

Current State of Domestic and International Trade

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Justin Zubrod & Company

The Past

- Logistics costs at % GDP steadily declining
- Costs rising slower than inflation
- Rising productivity, efficiency
- Predictable service levels
- Stable O/D flows
- Ready access to capacity
- Low inflation



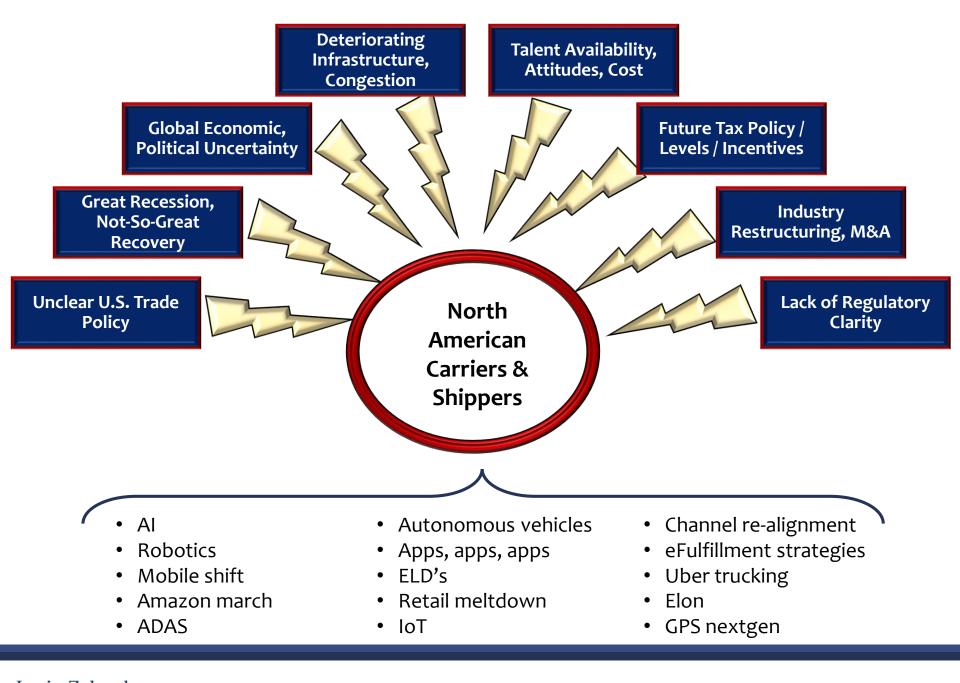
The Present

- Shifting markets •
 - Population
 - Production
 - Consumption
- Gains ending in rail, truck ٠
- Infrastructure impacting service
- Equipment costs rising ٠
- Fuel volatile, but trending up •
- Growing operating cost •

Logistics Costs on Rise

- Rail pricing, investment Funding infrastructure
- Driver retention costs
- Inventory more, costlier Cost of money
- Warehousing expense





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Today's Panel

Phil Levy Kellogg School Adjunct Professor of Strategy Chicago Council on Global Affairs

> Dick Craig MOL (America) Inc. President & Chief Executive Officer

> > John Larkin Stifel Financial Corporation Managing Director & Head of Transportation Capital Markets Research

