

J.B. HUNT TRANSPORT SERVICES, INC.

2012

NOTICE OF ANNUAL MEETING, PROXY STATEMENT
AND ANNUAL REPORT



The Transportation Logistics Company

TABLE OF CONTENTS

LETTER TO OUR STOCKHOLDERS	2	2012 ANNUAL REPORT	43
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS	4	PART I	
PROXY STATEMENT	5	Item 1. Business	44
Questions and Answers About the Proxy Materials and the Annual Meeting	5	Item 1A. Risk Factors	47
Proposal Number One – Election of Directors	10	Item 1B. Unresolved Staff Comments	49
Information About the Board	10	Item 2. Properties	49
Nominees for Director	11	Item 3. Legal Proceedings	49
Director Compensation	13	Item 4. Mine Safety Disclosures	49
Executive Officers of the Company	14	PART II	
Security Ownership of Management	15	Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	50
Corporate Governance	15	Stock Performance Graph	51
Audit Committee	19	Item 6. Selected Financial Data	52
Executive Compensation Committee	20	Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	53
Nominating and Corporate Governance Committee	21	Item 7A. Quantitative and Qualitative Disclosures About Market Risk	61
Principal Stockholders of the Company	22	Item 8. Financial Statements and Supplementary Data	61
Report of the Executive Compensation Committee	23	Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	61
Compensation Discussion and Analysis	24	Item 9A. Controls and Procedures	61
Process of Setting Compensation	25	Item 9B. Other Information	62
2012 Compensation	28	PART III	
Summary Compensation	32	Item 10. Directors, Executive Officers and Corporate Governance	62
Grants of Plan-Based Awards	33	Item 11. Executive Compensation	62
Outstanding Equity Awards at Calendar Year-end	34	Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	63
Options Exercised and Restricted Share Units Vested	37	Item 13. Certain Relationships and Related Transactions, and Director Independence	63
Nonqualified Deferred Compensation	38	Item 14. Principal Accounting Fees and Services	63
Potential Post-Employment Benefits	38	PART IV	
Report of the Audit Committee	39	Item 15. Exhibits, Financial Statement Schedules	63
Proposal Number Two – Ratification of Independent Registered Public Accounting Firm	40	Signatures	64
		Exhibit Index	65
		Index to Consolidated Financial Information	66
		CORPORATE INFORMATION	
		Directors	84
		Officers	84
		Stockholder Information	84
		Revenue by Industry	85

TO THE STOCKHOLDERS OF J.B. HUNT TRANSPORT SERVICES, INC.

We are pleased to report that 2012 was the best year in the Company's 29 years since our Initial Public Offering of stock in 1983.

Following a record-setting 2011, we again surpassed milestones in critical financial, operational and customer development objectives. These included record total revenue, record operating income and record earnings per share. Load and stop volumes grew year over year in each business. Our measurement of customer retention improved across all four segments with customers who were active in the prior year, an indication that we are meeting or exceeding requirements at levels sufficient to keep and grow their business. Customer relationships also expanded with new accounts as the approach of integrating the sales and marketing of non-asset, asset-light and full-asset services continued to make progress.

2012 Financial Results

Total revenue exceeded \$5 billion, operating income improved to more than \$530 million and earnings per share increased to \$2.59, all record levels for J.B. Hunt. We generated over \$750 million in EBITDA, invested a net \$370 million in capital equipment and assets, and paid \$83 million in ordinary dividends (including pulling ahead one quarter for stockholder tax benefit). We reduced our debt by \$64 million, repurchased \$50 million of our common stock at an average price of \$58.89 and added more than 800 net new employees in 2012.

We remain committed to a disciplined and financial return-based approach for managing and growing the Company, driven by the requirements of our customers and executed by the remarkably capable people of J.B. Hunt. By listening to our customers and doing a great job for them, we are developing the services they need for which they are willing to pay fair rates on good terms. This model generates the appropriate financial returns required for growth and reinvestment. We recognize and thank all of our talented and loyal employees for their effort and the great results of 2012.

JBI

During 2012, JBI eclipsed another significant milestone by moving over 1 million loaded units with BNSF. Experiencing solid customer demand, we increased JBI assets by growing all components of the fleet, including containers, chassis and tractors. Improvements to service on our rail providers coupled with an intense focus on increasing efficiencies in operations and dray activities delivered higher equipment velocity. Fleet capacity expansion, improving service levels and increasing equipment turns all enhance our reach for intermodal lane expansion to capture more highway business. We are encouraged by the success of our primary rail partners and we look forward to continued investment within each area of our joint services during what we see as ongoing conversion from highway to intermodal in the coming years.

DCS

We have two primary strategies in DCS: creating and converting private fleets and expanding Final Mile Services. We continue to make progress in both categories. First, we received several larger-than-usual fleet awards during 2012. These new fleets began implementation in the second half of 2012 and will continue through the first half of 2013. Second, we added six new customers to the Final Mile Services network during the year. Additionally, all customers within the network expanded their business with us. We continue to focus on the customer experience in Final Mile Services and the enhancement of our planning, technology, training and "end user" culture. All this is being done in preparation for what we think is a promising growth area, particularly with the continuing increase in online shopping and the need for home delivery and installation of big and bulky items such as appliances and furniture.

ICS

As planned, we opened four new outside branches in 2012, augmenting our reach with customers and partner carriers. Our intermediate goal is to build an outside branch network of 25 unique offices. The service offerings in ICS continue to strengthen across our customers' ever-changing supply chains as we gain experience in TL, LTL, refrigerated, expedited, special projects and flatbed services. Marketing efforts in ICS focus on new customers and developing expanded revenue streams. This not only fortifies the independent business of ICS, through intentional cross-selling, we generate growth in the other three segments of the Company as well.

JBT

Assets in JBT decreased throughout the year in response to an ongoing struggle to achieve acceptable, sustainable profitability. Overall demand for generic truckload services has not shown signs of stabilizing over the past three years. Continued efforts to find the right business model with the correct blend of capacity and rate structure are supported by management. We do believe that offering a relevant truckload service in lanes where intermodal, dedicated or brokerage are not the best solutions will be valuable and differentiating.

Strategic Initiatives

Customer Diversification: While focusing on customer retention and growth, we are simultaneously working toward customer diversification. Our goal is to add new clients and widen the span of revenue creation across a broader base while maintaining and growing our existing accounts. Additionally, we have developed a Customer Scorecard to guide us in evaluating the quality of each customer profile. Some of the data here include buying practices, payment terms, claims and percentage of total spend with J.B. Hunt.

Operational Infrastructure: Our maintenance and properties requirements have evolved over the years and we are currently evaluating all locations for improved efficiency and relevant placement. Our analyses include proper utilization and cost effectiveness in ongoing maintenance schedules, adequate yard space for equipment, location and stem miles to and from intermodal ramps and dedicated customer sites.

Technology: We currently have a number of technology-based initiatives, including a comprehensive review of our global database strategies, conversion of our sales management and HR software, enhancement of our Final Mile Services planning, routing and delivery systems and implementation of electronic on-board recorders for all tractors. We are also introducing a new system in ICS for managing our brokerage business and outside carriers. Efforts to maximize our self-service Internet capabilities for our customers and carriers, enhancing the use of social media and other emerging ideas are all in scope for the coming years.

We are pleased with the journey so far. Still, there is ample room for improvement on many fronts. The opportunities presented in highway-to-intermodal conversion, private fleet outsourcing, Final Mile Services, and the management and brokerage of customers' freight are plentiful. We remain confident that we will find the right blend of assets and services to present a compelling and viable answer to the asset-based truckload needs of our customers.

Again, we thank our employees for their crisp execution and commitment to excellence. We thank our customers for their patronage and trust. And we thank our stockholders for your investment and ongoing confidence.

John N. Roberts, III
President & Chief Executive Officer

Kirk Thompson
Chairman of the Board



J.B. HUNT TRANSPORT SERVICES, INC.

615 J.B. Hunt Corporate Drive

Lowell, Arkansas 72745

479-820-0000

Internet Site: www.jbhunt.com

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held April 25, 2013

The Annual Meeting of Stockholders of J.B. Hunt Transport Services, Inc. (the "Company") will be held April 25, 2013, at 10 a.m. (CDT) at the Company's headquarters, located at 615 J.B. Hunt Corporate Drive in Lowell, Arkansas, for the following purposes:

- (1) To elect Directors for a term of one (1) year
- (2) To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the 2013 calendar year
- (3) To transact such other business as may properly come before the Annual Meeting or any adjournments thereof

Only stockholders of record on February 14, 2013, will be entitled to vote at the meeting or any adjournments thereof. The stock transfer books will not be closed.

The 2012 Annual Report to Stockholders is included in this publication.

By Order of the Board of Directors

DAVID G. MEE
Corporate Secretary

Lowell, Arkansas
March 15, 2013



**YOUR VOTE IS IMPORTANT
PLEASE EXECUTE YOUR PROXY WITHOUT DELAY**

J.B. HUNT TRANSPORT SERVICES, INC.

615 J.B. Hunt Corporate Drive

Lowell, Arkansas 72745

479-820-0000

Internet Site: www.jbhunt.com

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by J.B. Hunt Transport Services, Inc. (the "Company"), on behalf of its Board of Directors (the "Board"), for the 2013 Annual Meeting of Stockholders (the "Annual Meeting"). The Proxy Statement and the related proxy card are being distributed on or about March 15, 2013.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF
PROXY MATERIALS FOR THE STOCKHOLDERS MEETING
TO BE HELD APRIL 25, 2013**

This Proxy Statement and our 2012 Annual Report to Stockholders, which includes our Annual Report on Form 10-K, are available at www.jbhunt.com.

**QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND
THE ANNUAL MEETING**

When And Where Is The Annual Meeting?

Date: Thursday, April 25, 2013
Time: 10 a.m., Central Daylight Time
Location: J.B. Hunt Transport Services, Inc.
Corporate Offices
First-Floor Auditorium
615 J.B. Hunt Corporate Drive
Lowell, Arkansas 72745

What Matters Will Be Voted Upon At The Annual Meeting?

At the Annual Meeting, you will be asked to:

- Consider and vote upon a proposal to elect nominees Douglas G. Duncan, Francesca M. Edwardson, Wayne Garrison, Sharilyn S. Gasaway, Gary C. George, Bryan Hunt, Coleman H. Peterson, John N. Roberts, III, James L. Robo, Kirk Thompson, and John A. White as directors to hold office for a term of one year, expiring at the close of the Annual Meeting of Stockholders in 2014.
- Consider and vote upon a proposal to ratify the appointment of Ernst & Young LLP ("E&Y") as the Company's independent registered public accounting firm for the 2013 calendar year.
- Transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

What Constitutes A Quorum?

The presence, either in person or by proxy, of the holders of at least a majority of our issued and outstanding shares of common stock entitled to vote is required to constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes, which are described in more detail below, are counted as shares present at the Annual Meeting for purposes of determining whether a quorum exists.

Who Is Entitled To Vote?

Only stockholders of record of the Company's common stock at the close of business on Thursday, February 14, 2013, which is the "record date," are entitled to notice of, and to vote at, the Annual Meeting. Shares that may be voted include shares that are held:

- (1) directly by the stockholder of record, and
- (2) beneficially through a broker, bank or other nominee.

Each share of our common stock will be entitled to one vote on all matters submitted for a vote at the Annual Meeting.

As of the record date, there were 117,549,810 shares of our common stock issued and outstanding and entitled to be voted at the Annual Meeting.

What Is The Difference Between Holding Shares As A "Registered Owner" And A "Beneficial Owner"?

Most of the Company's stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between registered shares and those owned beneficially:

- Registered Owners – If your shares are registered directly in your name with our transfer agent, Computershare Trust Company N.A., you are, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to grant your voting proxy directly to the Company or to vote in person at the Annual Meeting.
- Beneficial Owners – If your shares are held in a brokerage account, bank or by another nominee, you are, with respect to those shares, the "beneficial owner" of shares held in "street name." As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote or to vote in person at the Annual Meeting. However, since you are not a stockholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a "legal proxy" from your broker, bank or other nominee (who is the stockholder of record) giving you the right to vote the shares.

What Stockholder Approval Is Necessary For Approval Of The Proposals?

- Election of Directors

Each director shall be elected by a vote of the majority of votes cast with respect to that director. This means that a director must receive "for" votes from more than 50% of the number of shares voted with respect to that director. However, if the number of nominees is greater than the number of directors to be elected, the directors will be elected by the vote of a plurality of the shares represented in person or by proxy at any stockholder meeting.

- Ratification of the appointment of E&Y as the Company's independent registered public accounting firm

The ratification of the Audit Committee's appointment of E&Y as the Company's independent registered public accounting firm requires the affirmative vote of a majority of the shares of our common stock cast at the Annual Meeting. For purposes of this vote, a failure to vote, a vote to abstain or withholding your vote (or a direction to your broker to do so) are not counted as votes cast and, therefore, will have no effect on the outcome of this vote. Stockholder ratification is not required for the appointment of the Company's independent registered public accounting firm. However, we are submitting the proposal to solicit the opinion of our stockholders.

