SWIFT TRANSPORTATION COMPANY

Moderator: Jason Bates
July 25, 2014
11:00 a.m. ET

Operator: Good morning. My name is (Lisa) and I will be your conference operator today. At this time, I would like to welcome everyone to the Swift Transportation Second Quarter 2014 Question and Answer session.

All lines have been placed on mute to prevent any background noise. If you should need assistance during the call, please press star zero on your telephone keypad and an operator will come back to assist you.

Thank you. Mr. Jason Bates, you may begin your conference.

Jason Bates: Thank you, (Lisa). We'd like to thank you all for joining us here this morning. As a reminder, we have posted a comprehensive letter to stockholders which summarizes our results on the front page of our investor relations website. We will start the call today, as has been the practice, with our forward-looking statement disclosure.

This call contains statements that may constitute forward-looking statements which are based on information currently available, usually identified by words such as anticipates, believes, estimates, plans, projects, expects, hopes, intends, will, could, may or similar expressions which speak only as of the date the statement was made. Such forward-looking statements are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995.

Such forward-looking statements are inherently uncertain, are based upon the current beliefs, assumptions and expectations of company management and current market conditions, which are subject to significant risks and uncertainties as set forth in the risk factor section of our annual report Form 10-K for the year ended December 31, 2013.

As to the company's business and financial performance, there are many factors that could cause actual results to differ materially from those in any forward-looking statements. You should understand that there are many important factors in addition to those discussed, and in our filings with the SEC that could impact us financially. As a result of these and other factors, actual results may differ from those set forth in the forward-looking statements and the prices of the company's securities may fluctuate dramatically.

The company makes no commitment, and disclaims any duty, to update or revise any forward-looking statements to reflect future events, new information or changes in these expectations. In addition to our GAAP results, this call also includes certain non-GAAP financial measures as defined by the SEC. The calculation of each measure, including a reconciliation to the most closely related GAAP measure and the reasons management believes each non-GAAP measure is useful are included in the schedules attached to our letter to stockholders.

With that out of the way, I'd like to recognize the members of Swift's management team on the line today. We have Jerry Moyes, our founder and Chief Executive Officer; Richard Stocking, our President and Chief Operating Officer; and Ginnie Henkels, our Executive Vice President and Chief Financial Officer. Again, my name is Jason Bates, Swift's Vice President of Finance and Investor Relations officer and I will be moderating today's Q&A session.

We appreciate all the questions that were submitted prior to the deadline last night. Similar to quarters past, we have categorized them and will do our best to provide detailed responses to each. To the extent you have additional follow-up questions, please feel free to reach out to me after the call. With that, we will start the Q&A portion of the call today with a couple of questions on EPS and guidance.

What caused your outlook to deteriorate so quickly relative to guidance provided in the first quarter? How confident can we be that the guidance provided today will not need to be revised downward again?

Richard Stocking: All right. Good morning, everyone and thanks, Jason. I'll answer the first part of that question. This is a great question. Last quarter we gave guidance for the second quarter of $0.30 to $0.35 and for the year of $1.31 to $1.41. As you now know, we have met our guidance in the second quarter, but since Q1 we have weighed factors currently transpiring in the industry with regard to capacity, demand, our customers and our competitors.

We have also analyzed big data related to our fleet, our turnover trends, our safety trends, driver surveys, et cetera. As we discussed in the letter, we have decided that the best investment at this time for the future of Swift is to invest in our drivers. We are very excited about this because we want Swift to be the carrier of choice for drivers across this industry.

We want drivers to start with Swift in our schools and remain with Swift until they retire. We want to deliver a better life to our drivers because they deserve it. By taking care of our drivers, they will take care of our customers, who need us now more than ever, and by taking care of our customers, they should take care of you, our shareholders.

We are in the process of rolling out something larger than we have ever done in our line-haul fleets and this was not contemplated when we gave our guidance last quarter. But, we expect that this will help improve our retention, our recruiting, our utilization as we have fewer unseated trucks, our safety and our other customer service as we have more tenured drivers. This should help fuel our growth and profitability into the future.

Ginnie Henkels: Your question regarding the level of confidence you can place in our guidance is a fair one. I will tell you that there are many variables that go into our numbers each quarter, as you know. We try to be conservative in these assumptions when providing numbers to you, as we prefer not to set ourselves up to disappoint. The second half guidance we have given is our best estimate of how we believe things will play out.

