal**

Coal

### **Forest Products**

Primary Forest Products; Lumber & Wood Products; Pulp & Paper Products

### **Metallic Ores & Metals**

Metallic Ores; Coke; Primary Metal Products; Iron & Steel Scrap

### **Non-Metallic Minerals and Products**

Crushed Stone, Sand & Gravel; Non-Metallic Minerals; Stone, Clay & Glass Products

### **All Other**

Waste & Non-Ferrous Scrap; All Other Carloads



**Rail Intermodal**

**Revenue Moves**

Rail Intermodal Loadings of Units Originated. Intermodal is defined as a movement of a container or trailer via more than one mode of transportation (i.e. rail + truck or ship + rail or ship + truck). This data tracks intermodal movements that involve the rail mode. Such movements may involve the movement of International and Domestic Containers as well as Trailers via rail.

**Intermodal**

Counts intermodal rail revenue movements, defined as any movement of a container or trailer, whether loaded or empty, that generates revenue for the railroad. Empty movements of rail-owned containers and trailers typically do not generate rail revenue and therefore are not captured in the data.

A revenue movement typically encompasses the entire journey from when the container or trailer is placed on the rail at the originating intermodal terminal to where it is removed from the railcar at the terminating intermodal terminal and may involve movement over more than one railroad.

Long-haul movements passing through rail gateways, such as Chicago, that involve highway transfer between terminals will generally be counted as two separate movements unless traveling on a through bill of lading.

**Intermodal Competitive Index (ICI)**

This index tracks the changes representing five major conditions in the U.S. rail intermodal market. The major conditions are: freight demand, freight rates, truck capacity, rail service, and fuel price. The individual metrics are combined into a single index that measures the competitive posture of domestic intermodal vs. OTR Truck.

A positive score represents favorable conditions for intermodal to compete with truck; a negative score represents reductions in intermodal's ability to gain additional market share from truck.

**Intermodal Market Segments**

These figures track the movement of equipment, not freight. Domestic freight being moved in 20', 40', or 45' containers will be counted as INTERNATIONAL. International cargo transloaded into Domestic Containers or trailers is counted as DOMESTIC.

**- International**

Includes movements of Containers of the following lengths only: 20', 40', and 45'.

**- Domestic**

Includes movements of Trailers and all other Containers not included in International movements. Trailers of the following lengths: 20', 28', 40', 45', 48', 53'+. Containers of the following lengths: 48', 53'+. Reported movements of 28' containers are converted to 28' trailers, as all 28' containers are reportedly permanently mounted on chassis and moving as trailers.

**Long-Haul Market Share**

Average Length of Haul 550 miles or longer. Designated by Commodity at the 3-Digit STCC level.

**Intermodal Territories**



**Sources**

**Association of American Railroads (AAR)**

Weekly Rail Traffic Report

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Employment, Consumer Prices, Producer Prices

**Federal Reserve**

Industrial Production Statistics

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**Intermodal Association of North America (IANA)**

ETSO Database

**Port Reports**

Monthly Container Volumes

**Rail Reports**

Weekly Market Metrics

**Surface Transportation Board**

Public Use Waybill, Rail Reporting Metrics

**Truck/Trailer OEMs**

Monthly Market Indicators

**Truckstop.com**

Weekly Spot Market Indicators

**U.S. Census Bureau**

Economic Census, USA Trade, Monthly Indicators

**U.S. Department of Commerce**

Industrial Reports; Commodity Flow Surveys, Monthly Indicators

**Wards Automotive**

RS-3S (Truck Retail Sales), FS-3 (Truck Factory Sales)

**Witte Econometrics**

U.S. Econometric Forecasting Model



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