As of the record date, directors and executive officers of the Company beneficially owned an aggregate 6,179,658 shares of common stock representing 5.3% of our common stock issued and outstanding and, therefore, 5.3% of the voting power entitled to vote at the Annual Meeting. The Company believes that its directors and executive officers currently intend to vote their shares as follows:

- In favor of the election of directors for one (1) year
- In favor of the ratification of the appointment of E&Y as the Company's independent registered public accounting firm for the 2013 calendar year

May I Vote My Shares In Person At The Annual Meeting?

If you are the registered owner of shares of the Company's common stock on the record date, you have the right to vote your shares in person at the Annual Meeting.

If you are the beneficial owner of shares of the Company's common stock on the record date, you may vote these shares in person at the Annual Meeting if you have requested a legal proxy from your broker, bank or other nominee (the stockholder of record) giving you the right to vote the shares at the Annual Meeting, complete such legal proxy and present it to the Company at the Annual Meeting.

Even if you plan to attend the Annual Meeting, we recommend that you submit your proxy card or voting instructions so that your vote will be counted if you later decide not to attend the Annual Meeting.

How Can I Vote My Shares Without Attending The Annual Meeting?

If you are a registered owner, you may instruct the named proxy holders on how to vote your shares by completing, signing, dating and returning the enclosed proxy card in the postage-paid envelope provided with this Proxy Statement, or by using the Internet voting site or the toll-free telephone number listed on the proxy card. Specific instructions for using the Internet and telephone voting systems are provided on the proxy card. The Internet and telephone voting systems will be available until 11:59 p.m. Central Daylight Time on Wednesday, April 24, 2013 (the day before the Annual Meeting).

If you are the beneficial owner of shares held in "street name," you should instruct your broker, bank or other nominee on how to vote your shares. Your broker, bank or other nominee has enclosed with this Proxy Statement a voting instruction card for you to use in directing your nominee on how to vote your shares. The instructions from your nominee will indicate whether Internet or telephone voting is available and, if so, will provide details regarding how to use those systems.

If My Shares Are Held In "Street Name," Will My Broker, Bank Or Other Nominee Vote My Shares For Me?

If you hold shares in street name through a broker, bank or other nominee, your broker, bank or nominee may not be permitted to exercise voting discretion with respect to some of the matters to be acted upon at the Annual Meeting. Under current stock exchange rules, brokers who do not have instructions from their customers may not use their discretion in voting their customers' shares on certain specific matters that are not considered to be "routine" matters, including the election of directors, executive compensation and other significant matters. The proposal in this Proxy Statement to elect directors is not considered to be a routine matter. **Therefore, without your specific instructions, your shares will not be voted on this matter and will not be counted in determining the number of shares necessary for approval.** Shares represented by such "broker non-votes," however, will be counted in determining whether there is a quorum. You should follow the directions provided by your nominee regarding instructions on how to vote your shares.

The ratification of the appointment of E&Y as the Company's independent registered public accounting firm is considered a routine matter and, therefore, if beneficial owners fail to give voting instructions, brokers, banks and other nominees will have the discretionary authority to vote shares of our common stock with respect to this proposal.

What Is A Broker Non-Vote?

Generally, a "broker non-vote" occurs when a broker, bank or other nominee that holds shares in "street name" for a customer is precluded from exercising voting discretion on a particular proposal because:

- (1) the beneficial owner has not instructed the nominee on how to vote, and
- (2) the nominee lacks discretionary voting power to vote such issues.

Under NASDAQ rules, a nominee does not have discretionary voting power with respect to the approval of "nonroutine" matters absent specific voting instructions from the beneficial owners of such shares.

How Will My Proxy Be Voted?

Shares represented by a properly executed proxy (in paper form, by Internet or by telephone) that is received in a timely manner, and not subsequently revoked, will be voted at the Annual Meeting or any adjournment or postponement thereof in the manner directed on the proxy. Kirk Thompson and John N. Roberts, III are named as proxies in the proxy form and have been designated by the Board as the directors' proxies to represent you and vote your shares at the Annual Meeting. All shares represented by a properly executed proxy on which no choice is specified will be voted:

- (1) **FOR** the election of the nominees for director named in this Proxy Statement
- (2) **FOR** the ratification of the appointment of E&Y as the Company's independent registered public accounting firm for the 2013 calendar year, and in accordance with the proxy holders' best judgment as to any other business that properly comes before the Annual Meeting.

This Proxy Statement is considered to be voting instructions for the trustees of the J.B. Hunt Transport Services, Inc. Employee Retirement Plan for our common stock allocated to individual accounts under this plan. If account information is the same, participants in the plan (who are stockholders of record) will receive a single proxy representing all of their shares. If a plan participant does not submit a proxy to us, the trustees

of the plan in which shares are allocated to his or her individual account will vote such shares in the same proportion as the total shares in such plan for which directions have been received.

May I Revoke My Proxy And Change My Vote?

Yes. You may revoke your proxy and change your vote at any time prior to the vote at the Annual Meeting.

If you are the registered owner, you may revoke your proxy and change your vote by:

- (1) submitting a new proxy bearing a later date (which automatically revokes the earlier proxy),
- (2) giving notice of your changed vote to us in writing mailed to the attention of David G. Mee, Corporate Secretary, at our executive offices, or
- (3) attending the Annual Meeting and giving oral notice of your intention to vote in person.

You should be aware that simply attending the Annual Meeting will not in and of itself constitute a revocation of your proxy.

Who Will Pay The Costs Of Soliciting Proxies?

Proxies will be solicited initially by mail. Further solicitation may be made in person or by telephone, electronic mail or facsimile. The Company will bear the expense of preparing, printing and mailing this Proxy Statement and accompanying materials to our stockholders. Upon request, the Company will reimburse brokers, banks and other nominees for reasonable expenses incurred in forwarding copies of the proxy materials relating to the Annual Meeting to the beneficial owners of our common stock.

In 2012, the Company retained Broadridge, an independent proxy solicitation firm, to assist in soliciting proxies from stockholders. Broadridge received a fee of approximately \$48,000 as compensation for its services and was reimbursed for its out-of-pocket expenses. The fee amount is not contingent on the number of stockholder votes cast in favor of any proposal, and Broadridge is prohibited from making any recommendation to our stockholders to either accept or reject any proposal or otherwise express an opinion concerning a proposal.

What Other Business Will Be Presented At The Annual Meeting?

As of the date of this Proxy Statement, the Board knows of no other business that may properly be, or is likely to be, brought before the Annual Meeting. If any other matters should arise at the Annual Meeting, the persons named as proxy holders, Kirk Thompson and John N. Roberts, III, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If, for any unforeseen reason, any of the director nominees are not available to serve as a director, the named proxy holders will vote your proxy for such other director candidate or candidates as may be nominated by the Board.

What Is The Deadline For Stockholder Proposals For The 2014 Annual Meeting?

In order for a stockholder proposal to be eligible to be included in the Company's Proxy Statement and proxy card for the 2014 Annual Meeting of Stockholders, the proposal:

- (1) must be received by the Company at its executive offices, 615 J.B. Hunt Corporate Drive, Lowell, Arkansas 72745, Attention: Corporate Secretary, on or before November 15, 2013, and
- (2) must concern a matter that may be properly considered and acted upon at the Annual Meeting in accordance with applicable laws, regulations and the Company's Bylaws and policies, and must otherwise comply with Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Where Can I Find The Voting Results Of The Annual Meeting?

The Company will publish final voting results of the Annual Meeting on Form 8-K within four days after the annual stockholders meeting on April 25, 2013.

What Should I Do If I Receive More Than One Set Of Voting Materials?

You may receive more than one set of voting materials, including multiple copies of this Proxy Statement and multiple proxies or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account. If you are a registered owner and your shares are registered in more than one name, you will receive more than one proxy card. Please vote each proxy and instruction card that you receive.

What Is Householding?

In an effort to reduce printing costs and postage fees, the Company has adopted a practice approved by the Securities and Exchange Commission (the "SEC") called "householding." Under this practice, certain stockholders who have the same address and last name will receive only one copy of this Proxy Statement and the Company's Annual Report, unless one or more of these stockholders notifies the Company that he or she wishes to continue receiving individual copies. Stockholders who participate in householding will continue to receive separate proxy cards.

If you share an address with another stockholder and received only one copy of this Proxy Statement and the Company's Annual Report and would like to request a separate copy of these materials, or if you do not wish to participate in householding in the future, please:

- (1) mail such request to J.B. Hunt Transport Services, Inc., Attention: Corporate Secretary, 615 J.B. Hunt Corporate Drive, Lowell, Arkansas 72745, or
- (2) call the Corporate Secretary toll-free at 800-643-3622.

Similarly, you may also contact the Company if you received multiple copies of the Company's proxy materials and would prefer to receive a single copy in the future.

What Do I Need To Do Now?

First, read this Proxy Statement carefully. Then, if you are a registered owner, you should, as soon as possible, submit your proxy by executing and returning the proxy card or by voting electronically via the Internet or by telephone. If you are the beneficial owner of shares held in "street name," then you should follow the voting instructions of your broker, bank or other nominee. Your shares will be voted in accordance with the directions you specify. If you submit an executed proxy card to the Company, but fail to specify voting directions, your shares will be voted:

- (1) **FOR** the election of the director nominees,
- (2) **FOR** the ratification of the appointment of E&Y as the Company's independent registered public accounting firm for the 2013 calendar year.

Who Can Help Answer My Questions?

If you have questions concerning a proposal or the Annual Meeting, if you would like additional copies of this Proxy Statement, or if you need directions to or special assistance at the Annual Meeting, please call the Corporate Secretary toll-free at 800-643-3622. In addition, information regarding the Annual Meeting is available via the Internet at our website, www.jbhunt.com.

YOU SHOULD CAREFULLY READ THIS PROXY STATEMENT IN ITS ENTIRETY

The summary information provided above in the question-and-answer format is for your convenience only and is merely a brief description of material information contained in this Proxy Statement.

YOUR VOTE IS IMPORTANT

**IF YOU ARE A REGISTERED OWNER, YOU MAY VOTE BY INTERNET, TELEPHONE,
OR BY COMPLETING, SIGNING AND DATING
THE ENCLOSED PROXY CARD AND RETURNING IT TO US
IN THE ACCOMPANYING ENVELOPE AS PROMPTLY AS POSSIBLE**

**IF YOU ARE A BENEFICIAL OWNER, PLEASE FOLLOW THE VOTING INSTRUCTIONS
OF YOUR BROKER, BANK OR OTHER NOMINEE
AS PROVIDED WITH THIS PROXY STATEMENT AS PROMPTLY AS POSSIBLE**

PROPOSALS TO BE VOTED AT THE ANNUAL MEETING

PROPOSAL NUMBER ONE ELECTION OF DIRECTORS

Our Board nominates Douglas G. Duncan, Francesca M. Edwardson, Wayne Garrison, Sharilyn S. Gasaway, Gary C. George, Bryan Hunt, Coleman H. Peterson, John N. Roberts, III, James L. Robo, Kirk Thompson, and John A. White as directors to hold office for a term of one year, expiring at the close of the 2014 Annual Meeting of Stockholders or until their successors are elected and qualified or until their earlier resignation or removal. The Board believes that these incumbent directors standing for re-election are well-qualified and experienced to direct and manage the Company's operations and business affairs and will represent the interests of the stockholders as a whole. Biographical information on each of these nominees is set forth below in "Nominees for Director."

If any director nominee becomes unavailable for election, which is not anticipated, the named proxies will vote for the election of such other person as the Board may nominate, unless the Board resolves to reduce the number of directors to serve on the Board and thereby reduce the number of directors to be elected at the Annual Meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR EACH OF THE DIRECTOR NOMINEES LISTED HEREIN

INFORMATION ABOUT THE BOARD

The Board's directors hold a term of office of one year.

OTHER INFORMATION YOU NEED TO MAKE AN INFORMED DECISION

DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

Number of Directors and Term of Directors and Executive Officers

The Company's Bylaws provide that the number of directors shall not be less than three or more than 12, with the exact number to be fixed by the Board. Directors serve a term of one year from their election date to the Annual Meeting of Stockholders.

Directors are elected by a majority of votes cast with respect to each director, provided that the number of nominees does not exceed the number of directors to be elected.

The stockholders of the Company elect at the Company's Annual Meeting successors for directors whose terms have expired. The Board elects members to fill new membership positions and vacancies in unexpired terms on the Board. No director will be eligible to stand for re-election or be elected to a vacancy once he or she has reached 72 years of age. However, on April 26, 2012, our Board of Directors waived this mandatory retirement age until the close of our 2014 Annual Meeting of Stockholders. Executive officers are elected by the Board and hold office until their successors are elected and qualified or until their earlier death, retirement, resignation or removal.