We have assumed significant driver wage increases and have assumed that this will help fill some trucks going forward, but the assumptions relative to the growth are conservative. We also have assumed conservatism with regard to insurance, as we guided in the letter. As we discussed in the past, this can be volatile.

We will look to all areas of our business to drive our results, similar to what we did in the second quarter when we utilized our new truck retail department to take advantage of the strengthening used truck market. This was a long answer to say we obviously cannot guarantee the guidance, but we are doing everything in our power to deliver on the numbers and more.

Jason Bates: With respect to your guidance, is the sequential increase primarily related to implementing new contractual rates?

Ginnie Henkels: We have been and expect it to continue to realize rate increases with our customers. Although a portion of those increases are going to be passed to drivers in the form of a meaningful wage increase in this quarter, we expect to see growth in earnings in the second half of this year associated with the improving margins and the dedicated and intermodal segments as well as realizing year-over-year revenue growth in each of those areas. The quarter will also be aided by improvements at central combined with a gain on sale at central's facility and interest expense reduction.

Jason Bates: Can you discuss why the third quarter of 2014 guidance is so light? While I recognize you provided color around the driver situation, this issue was a known issue that the entire industry is dealing with.

Ginnie Henkels: Q3 guidance is lighter than what you may have anticipated, given that the driver increases we are talking about are more like a step function and will increase immediately while the rate increases from customers and other operational improvements that are expected to help compensate for this increase, will occur over time. Therefore, the bigger cost impact is in Q3.

Jason Bates: How much of a benefit are you getting in the second half from lower interest expense?

Ginnie Henkels: It should be about $0.04 to $0.05 of EPS weighted more heavily toward the fourth quarter as the notes will not be called until November.

Jason Bates: What makes you so confident in the 4Q 2014 guidance range? It looks really aggressive on the surface even with strong project work associated with the holiday season. Have you left any room for a winter storm or two and an adjustment to insurance accruals based on adverse development of prior period claims?

Richard Stocking: Yes. We are confident in the fourth quarter for many reasons. The first is, as you mentioned, the seasonal business. We've already contracted for more project business this year than last. In truckload, we are anticipating additional rate increases, utilization improvements and some small fleet growth. In dedicated, we are expecting the new business brought on in the first three quarters of the year to move through the startup phase which will drive better margins on a larger base than Q4.

In intermodal, we have significant new business starting in the third quarter that will drive volumes and profitability. In central, we have been making improvements each month and are excited about the progress we're making with plus one and other initiatives. The driver wage changes should help to stabilize and grow their fleet, as well.

We'll also have the benefit of the interest expense reductions associated with the call of the notes in November as Ginnie mentioned earlier. We have left some room in the guidance range based on conservative assumptions with insurance and volumes and other items. Many variables are in play. Rest assured the entire organization is working to achieve these numbers.

Jason Bates: There were couple of questions on volume and rate trends. The first was, how would you describe the health of the big-box retailers, which have always been your core customers. They seem to be struggling as middle America struggles with rising food costs, healthcare costs and local taxes on top of declining real incomes.

Jerry Moyes: While we've seen some of these reports citing pressure on the big-box retailers. To be honest, we haven't felt that pressure. Out of our top 20 customers, 8 of them are what we would call big box retailers. We have seen growth in five out of the eight. Over time, our top 20 customers have migrated from being predominantly big box retailers to a more diversified group including consumer products, food and beverage.

Jason Bates: Can you describe how the bid season unfolded and specifically discuss the level of rate increases achieved? Further, can you discuss whether you experienced any changes in shipper behavior during the bid season? For example, did you see shippers holding back certain lanes or entire books of business from the bid process, or any pushbacks on surcharges versus rate increases, et cetera?

Richard Stocking: It depends on the customer and lane. In some cases, we've received north of 20 percent. But in others, cases, we've received much less. However, as we've disclosed in our letter, for the second quarter, our average increase in revenue per loaded mile was 3.7 percent in the truckload segment. We expect that to increase in the latter half of the year to 4 percent to 5 percent.

As we have discussed previously, our bid season is year round and it has been strong. It is no secret that capacity is extremely tight in the market right now and our customers know it costs more to secure capacity today. We were successful in getting the rate increases on a number of our lanes while keeping them out of the bid process.