NOMINEES FOR DIRECTOR

TERMS EXPIRE 2014



Douglas G. Duncan

Mr. Duncan, 62, was elected to the Board in 2010. He is a member of the Audit Committee and the Nominating and Corporate Governance Committee. On February 28, 2010, he retired as President and Chief Executive Officer of FedEx Freight Corporation, a wholly owned subsidiary of FedEx Corporation. FedEx Freight Corporation is a leading provider of regional and national less-than-truckload (LTL) freight services. Mr. Duncan was the founding chief executive officer of FedEx Freight. He also served on the Strategic Management Committee of FedEx Corporation. Before the formation of FedEx Freight, he served for two years as President and Chief Executive Officer of Viking Freight. With 30 years of transportation experience, Mr. Duncan has held management positions in operations, sales and marketing with Caliber System and Roadway Express. He served on the Executive Committee of the American Trucking Associations and as Chairman of the American Transportation Research Institute. A graduate of Christopher Newport University, Mr. Duncan served on the university's Board of Visitors. He currently serves on the Board of Directors of Brambles LTD and Benchmark Electronics, Inc., where he also chairs the Nominating and Corporate Governance Committee.



Francesca M. Edwardson

Ms. Edwardson, 55, was elected to the Board in 2011. She serves on the Company's Executive Compensation Committee and the Nominating and Corporate Governance Committee. She is the Chief Executive Officer of the American Red Cross of Greater Chicago, a chartered unit of the American Red Cross. She previously served as Senior Vice President and General Counsel for UAL Corporation, a predecessor company to United Continental Holdings, Inc. She has also been a partner in the law firm of Mayer Brown and the Executive Director of the Illinois Securities Department. Ms. Edwardson is a graduate of Loyola University in Chicago, Ill., with degrees in economics and law, and serves on the Board of Trustees for Rush University Medical Center and the Lincoln Park Zoo.



Wayne Garrison

Mr. Garrison, 60, was elected to the Board in 1981. He served as Chairman of the Board of the Company from 1995 to December 31, 2010, and continues to serve as a member of the Board of Directors. Joining the Company in 1976 as Plant Manager, Mr. Garrison has also served as Vice President of Finance in 1978, Executive Vice President of Finance in 1979, President in 1982, Chief Executive Officer in 1987 and Vice Chairman of the Board from January 1986 until May 1991.



Sharilyn S. Gasaway

Mrs. Gasaway, 44, was elected to the Board in 2009. She is a member of the Audit Committee and the Nominating and Corporate Governance Committee. She served as Executive Vice President and Chief Financial Officer of Alltel Corp., the Little Rock, Arkansas-based Fortune 500 wireless carrier, from 2006 to 2009. She was part of the executive team that spearheaded publicly traded Alltel's transition through the largest private equity buyout in the telecom sector and was an integral part of the successful combination of Alltel and Verizon. She also served as Alltel's Corporate Controller and Principal Accounting Officer from 2002 to 2006. Joining Alltel in 1999, she served as Director of General Accounting, Controller, and Vice President of Accounting and Finance. Prior to joining Alltel, she worked for eight years at Arthur Andersen LLC. Mrs. Gasaway has a degree in accounting from Louisiana Tech University and is a Certified Public Accountant. She currently serves on the Board of Directors, chairs the Audit Committee and serves on the Governance, Compensation and Business Development Committee of Genesis Energy, LP. She also serves on the Board of Directors and the Audit, Investment, and Nominating and Corporate Governance Committees of Waddell & Reed Financial, Inc., as well as on the Louisiana Tech University College of Business Advisory Board and the Board of Directors of Arkansas Children's Hospital.



Gary C. George

Mr. George, 62, was elected to the Board in 2006. He is chairman of the Nominating and Corporate Governance Committee and a member of the Executive Compensation Committee. Mr. George is Chairman and Chief Executive Officer of George's, Inc., a private, fully integrated poultry company in northwest Arkansas. He is a graduate of the University of Arkansas with a degree in business administration. He served on the Board of Trustees for the University of Arkansas from 1995 through 2005 and was Chairman of the Board of Trustees in 2005. He also serves as Chairman of the Board of Legacy National Bank in Springdale, Ark.



Bryan Hunt

Mr. Hunt, 54, was elected to the Board in 1991. He is the Managing Member of Hunt Auto Group, a private company with operations in motor vehicle sales and service in Arkansas and Missouri. He also serves as Managing Member of Best Buy Here Pay Here of Arkansas, a private company with used-car operations in Arkansas, Missouri and Oklahoma. Additionally, he is the Managing Member of Progressive Car Finance, a private company that provides subprime financing for automobile dealers, and 71 Auto Auction, a private company engaged in the auction of automobiles, trucks, boats and other motor vehicles to dealers and the general public. A graduate of the University of Arkansas, he has a degree in marketing and transportation. He is the son of co-founders J.B. and Johnelle Hunt.



Coleman H. Peterson

Mr. Peterson, 64, was elected to the Board in 2004. He is chairman of the Executive Compensation Committee and a member of the Nominating and Corporate Governance Committee. Mr. Peterson is the President and CEO of Hollis Enterprises LLC, a human resources consulting firm founded in 2004. He is retired from Wal-Mart Stores, Inc. as Executive Vice President of its People Division. During his tenure, Mr. Peterson was responsible for recruitment, retention and development of the world's largest corporate work force. Prior to his experience with Wal-Mart, Mr. Peterson spent 16 years with Venture Stores, with his last position being Senior Vice President of Human Resources. He holds bachelor's and master's degrees from Loyola University of Chicago. Mr. Peterson serves on the Board of Directors, chairs the Compensation Committee, and serves on the Nominating and Corporate Governance Committee of Build-A-Bear Workshop. He also serves on the Board of Directors, chairs the Compensation Committee, and serves on the Nominating and Corporate Governance Committee of Cracker Barrel Old Country Store, Inc. Locally, he served as Chairman of the Board of Trustees for Northwest Arkansas Community College until December 31, 2010. Mr. Peterson served as a member of the Board of Directors and chaired the Compensation Committee of The ServiceMaster Company and served on the Board of Directors of Knockout Holdings, Inc. He also sat on the Executive Committee of the NAACP and served as Treasurer for the NAACP's Special Contribution Fund.



John N. Roberts, III

Mr. Roberts, 48, was elected to the Board in 2010, and was elected to serve as the Company's President and Chief Executive Officer effective January 1, 2011. A graduate of the University of Arkansas, he served as Executive Vice President and President of Dedicated Contract Services from 1997 to December 31, 2010. Joining the Company in 1989, he began his career as a Management Trainee and subsequently served as an EDI Services Coordinator, Regional Marketing Manager for the Intermodal and Truckload business units, Business Development Executive for DCS and Vice President of Marketing Strategy for the Company.



James L. Robo

Mr. Robo, 50, was elected to the Board in 2002. He is lead independent director, chairman of the Audit Committee and a member of the Nominating and Corporate Governance Committee. Mr. Robo is President and Chief Executive Officer of NextEra Energy, Inc. He served as President and Chief Operating Officer of NextEra Energy until June 2012, as President of NextEra Energy Resources until December 2006 and as Vice President of Corporate Development and Strategy until July 2002. NextEra Energy is a U.S. electric company whose two main subsidiaries are Florida Power & Light and NextEra Energy Resources. Prior to joining NextEra Energy in 2002, Mr. Robo spent 10 years at General Electric Company. He served as President and Chief Executive Officer of GE Mexico from 1997 until 1999 and as President and Chief Executive Officer of the GE Capital TIP/Modular Space division from 1999 until February 2002. From 1984 through 1992, Mr. Robo worked for Mercer Management Consulting. He received a BA summa cum laude from Harvard College and an MBA from Harvard Business School, where he was a Baker Scholar.



Kirk Thompson

Mr. Thompson, 59, was elected to the Board in 1985. He was elected Chairman of the Board in 2010, assuming that office on January 1, 2011. He served as President and Chief Executive Officer from 1987 to December 31, 2010. A graduate of the University of Arkansas and a Certified Public Accountant, Mr. Thompson joined the Company in 1973. He served as Vice President of Finance from 1979 until 1984, Executive Vice President and Chief Financial Officer until 1985, and President and Chief Operating Officer from 1986 until 1987, when he was elected President and Chief Executive Officer.



John A. White

Dr. White, 73, was elected to the Board in 1998 and resigned his position on our Board effective April 26, 2012, in accordance with the Company's mandatory retirement age policy for Directors. On April 26, 2012, our Board of Directors waived its mandatory retirement age until the close of our 2014 Annual Meeting of Stockholders and subsequently elected Dr. White to serve a one-year term. He is a member of the Audit Committee, the Executive Compensation Committee, and the Nominating and Corporate Governance Committee. Dr. White is Chancellor Emeritus and Distinguished Professor of the University of Arkansas. Previous to this appointment, he served as Chancellor of the University of Arkansas, a position he held for 11 years, beginning July 1, 1997. A graduate of the University of Arkansas (BSIE), Virginia Tech (MSIE) and The Ohio State University (Ph.D.), he also holds honorary doctorates from the Katholieke Universiteit of Leuven in Belgium and from George Washington University. Dr. White is a member of the National Academy of Engineering and serves on the Board and the Audit Committee of Motorola Solutions, Inc. He has served on the boards of directors and the Audit Committees of Eastman Chemical, Logility and Russell Corporation.

DIRECTOR COMPENSATION

The Company pays only nonemployee directors for their services as directors. Directors who are also officers or employees of the Company are not eligible to receive any of the compensation described below.

In calendar year 2012, compensation for nonemployee directors, serving on the Board, was as follows:

- an annual retainer of \$135,000 paid in Company stock, cash or any combination thereof
- an annual retainer of \$12,000, paid in cash, to the Audit Committee Chairman
- an annual retainer of \$8,000, paid in cash, to the Executive Compensation Committee Chairman
- an annual retainer of \$4,000, paid in cash, to the Nominating and Corporate Governance Committee Chairman
- \$4,500 for each Board meeting attended
- \$2,500 for each Audit Committee meeting attended
- \$2,000 for each Executive Compensation Committee meeting attended
- \$1,500 for each Nominating and Corporate Governance Committee meeting attended
- reimbursement of expenses to attend Board and Committee meetings

At the Executive Compensation Committee's (the "Committee") meeting on October 24, 2012, the Committee reviewed a summary of various compensation packages awarded to directors of the Company's peer group compiled by Meridian Compensation Partners, LLC. The Committee determined that the Board's compensation would be changed to the following, effective January 1, 2013.

- an annual retainer of \$140,000 paid in Company stock, cash or any combination thereof
- an annual retainer of \$15,000, paid in cash, to the Audit Committee Chairman
- an annual retainer of \$10,000, paid in cash, to the Executive Compensation Committee Chairman
- an annual retainer of \$5,000, paid in cash, to the Nominating and Corporate Governance Committee Chairman
- \$4,500 for each Board meeting attended
- \$2,500 for each Audit Committee meeting attended
- \$2,000 for each Executive Compensation Committee meeting attended
- \$1,500 for each Nominating and Corporate Governance Committee meeting attended
- reimbursement of expenses to attend Board and Committee meetings

Nonemployee Board of Director Compensation Paid in Calendar Year 2012

Board Member	Fees Paid in Cash (\$)	Fees Paid in Stock (\$)	Restricted Share or Stock Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$) (1)	Total (\$)
Douglas G. Duncan	176,000					5,482	181,482
Francesca M. Edwardson	27,000	135,000				3,541	165,541
Wayne Garrison	153,000						153,000
Sharilyn S. Gasaway	108,500	67,500					176,000
Gary C. George	31,000	135,000					166,000
Bryan Hunt	148,500						148,500
Coleman H. Peterson	35,000	135,000				5,968	175,968
James L. Robo	53,000	135,000				6,456	194,456
William J. Shea, Jr. (2)	13,500						13,500
John A. White	107,500	67,500					175,000

(1) Reimbursement of expenses to attend Board and Committee meetings.

(2) Mr. Shea resigned from the Board on April 16, 2012, and attended one Board meeting and four Committee meetings in 2012 prior to his resignation.

Each nonemployee member of the Board had the choice of receiving his or her annual retainer of \$135,000 in Company stock, cash or any combination thereof. Those directors choosing to receive their full retainer in Company stock received 2,518 shares based on the \$53.61 closing market price on July 25, 2012. Sharilyn S. Gasaway and John A. White elected to receive half their retainer in stock, or 1,259 shares of stock based on the closing market price shown above. Douglas G. Duncan, Wayne Garrison and Bryan Hunt elected to receive their annual retainer in cash.

To more closely align his or her interests with those of the stockholders, each Board member is required to own three times his/her estimated annual compensation in Company stock within five years of his/her initial stockholder election to the Board. All Board members are in compliance with this requirement.

Nonemployee members of the Board did not participate in either a company-sponsored pension or deferred compensation plan in calendar year 2012.

EXECUTIVE OFFICERS OF THE COMPANY

Gary Anderson, 46, joined the Company in 1994 as an Assistant Purchasing Manager and currently serves as Executive Vice President of Maintenance, Properties and Equipment.

David N. Chelette, 49, joined the Company in 1993 as a Finance Manager and currently serves as Senior Vice President and Treasurer and Assistant Secretary. Prior to joining the Company, he was Cash Manager for Brinker International, Inc. Mr. Chelette is a Certified Public Accountant.

Craig Harper, 55, joined the Company in 1992 as Vice President of Marketing and currently serves as Executive Vice President and Chief Operations Officer. Prior to joining the Company, he worked for Rineco Chemical Industries as its Chief Executive Officer.

Nicholas Hobbs, 50, joined the Company in 1984 as a Management Trainee and currently serves as Executive Vice President and President of Dedicated Contract Services.

John Kuhlow, 42, joined the Company in 2006 as Assistant Corporate Controller. He currently serves as Vice President and Controller. Prior to joining the Company, he was a Senior Audit Manager for KPMG LLP. Mr. Kuhlow is a Certified Public Accountant.

Terrence D. Matthews, 54, joined the Company in 1986 as a National Accounts Manager and currently serves as Executive Vice President and President of Intermodal. Prior to joining the Company, he worked as a National Accounts Manager for North American Van Lines.

David G. Mee, 52, joined the Company in 1992 as Vice President, Tax and currently serves as Executive Vice President of Finance and Administration and Chief Financial Officer. He also serves as the Company's Corporate Secretary. Prior to joining the Company, he was a Senior Tax Manager for KPMG LLP. Mr. Mee is a Certified Public Accountant.

Kay Johnson Palmer, 49, joined the Company in 1988 as a Program Analyst of Finance and currently serves as Executive Vice President and Chief Information Officer. Prior to joining the Company, she worked at EDS as a Systems Engineer Manager.

Shelley Simpson, 41, joined the Company in 1994 as a Management Trainee and currently serves as Executive Vice President, Chief Marketing Officer and President of the Integrated Capacity Solutions business segment.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth the beneficial ownership of the Company's common stock as of February 14, 2013, by each of its current directors (including all nominees for director), the Named Executive Officers (the "NEOs"), and all other executive officers and directors as a group. Unless otherwise indicated in the footnotes below, "beneficially owned" means the sole or shared power to vote or direct the voting of a security or the sole or shared power to dispose or direct the disposition of a security.

Owner	Number of Shares Beneficially Owned Directly (1)	Number of Shares Beneficially Owned Indirectly (2)	Percent of Class (%) (3)
Douglas G. Duncan	13,600		*
Francesca M. Edwardson	6,518		*
Wayne Garrison	3,445,128		2.9%
Sharilyn S. Gasaway	13,103	275	*
Gary C. George	42,644	1,507,123 (4)	1.3%
Craig Harper	80,104		*
Bryan Hunt	75,145		*
Terrence D. Matthews	96,101	10,833	*
David G. Mee	97,429		*
Coleman H. Peterson	26,299		*
John N. Roberts, III	301,472		*
James L. Robo	63,021		*
Kirk Thompson	100,239		*
John A. White	41,556		*
All executive officers and directors as a group (20)	4,628,422	1,551,236	5.3%

*Less than 1 percent

(1) Includes shares owned by the director or executive officer that are:

(a) held in a 401(k) or deferred compensation account

(b) held in trusts for the benefit of an immediate family member whereby the director or executive officer is the trustee but does not have any beneficial ownership

(c) options that are currently exercisable or will become exercisable within 60 days from February 14, 2013

(d) pledged shares as shown below:

Bryan Hunt	68,468
David G. Mee	62,552
John N. Roberts, III	193,273
Kirk Thompson	90,000
All other executive officers and directors as a group	120,893

(2) Indirect beneficial ownership includes shares owned by the director or executive officer (a) as beneficiary or trustee of a personal trust, (b) by a spouse or as trustee or beneficiary of a spouse's trust, or (c) in a spouse's retirement account.

(3) Calculated on the basis of 117,549,810 shares of common stock outstanding of the Company on February 14, 2013.

(4) The reporting person disclaims beneficial ownership of these shares, which are held in limited partnerships. This report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for the purposes of Section 16 or for any other purposes. Includes 88,320 shares currently pledged by the reporting person.

CORPORATE GOVERNANCE

We believe that good corporate governance helps to ensure that the Company is managed for the long-term benefit of our stockholders. We continually review and consider our corporate governance policies and practices, the SEC's corporate governance rules and regulations, and the corporate governance listing standards of NASDAQ, the stock exchange on which our common stock is traded.

You can access and print the Charters of our Audit Committee, Executive Compensation Committee ("Compensation Committee"), and Nominating and Corporate Governance Committee ("Corporate Governance Committee"), as well as our Corporate Governance Guidelines, Corporate Code of Ethical and Professional Standards for Directors, Officers and Employees, Whistleblower Policy, and other Company policies and procedures required by applicable law, regulation or NASDAQ corporate governance listing standards on the "Corporate Governance" page of the "Investors" section of our website at www.jbhunt.com. Additionally, you can request copies of any of these documents by writing to our Corporate Secretary at the following address:

J.B. Hunt Transport Services, Inc.
 Attention: Corporate Secretary
 615 J.B. Hunt Corporate Drive
 Lowell, Arkansas 72745

Director Independence

The Board is composed of a majority of directors who satisfy the criteria for independence under the NASDAQ corporate governance listing standards. In determining independence, each year the Board affirmatively determines, among other items, whether the directors have no material relationship with the Company or any of its subsidiaries pursuant to the NASDAQ corporate governance listing standards. When assessing the “materiality” of a director’s relationship with the Company, if any, the Board considers all relevant facts and circumstances, not merely from the director’s standpoint, but from that of the persons or organizations with which the director has an affiliation and the frequency or regularity of the services, whether the services are being carried out at arm’s length in the ordinary course of business, and whether the services are being provided substantially on the same terms to the Company as those prevailing at the time from unrelated parties for comparable transactions. Material relationships can include commercial, banking, industrial, consulting, legal, accounting, charitable and familial relationships. The Board also considers any other relationship that could interfere with the exercise of independence or judgment in carrying out the duties of a director.

Applying these independence standards, the Board has determined that Douglas G. Duncan, Francesca M. Edwardson, Sharilyn S. Gasaway, Gary C. George, Coleman H. Peterson, James L. Robo and John A. White are all independent directors. After due consideration, the Board has determined that none of these nonemployee directors has a material relationship with the Company or any of its subsidiaries (either directly or indirectly as a partner, stockholder or officer of any organization that has a relationship with the Company or any of its subsidiaries) and that they all meet the criteria for independence under the NASDAQ corporate governance listing standards.

Risk Management and Oversight

As previously described in their biographies, current members of our Board represent diverse backgrounds of business and academic experience. The Board, as a whole, performs the risk oversight of the Company and does not assign the task or responsibility to any one member or a committee. Therefore, the Board believes that the members each possess unique yet complementary experiences and backgrounds that create diverse points of view, opinions, personalities and management styles that allow for the proper risk management and oversight of the Company.

Lead Director

The Board has established the position of Lead Director, to which James L. Robo was appointed. The Lead Director directs the executive sessions of independent directors at the Board meetings at which the Chairman is not present and has authority to call meetings of independent directors. The Lead Director facilitates communication between the Chairman and CEO and the independent directors, as appropriate, and performs such other functions as the Board directs.

Independent Director Meetings

Independent directors generally meet in executive session as part of each regularly scheduled Board meeting, with discussion led by the Lead Director.

Director Recommendations By Stockholders

In addition to recommendations from Board members, management or professional search firms, the Corporate Governance Committee will consider director candidates properly submitted by stockholders who individually or as a group have beneficially owned at least 2% of the outstanding shares of the Company’s common stock for at least one year from the date the recommendation is submitted. Stockholders must submit director candidate recommendations in writing by Certified Mail to the Company’s Corporate Secretary not less than 120 days prior to the first anniversary of the date of the Proxy Statement relating to the Company’s previous Annual Meeting. Accordingly, for the 2014 Annual Meeting of Stockholders, director candidates must be submitted to the Company’s Corporate Secretary by November 15, 2013. Director candidates submitted by stockholders must contain at least the following information:

- the name and address of the recommending stockholder,
- the number of shares of the Company’s common stock beneficially owned by the recommending stockholder and the dates such shares were purchased,
- the name, age, business address and residence of the candidate,
- the principal occupation or employment of the candidate for the past five years,
- a description of the candidate’s qualifications to serve as a director, including financial expertise and why the candidate does or does not qualify as “independent” under the NASDAQ corporate governance listing standards,
- the number of shares of the Company’s common stock beneficially owned by the candidate, if any, and,
- a description of the arrangements or understandings between the recommending stockholder and the candidate, if any, or any other person pursuant to which the recommending stockholder is making the recommendation.

In addition, the recommending stockholder and the candidate must submit, with the recommendation, a signed statement agreeing and acknowledging that:

- the candidate consents to being a director candidate and, if nominated and elected, he or she will serve as a director representing all of the Company's stockholders in accordance with applicable laws and the Company's Articles of Incorporation and Bylaws,
- the candidate, if elected, will comply with the Company's Corporate Governance Guidelines and any other applicable rule, regulation, policy or standard of conduct applicable to the Board and its individual members,
- the recommending stockholder will maintain beneficial ownership of at least 2% of the Company's issued and outstanding common stock through the date of the Annual Meeting for which the candidate is being recommended for nomination and that, upon the candidate's nomination and election to the Board, the recommending stockholder intends to maintain such ownership throughout the candidate's term as director, and,
- the recommending stockholder and the candidate will promptly provide any additional information requested by the Corporate Governance Committee and/or the Board to assist in the consideration of the candidate, including a completed and signed Questionnaire for Directors and Officers on the Company's standard form and an interview with the Corporate Governance Committee or its representative.

For a complete list of the information that must be included in director recommendations submitted by stockholders, please see the "Director Recommendations by Stockholders Policy" on the "Corporate Governance" page of the "Investors" section of our website at www.jbhunt.com. The Corporate Governance Committee will consider all director candidates submitted through its established processes and will evaluate each of them, including incumbents, based on the same criteria. However, the Corporate Governance Committee may prefer incumbent directors and director candidates whom they know personally or who have relevant industry experience and in-depth knowledge of the Company's business and operations.

The policies and procedures as set forth above are intended to provide flexible guidelines for the effective functioning of the Company's director nomination process. The Board intends to review these policies and procedures periodically and anticipates that modifications may be necessary from time to time as the Company's needs and circumstances change.

Board Composition and Director Qualifications

The Corporate Governance Committee periodically assesses the appropriate size and composition of the Board and whether any vacancies on the Board are expected. In the event that vacancies are anticipated or otherwise arise, the Corporate Governance Committee will review and assess potential director candidates. The Corporate Governance Committee utilizes various methods for identifying and evaluating candidates for director. Candidates may come to the attention of the Corporate Governance Committee through recommendations of Board members, management, stockholders or professional search firms. Generally, director candidates should, at a minimum:

- possess relevant business and financial expertise and experience, including a basic understanding of fundamental financial statements,
- have exemplary character and integrity and be willing to work constructively with others,
- have sufficient time to devote to Board meetings and consultation on Board matters, and
- be free from conflicts of interest that violate applicable law or interfere with director performance.

In addition, the Corporate Governance Committee seeks director candidates who possess the following qualities and skills:

- the capacity and desire to represent the interests of the Company's stockholders as a whole,
- occupational experience and perspective that, together with other directors, enhances the quality of the Board,
- leadership experience and sound business judgment,
- accomplishments in their respective field, with superior credentials and recognition,
- knowledge of the critical aspects of the Company's business and operations, and
- the ability to contribute to the mix of skills, core competencies and qualifications of the Board through expertise in one or more of the following areas:
 - accounting and finance
 - mergers and acquisitions
 - investment management
 - law
 - academia
 - strategic planning
 - investor relations
 - executive leadership development
 - executive compensation
 - service as a senior officer of, or a trusted adviser to senior management of, a publicly held company.

The independent members of the Board each possess the general skills, experience, attributes and qualifications that make them a proper fit for the Company's Board as described above. Specific strengths and qualities possessed by each member that makes him or her eligible to serve on the Company's Board include:

Douglas G. Duncan – 30 years of experience in the transportation industry

Francesca M. Edwardson – business experience in the transportation industry, law, human resources, and corporate governance

Sharilyn S. Gasaway – accounting, finance, mergers and acquisitions, and regulatory experience

Gary C. George – business experience related to managing a diversified business located in northwest Arkansas

Coleman H. Peterson – human resource experience with a large international workforce, corporate governance, and retail experience

James L. Robo – business experience related to the transportation industry and equipment

John A. White – business and academic experience related to general business practices and extensive service on the boards of other publicly traded companies

Messrs. Garrison, Hunt, Roberts and Thompson, as nonindependent directors, have extensive work experience and history with the Company from its origins, which the Board believes is critical to its composition.