Jason Bates: There were several questions about the dedicated segment. What was the dollar amount of the impact that dedicated startup contracts hurt your results by in the second quarter, both at Van and in the big CRS deal? The margin deterioration suggests the amount at dedicated, excluding CRS was $10 million to $11 million. Is that in the ballpark?

Ginnie Henkels: The dollar amount of the impact on our dedicated reportable segment for new dedicated business that began this year was approximately $4 million to $5 million in the second quarter. The large dedicated account in our CRS segment did not start up this year. It actually began last summer, but given the unique operating characteristics of that fleet, it has taken longer than normal to achieve appropriate profitability levels, which we will talk about more in a minute.

Jason Bates: Of the new business contract wins this year in the dedicated segment, what is the average contract length? If start up costs were and remain material headwinds to operating results, why not include a start up surcharge to the business in this tight trucking environment?

Richard Stocking: The contract length in our dedicated segment generally ranges between three years and five years. Historically, we have focused our attention on the overall three or five year return of the deal rather than excessively focusing on the first quarter or two. Our customers prefer consistent, predictable expense and we are OK with absorbing some of the upfront costs, knowing that we will make it up and then some over the duration of the contract.

However, over the past couple of years, we have seen increased demand for our dedicated business as well as increased startup requirements and expectations from the customer. The combination of these two items has resulted in the short-term deterioration in our dedicated segment margins these past couple of quarters. I will point out that even though the OR is depressed in the startup phase, the overall contribution margin dollars are increasing, which means this growth is EPS accretive.

That fact, combined with the driver friendly nature of the business, makes it an attractive growth engine even if it is temporarily at the expense of the OTR fleet, which is less driver friendly. Having said all that, your point about start-up surcharge is a great one and it's something that we have been discussing with our customers this year and something we will continue to address.

We have long-term strategic partnerships with our dedicated customers and I'm confident that if the demand continues at the current pace, we will strike a happy medium in this regard. They understand and appreciate that we and our shareholders, would also like to have predictability in the cost side of this business.

Jason Bates: What was the magnitude of the dedicated start-up costs in the quarter and how much is expected in the third quarter and fourth quarter?

Richard Stocking: As mentioned previously, the cost in the second quarter was approximately $4 million to $5 million. We have two large dedicated opportunities starting up this month, so we would expect some additional start-up costs for those two accounts this quarter, although we don't expect them to be as significant as what we experienced in the first two quarters this year. It is difficult to predict the total cost for Q3 and Q4 given the fact that at this point in time, although we have several opportunities in the pipeline, we don't know exactly how much new dedicated business we will be awarded.

Jason Bates: Assuming a normalized level of contract renewals in the dedicated segment, what are management's targets for sustainable profit margins in the business? When should investors expect the segment to achieve this level of profitability?

Jerry Moyes: As we pointed out on our Q2 letter for our shareholders, our dedicated segment has been operating in the 86 percent to 87 percent range for the last three years, in which we experienced a more normalized level of contract renewals. As such, assuming normalized contract level awards from here on out, we should expect to return to these levels of profitability in the fourth quarter of this year. We're very confident and committed to our dedicated fleets and expect this to be a growth engine going forward.

Jason Bates: Dedicated margins continue to miss expectations. Why are you still aggressively adding trucks? What is your plan to fix dedicated? Please discuss the rationale for taking drivers out of truckload and placing them into dedicated given the margin differential, both currently and relative to the normalized dedicated range? Is this a necessity given the requirements of fulfilling dedicated contracts? Is there an ability to reprice dedicated contracts to recover higher driver costs?

Richard Stocking: Historically, the adjusted operating ratio of our dedicated business has been equal to or better than that of our truckload business and when you take into account that in several of our dedicated contracts, we don't own the trailing equipment, the ROIC can be better in dedicated than in truckload. We agree that there have been a lot of short-term start-up costs, which has caused some people to question the growth in our dedicated segment.

However, we believe the majority of those are behind us. So we will now focus our attention on improving the operating statistics of each fleet and actively work with sales and operations on any underperforming accounts. Above all, as we touched on previously, the dedicated business is much more driver friendly.