Board Diversity

As indicated by the criteria above, the Board prefers a mix of background and experience among its members. Furthermore, the Board is diverse both in gender and ethnic representation, with more than 25% of our current members reflecting demographic minorities. The Board does not follow any ratio or formula to determine the appropriate mix. Rather, it uses its judgment to identify nominees whose backgrounds, attributes and experiences, taken as a whole, will contribute to the high standards of Board service to the Company. The effectiveness of this approach is evidenced by the directors' participation in insightful and robust yet mutually respectful deliberation that occurs at Board and Committee meetings.

Board Leadership Structure

The Company split the titles, roles and responsibilities of the Chairman of the Board and Chief Executive Officer in 1985. The Company and the Board believe that while the duties may be performed by the same person without consequence to either Company operations or stockholders' interest, separation of duties allows the Chairman to focus more on active participation by the Board and oversight of management, while the Chief Executive Officer is better able to focus on day-to-day operations of the Company.

Communications With The Board

Stockholders and other interested parties may communicate with the Board, Board Committees, the independent or the nonmanagement directors, each as a group or any director individually by submitting their communications in writing to the attention of the Company's Corporate Secretary. All communications must identify the recipient and author, state whether the author is a stockholder of the Company and be forwarded to the following address via Certified Mail:

J.B. Hunt Transport Services, Inc.
Attention: Corporate Secretary
615 J.B. Hunt Corporate Drive
Lowell, Arkansas 72745

The directors of the Company have instructed the Corporate Secretary not to forward to the intended recipient any communications that are reasonably determined in good faith by the Corporate Secretary to relate to improper or irrelevant topics or that are substantially incomplete.

Board Meetings

The Board held four scheduled meetings and one uncompensated specially called meeting during the 2012 calendar year. All directors attended at least 75% of the Board meetings and committee meetings on which each served during 2012. All directors attended the 2012 Annual Meeting of Stockholders. The Company has adopted a Director Attendance Policy to stress the importance of attendance, director preparedness, and active and effective participation at Board and Board Committee meetings.

Board Committees

Standing committees of the Board include the Audit, Executive Compensation, and Nominating and Corporate Governance committees. Committee members are elected annually by the Board and serve until their successors are elected and qualified or until their earlier death, retirement, resignation or removal.

The following table summarizes the membership of the Board and each of its committees and the number of times each met during calendar year 2012:

Director	Audit	Compensation	Corporate Governance
Douglas G. Duncan	X		X
Francesca M. Edwardson		X	X
Sharilyn S. Gasaway	X		X
Gary C. George		X	Chair
Coleman H. Peterson		Chair	X
James L. Robo	Chair		X
John A. White	X	X	X
Number of Meetings in 2012	8	3	2

On January 31, 2013, the Corporate Governance Committee recommended, and the Board approved, the following committee assignments for the 2013 calendar year.

Director	Audit	Compensation	Corporate Governance
Douglas G. Duncan	X		X
Francesca M. Edwardson		X	X
Sharilyn S. Gasaway	X		X
Gary C. George		X	Chair
Coleman H. Peterson		Chair	X
James L. Robo	Chair		X
John A. White	X	X	X

AUDIT COMMITTEE

Under the terms of its charter, the Audit Committee represents and assists the Board in fulfilling its oversight responsibility relating to the integrity of the Company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, the performance of the Company's internal audit function and the performance of its independent auditors.

In fulfilling its duties, the Audit Committee, among other things, shall:

- appoint, terminate, retain, compensate and oversee the work of the independent registered public accounting firm,
- preapprove all services provided by the independent registered public accounting firm,
- oversee the performance of the Company's internal audit function,
- review the qualifications, performance and independence of the independent registered public accounting firm,
- review external and internal audit reports and management's responses thereto,
- monitor the integrity of the financial reporting process, system of internal accounting controls, and financial statements and reports of the Company,
- oversee the Company's compliance with legal and regulatory requirements,
- review the Company's annual and quarterly financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in periodic reports filed with the SEC,
- discuss with management earnings news releases,
- meet with management, the internal auditors, the independent auditors and the Board,
- provide the Board with information and materials as it deems necessary to make the Board aware of significant financial accounting and internal control matters of the Company,
- oversee the receipt, investigation, resolution and retention of all complaints submitted under the Company's Whistleblower Policy, and
- otherwise comply with its responsibilities and duties as set forth in the Company's Audit Committee Charter.

The Board has determined that each member of the Audit Committee satisfies the independence and other requirements for audit committee membership of the NASDAQ corporate governance listing standards and SEC requirements. The Board has also determined that all members of the Audit Committee have the attributes of an audit committee financial expert as defined by the SEC. The Board determined that these members acquired such attributes through their experience in preparing, auditing, analyzing or evaluating financial statements, or actively supervising one or more persons engaged in such activities, and their experience of overseeing or assessing the performance of companies and public accountants with respect to preparation, auditing or evaluation of financial statements. In 2012, the Audit Committee met eight times. All members attended at least seven Audit Committee meetings. For additional information concerning the Audit Committee, see "Report of the Audit Committee" set forth below.

EXECUTIVE COMPENSATION COMMITTEE

The Executive Compensation Committee (the “Compensation Committee”) shall:

- determine and approve base salary compensation of the Company’s senior executive officers,
- determine and approve annual equity-based awards for the Company’s “insiders” as defined in Section 16 of the Securities Exchange Act of 1934, with the exception of the Chairman of the Board and the Chief Executive Officer,
- evaluate and recommend to the independent members of the Board for their approval base salary and annual equity-based awards for the Chairman of the Board and the Chief Executive Officer,
- review and approve the annual performance goals and objectives of the Company’s senior executive officers, including the Chief Executive Officer,
- establish and certify the achievement of performance goals,
- oversee the Company’s incentive compensation and equity-based compensation plans,
- assess the adequacy and competitiveness of the Company’s executive and director compensation programs,
- review and discuss with management the Compensation Discussion and Analysis (“CD&A”) and recommend whether such analysis should be included in the Proxy Statement filed with the SEC,
- produce an Annual Report on executive compensation for inclusion in the Company’s Proxy Statement,
- review and approve any employment agreements, severance agreements or arrangements, retirement arrangements, change in control agreements/provisions, and any special or supplemental benefits for each officer of the Company,
- approve, disapprove, modify or amend any non-equity compensation plans designed and intended to provide compensation primarily for officers,
- make recommendations to the Board regarding adoption of equity-based compensation plans,
- administer, modify or amend equity-based compensation plans,
- review the Company’s plan for succession of management,
- monitor the diversity of the Company’s workforce, and
- otherwise comply with its responsibilities and duties as set forth in the Company’s Compensation Committee Charter.

None of the individuals serving on the Compensation Committee has ever been an officer or employee of the Company. The Board has determined that all members of the Compensation Committee satisfy the independence requirements of the NASDAQ corporate governance listing standards. All members of the Compensation Committee qualify as “nonemployee directors” for purposes of Rule 16b-3 of the Exchange Act and as “outside directors” for purposes of Section 162(m) of the Internal Revenue Code, as amended.

The Compensation Committee met three times in 2012. All members attended each of the Compensation Committee meetings.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Nominating and Corporate Governance Committee (the “Corporate Governance Committee”) shall:

- annually review the Company’s Corporate Governance Guidelines,
- assist the Board in identifying, screening and recruiting qualified individuals to become Board members,
- propose nominations for Board membership and committee membership,
- assess the composition of the Board and its committees,
- oversee the performance of the Board and committees thereof, and
- otherwise comply with its responsibilities and duties as set forth in the Company’s Corporate Governance Committee Charter.

The Board has determined that all members of the Corporate Governance Committee satisfy the independence requirements of the NASDAQ corporate governance listing standards. The Corporate Governance Committee met twice during 2012. All members attended both Corporate Governance Committee meetings.

Code of Business Conduct and Ethics

The Board has adopted a Corporate Code of Ethical and Professional Standards for Directors, Officers and Employees (the “Code of Ethics”) that applies to all of the Company’s directors, officers and employees. The purpose and role of this Code of Ethics is to focus our directors, officers and employees on areas of ethical risk, provide guidance to help them recognize and deal with ethical issues, provide mechanisms to report unethical or unlawful conduct, and help enhance and formalize our culture of integrity, honesty and accountability. As required by applicable law, the Company will post on the “Corporate Governance” page of the “Investors” section of its website at www.jbhunt.com any amendments or waivers of any provision of this Code of Ethics made for the benefit of executive officers or directors of the Company.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines to assist it in exercising its responsibilities to the Company and its stockholders. These guidelines address, among other items, director responsibilities, Board Committees and nonemployee director compensation.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires each director, officer and any individual beneficially owning more than 10% of the Company’s common stock to file with the SEC reports of security ownership and reports on subsequent changes in ownership. These reports are generally due within two business days of the transaction giving rise to the reporting obligation.

To the Company’s knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, all Section 16(a) filings were made in a timely manner, with the exception of two officers, Nicholas Hobbs and John Kuhlow, and one director, Wayne Garrison, who each had one late filing. A Form 4 for each individual correcting the oversight was subsequently filed with the SEC in 2012.

Certain Relationships and Related Transactions

The Corporate Governance Committee is charged with the responsibility of reviewing and preapproving all related-party transactions (as defined in SEC regulations) and periodically reassessing any related-party transaction entered into by the Company in accordance with the Company’s Code of Ethics.

Bryan Hunt is the son of Johnelle Hunt, a principal stockholder of the Company. There are no other family relationships among the foregoing directors.

A son-in-law of Kirk Thompson, Chairman of the Board of the Company, was employed by the Company in calendar year 2012 and earned \$428,532 in 2012 compensation. He was also employed in calendar year 2000, prior to becoming Mr. Thompson’s son-in-law.

In August 2010, the Company made a gift of \$5,000,000 to Arkansas Children’s Hospital. The gift is payable in equal increments over a 10-year period beginning in calendar year 2011. Sharilyn S. Gasaway is currently a member of the Board of Directors of Arkansas Children’s Hospital. However, at the time of the gift, Mrs. Gasaway was not associated with this organization, nor was she instrumental in the Company’s decision to support the medical facility.

In December 2008, the Company made a gift of \$250,000 to Northwest Arkansas Community College. The gift is payable in equal increments over a 10-year period beginning in calendar year 2009. At the time of the gift, Coleman H. Peterson served as Chairman of the Board of Trustees of this organization. Mr. Peterson did not solicit the contribution on behalf of the organization, nor was he instrumental in the Company’s decision to support the local junior college.

Compensation Committee Interlocks and Insider Participation

During the 2012 calendar year, none of the Company’s executive officers served on the Board of Directors or Compensation Committees of any entity whose directors or officers served on the Company’s Board or Compensation Committee. No current or past executive officers or employees of the Company served on the Compensation Committee.

PRINCIPAL STOCKHOLDERS OF THE COMPANY

The following table sets forth all persons known to be the beneficial owner of more than 5% of the Company's common stock as of December 31, 2012. Unless otherwise indicated in the footnotes below, "beneficially owned" means the sole or shared power to vote or direct the voting of a security or the sole or shared power to dispose or direct the disposition of a security.

Name and Address	Number of shares	Percent of Class
Johnelle Hunt 3333 Pinnacle Hills Parkway Rogers, AR 72756	19,955,232	17.0%
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, MD 21202	7,304,544	6.1%
FMR LLC 82 Devonshire Street Boston, MA 02109	6,769,872	5.7%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	5,917,101	5.0%

Information relating to Johnelle Hunt is based on the stockholder's Form 5, filed with the SEC on February 14, 2013. Information pertaining to the ownership of T. Rowe Price, FMR LLC, and BlackRock, Inc. is based on the organization's Schedule 13G filed with the SEC on February 13, 2013, February 14, 2013, and January 30, 2013, respectively.

REPORT OF THE EXECUTIVE COMPENSATION COMMITTEE

The Executive Compensation Committee (the “Compensation Committee”) is composed of Coleman H. Peterson, Chairman, Francesca M. Edwardson, Gary C. George and John A. White, none of whom is an officer or employee of the Company and all of whom have been determined by the Board of Directors of the Company (the “Board”) to be independent. Additionally, all members of the Compensation Committee qualify as “nonemployee directors” for purposes of Rule 16b-3 of the Exchange Act and as “outside directors” for purposes of Section 162(m) of the Internal Revenue Code, as amended (the “Code”).