It's more consistent, predictable and generally allows for more regular home time. All of which are desirable in a difficult driver retention market like that which we are facing today. Regarding the latter part of the question about repricing, the answer is yes. We are currently talking to our customers about the need to get more money in the hands of our drivers.

Jason Bates: There was a question related to the intermodal segment. Box turns in intermodal showed nice improvement and pricing across the intermodal industry seems to have been pretty solid, but the segment was still unprofitable. What do we need to see for the intermodal segment to reach consistent profitability and how long will it take?

Richard Stocking: The intermodal team made significant progress in increasing the efficiencies and utilization of its core dry COFC network in Q2. Overall, TOFC and COFC volumes in the dry side of the business increased 13.8 percent over Q2 of 2013. In our primary intermodal growth area, dry COFC, we experienced 15.7 percent increase in volumes over Q2 of 2013.

The central acquisition included a relatively small refrigerated TOFC division. As this business had become fully integrated with the intermodal division, it has become clear that there were significant profitability challenges with this segment. As a result, the refrigerated TOFC network has been redesigned and simplified along with taking price increases and culling unprofitable freight. These efforts substantially reduced refrigerated volumes and had an impact upon the overall division profitability and growth in Q2 of 2014.

Profitability was also impacted by the trailing aspect of severe winter weather which included increased ramp storage, claims and dray costs. We will improve the overall profitability of our intermodal segment by increasing container turns, which will improve as recent significant bid awards begin in Q3. Additionally, increasing the percentage of drays performed by Swift power will reduce dray cost and improve service. We have grown our internal dray fleet, drivers and owner-operators by 46 percent over Q2 of 2013.

This has resulted in the divisions starting to exceed 70 percent of drays performed with Swift power. Notwithstanding the increased recruiting cost, this investment has delivered a substantial improvement in the quality of drivers and will create the infrastructure necessary for future revenue and profitable growth. To cut straight to the point, the answer is that we expect to be profitable for the second half of this year.

Jason Bates: You stated in the press release that your best potential investment is in your drivers. At what stock price does your best investment become share repurchase?

Ginnie Henkels: That number is a moving target which depends on what our other options are. We weigh this against several factors including potential acquisitions, internal investment, debt reduction, et cetera. However, we currently do not have a share repurchase plan approved by the board and do not have immediate plans to repurchase shares at this time, although depending on what happens with the stock today, we may change our thinking.

Jason Bates: There's another similar question. We believe that Swift can now buy back stock as a part of its new credit agreement. If the stock is down materially, do you plan to start buying back stock? Do you have a buyback authorized?

Ginnie Henkels: As I just mentioned, it is permitted by our new credit agreement to buy back stock, but we currently do not have a plan approved by the board.

Jason Bates: Where do you stand with the experimental use of natural gas engines? Are we closer to a broader deployment across larger sections of your fleet?

Jerry Moyes: As we previously discussed, we began adding trucks towards the end of 2013 and through the first half of 2014. We have close to 100 trucks in operation today and another 100 on the way. We've had to work through some issues, but we're very encouraged by our recent trends. Our customers are also expecting us to use these natural gas engines, so the long-term outlook is very encouraging.

The primary limitation of today is the natural gas industries' infrastructure which limits us to creating fleets in only a few select areas. As the infrastructure grows, we'll be able to expand natural gas to more locations. Within the next few months, we will have seven natural gas stations at our own facilities or very close and should allow us to strongly evaluate future purchases in 2015. We're very bullish on our natural gas project.

Jason Bates: Have the Teamsters endeavored to unionize your drayage drivers in Southern California?

Jerry Moyes: We really don't have a dray fleet at the port anymore, but no, there has not been any efforts from the Teamsters on this front.

Jason Bates: Can you give us an update on your trans-border operation into and out of Mexico? How about the transporter business into and out of Canada, has it been expanding even with the troubles experienced by Target entering that market?

Richard Stocking: Well, Jerry and I were just in Mexico visiting with our customers and we're very pleased and encouraged with the growth and progress of our operation and infrastructure in Mexico as well as the talented team that we have there. The volumes are strong and growing. Regarding Canada, we have three fleets running into and out of Canada today.

We are early in the process, but are looking for growth opportunities. Just because certain retailers are having issues doesn't mean the whole country is struggling. Our long-term goal is to strive to replicate what we have in Mexico and do that up in Canada.