The Compensation Committee operates under a written charter adopted by the Board, a copy of which is available on the “Corporate Governance” page of the “Investors” section of the Company’s website at www.jbhunt.com. In carrying out its responsibilities, the Compensation Committee, among other things:

- evaluates and recommends to the independent Board members, for their approval, the annual salaries and bonuses of the Chairman of the Board and the Chief Executive Officer,
- reviews and approves annual corporate goals and objectives of the Chairman of the Board and the Chief Executive Officer and other Section 16 reporting officers,
- recommends for approval to the independent Board members equity-based compensation awards under the Company’s Management Incentive Plan (the “MIP”), as amended and restated, for the Chairman of the Board and the Chief Executive Officer,
- reviews and approves equity-based compensation awards under the Company’s MIP, as amended and restated, for the Section 16 reporting officers,
- establishes and certifies the achievement of performance goals under the Company’s incentive and performance-based compensation plans,
- reviews and approves compensation recommendations for the Company’s directors,
- reviews other Company executive compensation programs, and
- reviews and approves the Compensation Committee report to the stockholders and the Compensation Discussion and Analysis (the “CD&A”) report included in the Proxy.

The Chairman of the Board recommends to the Compensation Committee the form and amount of compensation to be paid to the Chief Executive Officer. The Chief Executive Officer provides recommendations to the Compensation Committee regarding the form and amount of compensation to be paid to executive officers who report directly to him. Additionally, the Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer regularly attend Compensation Committee meetings, except for executive sessions. Traditionally, management has provided to the Compensation Committee historical and prospective breakdowns of primary compensation components for each executive officer, as well as tally sheets, wealth accumulation analyses and internal pay equity analyses as described in more detail below.

At our 2011 Annual Meeting, the stockholders approved, on an advisory basis, the compensation of the named executive officers (98.6% of votes cast), and voted for approval of a frequency of holding future advisory votes every three years with respect to named executive officer compensation (51% of votes cast). The Compensation Committee believes this level of stockholder support reflects a strong endorsement of the Company’s compensation policies and decisions. The Compensation Committee has considered the results of this advisory vote on executive compensation in determining the Company’s compensation policies and decisions for 2013, and has determined that these policies and decisions are appropriate and in the best interests of the Company and its stockholders at this time.

In 2012, the Compensation Committee engaged Meridian Compensation Partners, LLC (“Meridian”) to review the Company’s executive compensation policies and practices. Meridian was also directed to determine a comparable peer group for executive compensation purposes and to report considerations regarding changes in compensation levels for the NEOs to bring them into the 75th percentile of total direct compensation of the peer group. Meridian is retained by, and reports to, the Compensation Committee to provide compensation analyses and consultation at the Committee’s request. Meridian was paid \$47,876 for the consulting engagement and provides no other services to the Company.

The Compensation Committee met three times in 2012 to discuss, among other items, the salaries, bonuses and other compensation of the senior executive officers and other key employees of the Company, including the Chairman of the Board and the Chief Executive Officer. The Compensation Committee did not act by unanimous consent at any time in 2012.

Historically, the Compensation Committee meets each February to finalize discussion regarding the Company’s performance goals for the previous and current year with respect to performance-based compensation to be paid to executive officers and to approve its letter for the Proxy Statement. These goals are approved within 90 days of the beginning of the year, pursuant to the Code. During the third quarter of each year, the Compensation Committee generally discusses any new compensation issues, the base compensation, bonus and MIP award analyses, and the engagement of the compensation consultant for annual executive and director compensation surveys. The Compensation Committee also meets during the fourth quarter to:

- review and discuss information provided by the compensation consultant and the recommendations made by the Chairman of the Board and the Chief Executive Officer,
- review the performance of the Company and the individual officers,
- review the extent to which the Company’s performance goals were attained and approve short-term cash bonus and long-term incentive awards, and
- determine executives’ base salaries for the following year.

Management also advises the full Board, including the Compensation Committee members, throughout the year of any new issues and developments regarding executive compensation.

The Compensation Committee has reviewed and discussed the following CD&A with management, and based upon such review and discussions, the Compensation Committee recommended to the Board that the CD&A be included in the Company's Proxy Statement.

J.B. Hunt Transport Services, Inc.
2012 Executive Compensation Committee
Coleman H. Peterson, Chairman
Francesca M. Edwardson
Gary C. George
John A. White

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

The Compensation Discussion and Analysis provides information regarding the compensation paid to our President and Chief Executive Officer, Chief Financial Officer and certain other executive officers who were the most highly compensated in calendar year 2012. These individuals, referred to collectively as "named executive officers" or NEOs, are identified below:

- John N. Roberts, III – President and Chief Executive Officer
- David G. Mee – Executive Vice President, Finance/Administration, Chief Financial Officer and Corporate Secretary
- Kirk Thompson – Chairman of the Board
- Terrence D. Matthews – Executive Vice President and President of Intermodal
- Craig Harper – Executive Vice President and Chief Operations Officer

Compensation Philosophy and Principles

The Compensation Committee acknowledges that the transportation industry is highly competitive and that experienced professionals have career mobility. The Company believes that it competes for executive talent with a large number of companies, some of which have significantly larger market capitalizations and others of which are privately owned. Retention of key talent remains critical to our success. The Company's need to focus on retention is compounded by its size and geographic location. The Company's compensation program is structured to attract, retain and develop executive talent with the ability to assume a broad span of responsibilities and successfully lead complex business units to market-leading positions in the industry. The Compensation Committee believes that the ability to attract, retain and provide appropriate incentives for professional personnel, including the senior executive officers and other key employees of the Company, is essential to maintaining the Company's leading competitive position, thereby providing for the long-term success of the Company. The Compensation Committee's goal is to maintain compensation programs that are competitive within the transportation industry. Each year, the Compensation Committee reviews the executive compensation program with respect to the external competitiveness and linkage between executive compensation and the creation of stockholder value and determines what changes, if any, are appropriate.

The overall compensation philosophy of the Compensation Committee and management is guided by the following principles:

- *Compensation levels should be sufficiently competitive to attract and retain key talent.* The Company aims to attract, motivate and retain high-performance talent to achieve and maintain a leading position in its industry. Our total compensation package should be strongly competitive with other transportation companies.
- *Compensation should relate directly to performance and responsibility.* Total compensation should be tied to and vary with performance and responsibility, both at the Company and individual level, in achieving financial, operational and strategic objectives. Differentiated pay for high performing individuals should be proportional to their contributions to the Company's success.
- *Short-term incentive compensation should constitute a significant portion of total executive compensation.* A large portion of total compensation should be tied to performance, and therefore at risk, as position and responsibility increase. Individuals with greater roles and the ability to directly impact strategic direction and long-term results should bear a greater proportion of the risk.
- *Long-term incentive compensation, the Company's MIP, should be closely aligned with stockholders' interests.* Awards of long-term compensation encourage executive officers to focus on the Company's long-range growth and development and incent them to manage from the perspective of stockholders with a meaningful stake in the Company, as well as to focus on long-term career orientation. Participants in the MIP are required to own Company stock. The requirements are discussed in this CD&A under the caption "Stock Ownership Guidelines."

The Company's executive compensation program is designed to reward the achievement of initiatives regarding growth, productivity and people, including:

- setting, implementing and communicating strategies, goals and objectives to ensure that the Company grows revenue and earnings at rates that are comparable to or greater than those of our peers and that create value for our stockholders,
- motivating and exhibiting leadership that aligns the interests of our employees with those of our stockholders,
- developing a grasp of the competitive environment and taking steps to position the Company for growth and as a competitive force in the industry,
- constantly renewing the Company's business model and seeking strategic opportunities that benefit the Company and its stockholders, and
- implementing a discipline of compliance and focusing on the highest standards of professional conduct.

PROCESS OF SETTING COMPENSATION

Benchmarking Against A Peer Group

The Compensation Committee engaged Meridian to perform a competitive market assessment for the NEOs to evaluate base salary, target annual incentives, target total cash compensation, long-term incentives and total direct compensation.

The assessment involved the selection of a peer group, as noted below, consisting of 13 transportation and logistics companies in the national marketplace. These companies represent both business competition and the most relevant labor market for our executives.

Arkansas Best Corporation	CH Robinson Worldwide, Inc.	CON-Way, Inc.
Expeditors Int'l of Washington, Inc.	Hub Group, Inc.	Kansas City Southern
Landstar System, Inc.	Old Dominion Freight Line, Inc.	Pacer International, Inc.
Ryder System, Inc.	Swift Transportation Company	UTI Worldwide, Inc.
Werner Enterprises, Inc.		

The Compensation Committee utilized a different peer group of 15 companies for the Executive Chairman/Non-CEO position. These companies are similar to the Company in size, revenue or market capitalization, and have a comparable chairman role.

Atmos Energy Corporation	Avis Budget Group, Inc.	Cablevision Systems Corporation
Constellation Brands, Inc.	Dole Food Co., Inc.	Host Hotels & Resorts, Inc.
Hyatt Hotels Corp.	Kansas City Southern	Live Nation Entertainment, Inc.
Mueller Industries	Old Dominion Freight Line, Inc.	O'Reilly Automotive, Inc.
Regal Entertainment Group	The Timken Company	Werner Enterprises, Inc.

The Compensation Committee decided that the appropriate comparative total compensation target should be at the 75th percentile of the respective peer group.

Compensation Analysis Tools

In addition to the competitive compensation survey information for each officer that was compiled, the Compensation Committee also reviewed a three-year history of executive compensation tally sheets. The Compensation Committee anticipates that pertinent compensation information will continue to be developed and enhanced to allow the Committee to perform the most relevant analyses practicable.

Our objective for total executive compensation is to provide compensation in the 75th percentile of the respective peer group. We arrived at this conclusion because of our size and performance compared with the peer group. We believe that a sizeable portion of overall compensation should be at risk and tied to stockholder value. Our bonuses are tied to earnings per share ("EPS"); as EPS increases, so do executive bonuses. Long-term incentives are used as tools to reward executives for current and future performance, to encourage an executive to remain with the Company and to align the executive's interests with those of our stockholders. As part of our long-term incentive strategy, executives are expected to maintain stock ownership values as a multiple of their base salary. While certain components of compensation are directly tied to the Company's reported financial performance, sufficient accounting and operational controls are in place and effective to ensure that the Company's compensation practices and policies, including those for nonexecutives, are not reasonably likely to have a material adverse effect on the Company.

Our Company has a 401(k) plan that assists participants in providing for retirement. The Company contributes to each NEO's account per year based on the NEO's voluntary contribution amount. This "match," however, was suspended from March 1, 2009, until July 1, 2010. The equity buildup in unvested equity-based awards and stock owned currently is critical to each executive's ability to adequately provide for his or her retirement. As previously mentioned and explained in detail later, we have a Company stock ownership policy for our executives, but we do not have a "hold until retirement" restriction. We do not believe that such a restriction is prudent for the employee or necessary to protect our Company.

Tally Sheets

A compensation tally sheet for each of the NEOs was prepared and reviewed by the Compensation Committee in 2012. These tally sheets detail a three-year history of dollar amounts for components of the NEO's total compensation, including current salary and estimated cash bonus, equity-based awards, change in control severance payments, if any, personal benefits, if any, and other perquisites.

Long-Term Compensation Analyses and Policies

With respect to long-term, equity-based awards, the Company maintains the MIP. The MIP was originally adopted and approved by the Board on March 17, 1989, and an amended and restated MIP was subsequently approved by the stockholders on May 11, 1995. The MIP has been amended and restated since the time of its adoption, and all amendments requiring approval of the stockholders have been approved, with the last approval occurring at our Annual Meeting of Stockholders held in 2012. Currently, there are 44 million shares of common stock authorized for issuance under the MIP, of which approximately 9 million shares are available for future options and other awards.

Restricted share units and stock options of the Company are granted under the MIP in an effort to link future compensation to the long-term financial success of the Company. These equity-based awards are granted to executive officers, including the NEOs, and other key employees

(approximately 315 individuals) and are intended to attract and retain employees, to provide incentives to enhance job performance, and to enable those persons to participate in the long-term success and growth of the Company through an equity interest in the Company.

The Compensation Committee typically grants time-vested restricted share units under the MIP to non-NEO employees of the Company, while granting performance-based restricted share units to the NEOs of the Company. The future vesting of performance-based awards is contingent on the Company's attainment of predetermined performance metrics established by the Compensation Committee. The Compensation Committee believes that restricted share units, both time-vested and performance-based, are currently more effective than stock options in achieving the Company's compensation objectives, as these grants are subject to less market volatility and are less dilutive to stockholders. Employees realize immediate value as restricted share units vest, with such value increasing as the Company's stock performance increases. Cash dividends are not paid and there are no voting rights on unvested restricted share units.

The Company does not have a formal policy, but has an established practice described below, with respect to the granting of any form of equity compensation. The Company does not have a policy or practice of either timing equity-based compensation grants to current or new executive officers, or timing the release of material, nonpublic information to affect the value of executive compensation. Recommendations for all Section 16 filers, except for the Chairman of the Board and the Chief Executive Officer, are presented to the Compensation Committee by the Chief Executive Officer. The Chairman of the Board recommends to the Compensation Committee the award for the Chief Executive Officer. The Compensation Committee approves or adjusts the award using the above tools for all Section 16 filers, except for the Chairman of the Board and the Chief Executive Officer. The awards for the Chairman of the Board and Chief Executive Officer are recommended by the Compensation Committee and submitted for final approval to the Company's independent Board members. This process occurs in late October or early November of each year to coincide with our third-quarter Board meeting. We consider this our annual award date. The Compensation Committee does not expect to delegate approval authority to grant awards to management or any subcommittee at this time or in the near future. The grant date is typically set by the Compensation Committee. Historically, annual awards of equity compensation have been granted to all awardees, including the NEOs, in October. In 2012, 333,244 grants were made on October 24, and 83,000 grants were made on October 25, the date of the third-quarter Board meeting. Grants have been made in months other than the annual award date on a very limited basis. The limited exceptions to this grant-date practice have included, for example, the hiring of a key employee or the promotion of an employee to an executive office.

The Compensation Committee anticipates that it will continue adhering to these general grant dates for the foreseeable future for administrative ease and consistency. Awards are made in the fourth quarter because the Compensation Committee has a good view as to the Company's financial performance and the executive's individual performance for the current year and has the most recently available competitive market data.

Pursuant to the provisions of the MIP, all stock options are granted with an exercise price equal to 100% of the fair market value of the Company's common stock on the grant date. Stock options are generally exercisable over five to 10 years from the grant date. The exercise price of stock options may be satisfied with payment of cash or previously owned Company stock or through a cashless simultaneous exercise and sale. In response to emerging changes in the area of accounting for equity-based compensation and to position ourselves competitively with our peers, the Compensation Committee began granting restricted share units in lieu of stock options under the MIP in 2005. The Compensation Committee anticipates granting restricted share units in lieu of stock options for the foreseeable future, but in the event stock options are granted, such stock options will be granted under the terms discussed above. Similar to stock options, the total number of restricted share units that may be awarded to an individual is within the discretion of the Compensation Committee but also limited by the MIP and is generally based on the Company's performance and the individual's current level of compensation, individual performance, potential for promotion and marketability outside the Company. The number of restricted share units or stock options previously granted to an individual may be, but is not always, a consideration in determining the amount of awards granted to that individual in the future. Generally, restricted share units vest over three to 10 years.

As stated above, the Company does not have a policy or practice of timing the grant of equity-based awards and the release of material, nonpublic information in a manner that would affect compensation for new or current executive officers, nor has it deliberately or knowingly done so. In the event that material, nonpublic information becomes known to the Compensation Committee, the Company or its employees at a time when such information could affect or otherwise impact the imminent grant of equity-based compensation, management and the Compensation Committee will take the existence of such information under advisement and determine whether to delay the grant of such equity-based compensation to a later date to avoid the appearance of any impropriety.

Deductibility of Compensation and Other Regulatory Considerations

The Code places a limit of \$1 million on the amount of compensation the Company may deduct for federal income tax purposes in any one year with respect to the Company's Chief Executive Officer and the next three most highly compensated executive officers whose compensation is required to be disclosed in the Company's annual Proxy Statement, other than the Chief Financial Officer (the "Covered Employees"). There is an exception to this \$1 million limitation for performance-based compensation that meets certain requirements. In reviewing the effectiveness of the Company's compensation program, the Compensation Committee considers the anticipated tax treatment to the Company and to its executives of various payments and benefits. Additionally, the deductibility of certain compensation payments depends upon the timing of an executive's vesting or exercise of previously granted awards, as well as interpretations and changes in the tax laws and other factors beyond the Compensation Committee's control. For these and other reasons, including the need to maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the Compensation Committee will not necessarily, nor in all circumstances, limit executive compensation to that which is deductible under the Code. The Company has not adopted a policy requiring all compensation to be deductible.

The MIP contains specific language and requirements regarding performance-based awards granted to a Covered Employee intended to be “qualified performance-based compensation” as defined by the Code. These awards shall be based on the attainment of one or more objective performance goals established in writing by the Committee. Performance goals must be based on one or more criteria approved by the MIP (e.g., revenue, operating income, return on assets) and be based on an objective formula or standard. Prior to any vesting of an award, the Committee must certify in writing that all of the necessary performance goals have been met. Material terms of the performance goals must be disclosed to and reapproved by the stockholders every five years. In October 2012, 120,500 grants of “qualified performance-based compensation” restricted share units were made to Covered Employees and vest, under the provisions of the MIP, upon the Company’s attainment of predetermined performance metrics established and approved by the Compensation Committee.

The Compensation Committee will continue to consider various alternatives to preserving the deductibility of compensation payments and benefits to the extent reasonably practicable and to the extent consistent with its other compensation objectives. Base salary, bonuses or the vesting of non-performance-based restricted share units do not qualify as performance-based compensation under the Code. In 2012, the following compensation paid was not deductible by the Company:

John N. Roberts, III	\$1,830,536
Kirk Thompson	3,731,281
Terrence D. Matthews	435,774
Craig Harper	768,050

Derivative Trading

It is the Company’s policy that officers and directors not engage in any put or call transactions on Company stock. Such transactions create a significant enticement for abusive trading and, in many instances, give the unwelcome appearance of the officer or director betting against the Company. There is no Company policy, other than required by law, that would prohibit the Company’s executive officers from entering into a forward-sale or forward-purchase contract.

Stock Ownership Guidelines

To motivate the Company’s officers and senior management to emulate its stockholders, the Company expects its management to own Company stock at levels described in the table shown below.

Stock ownership is defined as stock owned:

- directly or indirectly, and/or
- through the Company’s 401(k) Employee Retirement Plan.

<u>Position</u>	<u>Ownership Multiple of Base Salary</u>
Chief Executive Officer	6 times
Executive Vice Presidents	3.5 times
Senior Vice Presidents	2.75 times
Vice Presidents	2.5 times

The Compensation Committee has determined that as of the annual award dates, October 24 and October 25, 2012, all of the Company’s officers and members of senior management covered by these guidelines had met their ownership goals.

Stock Retention Policy

Other than indicated above, the Company does not have any other stock retention policy.

Recovery of Awards

The Company does not have a policy, other than required by law, requiring replacement of awards or payments as a result of an officer’s illegal transactions or restatements. However, the Compensation Committee has formally adopted and explicitly communicated the “clawback” provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act with regard to annual cash bonus awards paid to the Company’s executive officers. Since becoming a public company in 1983, the Company has had no illegal actions by its officers or restatements of financial information.

Summary

The Company intends to continue its practice of compensating its executives through programs that emphasize performance. To that end, executive compensation is tied directly to the performance of the Company and is structured to ensure that, due to the nature of the business and the degree of competitiveness for executive talent, there is an appropriate balance between:

- base salary and incentive compensation,
- short-term and long-term compensation, and
- cash and noncash compensation.

Each is determined and measured by:

- competitive compensation data,
- financial, operational and strategic goals,
- long-term and short-term performance of the Company compared with its peer group, and
- individual contribution to the success of the Company.

2012 COMPENSATION

Elements of Compensation

The Company's primary compensation components are summarized below. Generally, the Company's compensation program consists of an annual base salary, a short-term cash incentive award, and an annual long-term, equity-based award. Primary benefits for executives include participation in the Company's 401(k) plan, health, dental and vision plans, and various insurance plans, including disability and life insurance, all of which are available to all employees on a nondiscriminatory basis. The Company provides limited perquisites to executive officers and other key employees as described in more detail on page 31 under the section titled "Other Perquisites."

Total direct compensation for executive officers, including the NEOs, consists of one or more of the following components:

- base salary,
- annual performance-based incentive cash bonus awards,
- long-term incentive/equity-based compensation,
- health and welfare benefits,
- other benefits.

The Compensation Committee, with recommendations from management, works to create what it believes is the best mix of these components in delivering total direct compensation. In determining annual compensation, the Compensation Committee reviews all elements of compensation separately and in the aggregate. These compensation components are comparable to those of the Company's competitors and peer group.

In its review of executive compensation, and, in particular, in determining the amount and form of incentive awards discussed below, the Compensation Committee generally considers several factors. Among these factors are:

- market information with respect to cash and long-term compensation for its peer group,
- amounts paid to the executive officer in prior years as salary,
- annual bonus and other compensation,
- the officer's responsibilities and performance during the calendar year, and
- the Company's overall performance during prior calendar years and its future objectives and challenges.

At transportation companies, generally the largest elements of compensation are paid in the form of annual short-term incentives and long-term compensation. Compensation mix and industry profitability vary as the industry faces many risk factors, such as the economy and fuel prices.

Cash compensation for our NEOs varies as the EPS of the Company changes, due to the nature of our bonus plan described below. Grants of stock options or restricted share units are made annually. Stock options and restricted share units are based on each employee's level of responsibility and are generally computed as a multiple of base salary.

It has been the policy of the Company to put a significant portion of the executive's compensation at risk. This is accomplished by our cash bonus plan, which is directly tied to EPS. Equity-based awards from the MIP may also vary in vesting from three to 10 years. These awards are subject to forfeiture if the employee leaves the Company. Furthermore, the future vesting of performance-based equity awards is contingent on the Company's attainment of predetermined performance metrics established by the Committee. The Committee and management believe that the proportion of compensation at risk should rise as the employee's level of responsibility increases.

The Compensation Committee has retained Meridian as its compensation consultant. Meridian reports directly to the Compensation Committee and has no other engagements with the Company. In 2012, Meridian prepared a study providing information and an independent analysis of the Company's executive compensation program and practices. The results of this study included observations about the Company's target 2012 executive compensation.

In general:

- base salaries range from 52% to 103% of the 75th percentile of the respective peer group
- target cash bonuses range from 17% to 56% of the 75th percentile of the respective peer group
- the lump-sum value of long-term incentive awards ranges from 124% to 345% of the 75th percentile of the respective peer group
- total direct compensation for executive officers ranges from 76% to 154% of the 75th percentile of the respective peer group

The Compensation Committee does not rely solely on predetermined formulas or a limited set of criteria when it evaluates the individual performances of the NEOs. The Compensation Committee considers actual results against deliverables and also bases its compensation decisions for the NEOs on:

- leadership,
- the execution of business plans,
- strategic results,
- operating results,
- growth in EPS,
- size and complexity of the business,
- experience,
- strengthening of competitive position,
- analysis of competitive compensation practices, and
- assessment of the Company's performance.

Where possible, the above criteria were compared with the peer group selected as well as the Chief Executive Officer's input for his direct reports and the Chairman of the Board's input for the Chief Executive Officer.

Base Salary

The Compensation Committee believes that competitive levels of cash compensation, together with equity-based and other incentive programs, are necessary for motivating and retaining the Company's executives. Salaries provide executives with a base level of monthly income and help achieve the objectives outlined above by attracting and retaining strong talent. Base salaries are evaluated annually for all executive officers, including the Chairman of the Board and the Chief Executive Officer. Generally, base salaries are not directly related to specific measures of corporate performance, but are determined by the relevance of experience, the scope and complexity of the position, current job responsibilities, retention and relative salaries of the peer group members. The Compensation Committee may elect not to increase an executive officer's annual salary, and has so elected in prior years. However, if warranted, the Compensation Committee may increase base salary where an executive officer takes on added responsibilities or is promoted.

Annual Bonus Award

As previously mentioned, the Company has had in place for several years a bonus plan that is tied to EPS. At its fall meeting when management presents its budget for the following year, the Compensation Committee establishes a matrix of EPS results with bonus payout levels. These forecasted earnings results are based on customer freight trends, strategies for growth and controlling costs, and corporate strategies to maximize stockholder return. Once presented to the Board, the EPS budget and bonus plan matrix remain fixed, though management continually reforecasts expectations based on actual results and on changing facts and assumptions. Changes in uncontrollable factors such as general economic conditions, railroad or port authority service issues, or rapidly fluctuating fuel costs can have a significant impact on the Company's actual EPS. Therefore, as the Company performs against the original budget, the executive's bonus performs against the pre-established matrix.

The bonus plan is based on annual EPS; however, quarterly EPS targets are established. If the Company meets a quarterly EPS target, the executive is eligible to receive a "progress payment" equal to approximately 12.5% of his or her projected annual bonus payout. The annual bonus earned is reduced by the progress payments received during the year. We consider a single quarterly progress payment, computed at approximately 12.5% of the executive's lowest possible annual bonus amount, to be the threshold bonus amounts described below. The Company's bonus plan has no reimbursement or "clawback" feature if a progress payment is made in a plan year where an annual bonus is not earned. However, the Compensation Committee has formally adopted and explicitly communicated the "clawback" provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act with regard to annual cash bonus awards paid to the Company's executive officers.