Jason Bates: There were several questions about our CRS segment. The first is, central has missed expectations for the past several quarters. In retrospect, was the Central acquisition a mistake? How can it be fixed? How much time is management spending on central?

Richard Stocking: The Central acquisition was the right thing to do for this company. It enhanced our suite of services and filled a gap in our service offerings that was requested from our customers. Admittedly, the acquisition and integration has been more difficult than we originally anticipated.

However, we as well as the CRS team are excited about the improvements we are beginning to realize and the potential additional upside this segment will contribute to our earnings in the future. I am currently here with the CRS team in Salt Lake City and all of our management team is committed to and invested in, ensuring that the central chain and management are successful.

Jason Bates: The acquisition of Central has been a bit bumpy for the company. While we have seen sequential margin gains in the second quarter, you had fairly easy comparisons. When should we expect year-over-year margin improvement?

Richard Stocking: We expect to realize year-over-year margin improvement each quarter for the remainder of this year.

Jason Bates: Did Jon Isaacson have a non-compete at Central? Does he have a non-solicitation clause? Are you worried about Jon cherry picking talent from Central as cool trends ramps up? Why didn't you keep him? Who is running Central Refrigerated today and were there severance costs in the quarter?

Richard Stocking: Jon did not have a non-compete or a non-solicitation clause. He chose to leave Swift because he felt Swift was not a good cultural fit. We are very excited about the entire management team we have in place and we have the utmost confidence in our new leader, Tork Fulton, who has been an executive at CRS for many years. He is a capable and qualified leader and we're excited about the recent direction and the progress this whole team is making under his leadership. There is no severance related to Jon's departure.

Jason Bates: I understand that CRS showed operating ratio improvement relative to Q1's weather impacted results, but why did the segment experience year-over-year margin degradation? How much and how quickly can margins improve in this segment?

Richard Stocking: Primary reasons include the reduced truck count utilization and an increase in unseated trucks stemming from the acquisition, systems conversion and the difficult driver market.

The other headwind in the quarter was the unique dedicated operation, which Central began last summer. This dedicated customer was a private fleet conversion that was very different from the typical CRS business, which we'll address shortly.

Finally, although we do not disclose specific OR expectations by segment, over the long-term, we believe the CRS operating ratio has the potential to rival our other trucking segments.

Jason Bates: It appears profitability of the Central refrigerated segment continues to lag expectations following last year's purchase. What steps are being taken to improve results in the segment? Further, management stated Swift customers had pushed for the company to provide refrigerated services, implying significant growth potential for the combined entity. What steps are being taken to ensure the company adequately addresses the market opportunities presented last year?

Richard Stocking: With the systems integration now behind us and the leadership transition complete, we feel equipped to drive year-over-year margin improvements starting this quarter, and it is a trend we would expect to see continue for the foreseeable future. We have completed the training of the sales staff and will begin to be more aggressively cross-selling our suite of services going forward.

We recently implemented the Plus 1 initiative which has driven increased utilization across this fleet. Finally, we expect to further realize the previously outlined cost synergies including the sale of several duplicate facilities this quarter.

Jason Bates: Please elaborate on continued challenges with a large, unique, dedicated customer in the CRS segment. What does this mean, implications, cost, et cetera, timing to fix, et cetera.

Richard Stocking: This account is the one we have referenced a couple of times, now. It was a private fleet conversion with unique operating characteristics, different from any other business that Central had ever previously participated in. CRS signed a contract with this customer last summer and has been working with them since that time to improve the operational efficiencies and profitability.

In fact, Jerry and I were just up there meeting with this customer this past week to discuss next steps. I can tell you that the entire CRS leadership team has spent a good amount of time and energy these past couple of months on this account. We are working on a plan with the customer, which we hope to have in place before the end of the third quarter, which will allow us to achieve the appropriate levels of profitability on an ongoing basis.

Jason Bates: There were a couple of questions related to debt and compliance certificates. Can you walk us through the expected EPS benefits from refinancing that we can expect to see in the remainder of 2014 and in full year 2015? Presumably, are these 2014 benefits included in your revised guidance. Also, please provide an update on your anticipated refinancing plans and potential earnings.

Ginnie Henkels: As far as our anticipated refinancing plans, we expect to expand our AR facility by $50 million by exercising an accordion feature in the September timeframe and then we expect to call the remaining 10 percent notes on November 15 of this year. The refinancing activity should drive roughly $0.04 to $0.05 of accretion in EPS in the second half of 2014 and an additional $0.18 to $0.19 for the full year of 2015, assuming no significant increases in LIBOR.

Jason Bates: What was the consolidated interest coverage ratio at June 30 and March 31?

Ginnie Henkels: At March 31, it was 6.3 times versus the minimum covenant of 3.25 and on June 30, it was 6.4 times versus the minimum of 3.25.

Jason Bates: As would be expected, there were several questions about drivers. The first, what percentages of price increases are currently going to maintain and attract new drivers and do you expect this percentage to increase in the coming quarters?

Richard Stocking: Yes. As we've mentioned earlier, we are instituting a large driver pay increase in the third quarter. If current driver shortages continue, driver wages may continue to increase, but probably not to the extent of the increase we are giving this year to our drivers.

Jason Bates: Why haven't the driver schools and the new incentive-based compensation approach enabled you to do a better job of recruiting and retaining drivers?

Richard Stocking: Keep in mind, our driver retention numbers are better than the industry averages. I believe our driver schools and incentive-based compensations have been a contributing factor to our ability to attract and retain drivers. However, these are not the only factors. We also have to ensure that our pay is attractive to the market if we want to meet our growth expectations.

Jason Bates: What was your average driver cost inflation over the past few quarters? What wage increase are you giving your drivers?

Richard Stocking: For competitive reasons, we are not disclosing exact amounts, but driver wage increases have been limited over the past several years aside from increases in select dedicated fleets and in various incentive programs.

Jason Bates: We've heard from several public truckload companies that competition for drivers is getting more and more intense. Some truckload carriers started to compete so aggressively that they offer sign-on bonuses to student drivers with no strings attached. Could you comment on the current level of competition for drivers in the industry and your expectation going forward?

Richard Stocking: Yes. The driver market is tight and not trending favorably. Driving is a tough job where you spend a lot of time away from home and family and it deters a lot of people. However, we are hyper focused on making sure we can deliver the best life possible to our drivers. We believe we are better positioned than most companies to provider our drivers with a wide variety of opportunities, competitive pay packages, industry-leading miles and predictability in their lives. These factors enable the drivers to choose the path that works the best for them and have a long and successful career here at Swift.

Jason Bates: Our industry contacts expect that roughly one third to one half of truckload rate increases will likely be passed along to the drivers through wage increases or bonuses. Is that in-line with your expectation for Swift?

Jerry Moyes: As we've previously mentioned, for competitive reasons we're not qualifying the exact driver wage increase at this time, other than to say it is the largest increase we have ever given.

Jason Bates: Is M&A a potential way to deal with the driver shortage? What are the parameters, size, leverage, tolerance, use of equity, et cetera surrounding potential M&A.

Jerry Moyes: There's a number of factors we look at when considering potential acquisitions. There is typically driver turnover resulting from these acquisitions, so the driver component is not the key when focusing on M&A. The perimeters of many potential acquisitions will vary depending on the scope and the nature of the target.

Jason Bates: There were a couple last questions related to insurance. Workers comp has been an issue recently. Are these fresh accidents or adverse developments on prior claims?

Ginnie Henkels: In the quarter, it was a combination of both. We did have one specific incident this year that was significant. But in total, as I mentioned, it was a combination of both current year trends as well as some development on prior year.

Jason Bates: What drove the lower insurance expense in the quarter? Is there a specific reason it reverts back in the second half of 2014 or is this based more on historical experience?

Ginnie Henkels: In the quarter, the actuarial experience was as we anticipated, but as we mentioned in the letter, we are modeling the full year to be consistent with the performance for the full year last year at roughly 4.3 percent of net revenue.

Richard Stocking: With that, in conclusion, we thank you for being on the call today. We want each of you to know that we are not satisfied with our results this quarter and we are actively working on improving the operating results in our Central, Dedicated and Intermodal segments as we have shared with you on the call today. We are excited about improvements we have achieved in our Truckload segment, which constitutes the majority of our business.

We have been very successful in attaining rate increases with our customers and we expect that to continue. We are using those increases to invest in the most important members of our Swift family, our drivers and we appreciate your continued support of Swift Transportation. Thank you and have a great day.

Operator: This concludes today's conference call. You may now disconnect.

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