For 2012, the established matrix consisted of EPS ranging from \$2.15 to \$3.25, translating to annual bonus payout percentages ranging from 5% to 180% of an executive's base salary. The 2012 quarterly and annual bonus payout targets compared with actual reported EPS and actual payout percentages were as follows:

Period	EPS			Bonus Payout % of Salary		
	Minimum	Target	Reported EPS	Minimum	Target	Actual
1Q 12	0.41	0.52	0.57	0.6	5.6	11.2
2Q 12	0.56	0.67	0.67	0.6	5.6	5.6
3Q 12	0.56	0.67	0.65	0.6	5.6	4.4
4Q 12	0.62	0.72	0.70	3.2	28.2	23.8
Annual	2.15	2.58	2.59	5.0	45.0	45.0

Actual earned bonus amounts by quarter for each NEO:

	1Q 12	2Q 12	3Q 12	4Q 12	Total Annual
John N. Roberts, III	\$66,938	\$33,469	\$26,031	\$141,312	\$267,750
David G. Mee	41,063	20,531	15,969	86,687	164,250
Kirk Thompson	61,875	30,938	24,062	130,625	247,500
Terrence D. Matthews	41,906	20,953	16,297	88,469	167,625
Craig Harper	41,625	20,812	16,188	87,875	166,500

Long-Term, Equity-Based Award

Each executive is eligible to receive a long-term incentive award of restricted share units. Restricted share units are intended to help achieve the objectives of the compensation program, including the retention of high-performing and experienced talent, a career orientation and strong alignment with stockholders' interests. The restricted share units are awarded and settled from shares reserved for issuance under the MIP. The Compensation Committee approves or adjusts the award based on the above criteria for all Section 16 filers who are employees of the Company. The awards for the Company's Chairman of the Board and Chief Executive Officer are presented for final approval to the Company's independent Board members. The Compensation Committee believes that restricted share units must be sufficient in size to provide a strong, long-term performance and retention incentive for executives and to increase their vested interest in the Company. Restricted share units are used as long-term incentives because they are less dilutive to shares outstanding and to profits. Restricted share units generally vest from three to 10 years.

In administering the MIP and awarding long-term incentive awards, we are sensitive to the potential for dilution of future EPS. The MIP is a broad-based equity compensation program. We focus the program on employees who will have the greatest impact on strategic direction and long-term results of the Company by virtue of their senior roles and responsibilities. A total of 521,426 restricted share units were granted in 2012. Approximately 23% of the total share units granted were to the NEOs, and approximately 33% of the total share units granted were to the executive officer group as a whole. As described above, MIP participants who hold the title of director and above have an ownership requirement in Company stock.

For 2012, the Compensation Committee and/or independent directors approved the following restricted share unit grants to the NEOs:

John N. Roberts, III	45,000
Kirk Thompson	38,000
David G. Mee	12,500
Terrence D. Matthews	12,500
Craig Harper	12,500

The 2012 NEO awards shown above are performance-based restricted share units. These grants vest from four to five years annually, beginning July 15, 2013, upon the Company's attainment of predetermined operating metrics established and approved by the Compensation Committee, and are deemed "qualified performance-based compensation" awards under Section 162(m) of the Code. The Compensation Committee acknowledged that the separate components of total direct compensation were not always in the 75th percentile of their respective peer groups, as determined earlier, but it felt that its mix of current and long-term compensation is more appropriate to align the NEOs' compensation with the stockholders' interests in both the near and longer term.

The Committee also reviewed its compensation strategy in general and specific components of total direct compensation and determined that none of the Company's compensation programs, individually or as a whole, would create risks that are reasonably likely to have a material adverse effect on the Company. The Committee presented its review and conclusion to the entire Board.

Deferred Compensation

The Company administers a Deferred Compensation Plan for certain of its officers. The employee participant may elect on an annual basis to defer part of his or her salary and/or bonus. This plan assists key employees in planning for retirement. The Company contributes nothing to the plan, and participants are not permitted to defer shares of Company stock.

Health and Welfare Benefits

The Company provides benefits such as medical, vision, life insurance, long-term disability coverage, and 401(k) plan opportunities to all eligible employees, including the NEOs. The Company provides up to \$750,000 in life insurance coverage and up to \$10,000 per month in long-term disability coverage. The value of these benefits is not required to be included in the Summary Compensation Table since they are available to all employees on a nondiscriminatory basis. The Company matches certain employee contributions to the 401(k) plan. The Company provides no postretirement medical or supplemental retirement benefits to its employees.

The Company also provides vacation, sick leave and other paid holidays to employees, including the NEOs, that are comparable to those provided at other transportation companies. The Company's commitment to provide employee benefits is due to our recognition that the health and well-being of our employees contributes directly to a productive and successful work life that produces better results for the Company and for its employees.

Personal Benefits

The Company provides certain perquisites to management employees, including the NEOs, as summarized below.

Company Aircraft

The Company actively participates in shared ownership of aircraft services with NetJets and Citationair. With the approval of the Chief Executive Officer, the NEOs and other management employees use Company aircraft services for business purposes. Personal use of Company aircraft services is provided to executive officers on a very limited basis and to other management employees in the event of emergency or other urgent situations.

Company Vehicles

The Company does not provide Company-owned cars to executives.

Other Perquisites

The Company provides executive officers a taxable allowance of up to \$10,000 a year for financial counseling services, which may include legal, financial, estate and/or tax planning, and tax return preparation. This benefit is based on actual cost to the Company. The Company also provides country club memberships to certain of its executive officers. These memberships are valued based on the actual costs of the membership, including dues, regardless of whether use was personal or business. The Company believes that these clubs provide a quiet venue for negotiations and entertainment of clients, bankers, investment bankers, stockholders, etc.

Severance Agreements

The Company does not have employment contracts or predetermined personal severance agreements with any of its executives. However, according to the terms of the awards granted under the previously mentioned MIP, all outstanding non-incentive-based options and restricted share units would immediately vest upon a "change in control."

Generally, a "change in control" would be deemed to occur when more than 30% of the outstanding shares of common stock of the Company change ownership in a transaction that is a merger, reorganization or consolidation, when the persons who constitute the Company's incumbent board of directors cease to constitute a majority of the board, or when the stockholders approve a transaction that is a merger, reorganization or consolidation where more than 50% of the outstanding shares change ownership or a complete liquidation or dissolution of the Company or the sale or disposition of all or substantially all of the assets of the Company.

SUMMARY COMPENSATION

The following table summarizes the total compensation earned by or paid to the Chief Executive Officer, Chief Financial Officer and the next three most highly compensated executive officers of the Company who served in such capacities as of December 31, 2012, for services rendered to the Company. These five officers are referred to as the NEOs in this Proxy Statement.

Name and Principal Position	Year	Salary (\$ (1))	Share Units (\$ (2))	Option Awards (\$ (2))	Non-Equity Incentive Plan Compensation (\$ (1))	Deferred Compensation (\$)	All Other Compensation (\$)	Total (\$)
John N. Roberts, III President and CEO	2012	601,954	2,505,420		267,750	0	14,742	3,389,866
	2011	549,019	4,374,300		412,500	0	12,917	5,348,736
David G. Mee EVP, Finance & Administration and CFO	2012	369,615	691,575		164,250	0	17,300	1,242,740
	2011	352,308	624,900		262,500	0	19,740	1,259,448
	2010	297,030	1,218,700		100,590	0	11,133	1,627,453
Kirk Thompson Chairman of the Board	2012	542,308	2,115,688		247,500	0	10,352	2,915,848
	2011	591,923	2,499,600		446,250	0	15,640	3,553,413
	2010	695,000	2,089,200		243,246	0	10,999	3,038,445
Terrence D. Matthews EVP, and President of Intermodal	2012	379,931	691,575		167,625	0	32,028	1,271,159
Craig Harper EVP, Operations and COO	2012	371,569	691,575		166,500	0	11,250	1,240,894
	2011	370,000	624,900		277,500	0	7,823	1,280,223
	2010	361,538	661,580		126,000	0	5,654	1,154,772

- (1) Non-equity incentive plan compensation (paid as a bonus) and salary amounts shown above are reported as gross earnings. Totals may include amounts transferred into the deferred compensation plan and/or into the Company's 401(k) plan. All non-equity awards are reported in the year in which they are earned.
- (2) Amounts reflect grant date fair value of the award, which will be earned over the vesting period (4 to 7 years) of each individual's specific grant. No stock options were granted during 2012, 2011 or 2010.

Components of All Other Compensation for Calendar Year 2012

Name	Year	Perquisites and Other Personal Benefits (\$)	Company Contributions to 401(k) Plan (\$)	Total (\$)
John N. Roberts, III	2012	14,742	0	14,742
David G. Mee	2012	7,500	9,800	17,300
Kirk Thompson	2012	5,702	4,650	10,352
Terrence D. Matthews	2012	23,579	8,449	32,028
Craig Harper	2012	0	11,250	11,250

Components of Perquisites for Calendar Year 2012

Name	Year	Personal Use of Company Plane (\$ (1))	Legal and Accounting Fees (\$)	Club Dues (\$)	Total Perquisites and Other Personal Benefits (\$)
John N. Roberts, III	2012	0	6,120	8,622	14,742
David G. Mee	2012	0	0	7,500	7,500
Kirk Thompson	2012	0	4,135	1,567	5,702
Terrence D. Matthews	2012	0	210	23,369	23,579
Craig Harper	2012	0	0	0	0

(1) The value of personal aircraft usage reported above is based on the Company's actual invoiced amount from NetJets or Citationair for the variable costs incurred on each trip. Since the Company's aircraft is used primarily for business travel, this methodology excludes fixed costs that do not change based on usage, such as depreciation and management fees. On certain occasions, an executive's spouse or other family member may accompany the executive on a flight when such person is invited to attend the event for appropriate business purposes. No additional direct operating cost is incurred in such situations under the foregoing methodology; however, the value of personal use of Company aircraft is imputed for federal income tax purposes as income to the NEO. Messrs. Roberts, Matthews and Harper had such imputed income in 2012. This value is calculated pursuant to Internal Revenue Service guidelines using Standard Industry Fare Level rates, which are determined by the U.S. Department of Transportation.

Grants of Plan-Based Awards

The following table reflects estimated possible payouts under equity and non-equity incentive plans to the NEOs during 2012. The Company's equity-based and non-equity incentive-based awards are granted to the NEOs based upon pre-established performance goals set annually by the Compensation Committee with a performance period equal to the calendar year for which the performance goals are set.

The MIP is an annual plan consisting of equity-based awards only. The number of shares awarded is measured based on the executive's level of responsibility and other matters described on page 30 under "Long-Term, Equity-Based Award." Dividends are not paid on awards of restricted share units.

NEOs are eligible to earn cash bonuses under the non-equity incentive award plan based on the Company's EPS for the calendar year. Please refer to page 29 under "Annual Bonus Award" for further detail.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Awards			Estimated Possible Payouts Under Equity Incentive Plan Awards			Stock Awards: Number of Shares of Stock or Units (#)	Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$ (3))
		Threshold (\$)	Target (\$)	Maximum (\$ (1))	Threshold (#)	Target (# (2))	Maximum (#)				
John N. Roberts, III	10/25/2012	3,719	267,750	1,071,000	9,000	45,000	45,000				55.68
David G. Mee	10/24/2012	2,281	164,250	657,000	3,125	12,500	12,500				55.33
Kirk Thompson	10/25/2012	3,438	247,500	990,000	7,600	38,000	38,000				55.68
Terrence D. Matthews	10/24/2012	2,328	167,625	670,500	3,125	12,500	12,500				55.33
Craig Harper	10/24/2012	2,313	166,500	666,000	3,125	12,500	12,500				55.33

(1) This column reflects the maximum non-equity incentive award each NEO was eligible to receive for 2012 under the percentage assigned to each NEO for the cash bonus pool. The actual awards earned are reported in the Summary Compensation Table shown on page 32 of this Proxy Statement.

(2) This column reflects the number of performance-based restricted share units that were granted to the NEOs in 2012.

(3) The fair value of the awards was based on a 2.8% discount from the Company's closing stock price of \$56.92 on October 24, 2012, or \$57.28 on October 25, 2012. The discount represents the present value of expected dividends to be paid on the Company's common stock, using the current dividend rate and the risk-free interest rate, over the vesting period. The Company believes that this discount is appropriate to value the restricted share units, as the units do not collect or accrue dividends until the awards vest and are settled with Company stock.

Outstanding Equity Awards at Calendar Year-end

The following table sets forth information concerning stock options and restricted share units held by the NEOs as of December 31, 2012.

Name	Option Awards					RSU Awards				
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#) (1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (2)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#) (2)	Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Rights That Have Not Vested (\$)	Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
John N. Roberts, III		9,600		12.20	10/23/14	13,600	812,056			
		32,000		20.36	10/21/15	6,000	358,260			
						17,000	1,015,070			
						4,000	238,840			
						10,000	597,100			
					45,000	2,686,950				
								90,000	5,373,900	
								45,000	2,686,950	
David G. Mee		6,400		12.20	10/23/14	8,800	525,448			
		21,333		20.36	10/21/15	6,000	358,260			
						17,000	1,015,070			
						3,400	203,014			
						30,000	1,791,300			
					21,000	1,253,910				
								12,000	716,520	
								12,500	746,375	
Kirk Thompson		20,000		12.20	10/23/14	35,000	2,089,850			
		80,000		20.36	10/21/15	30,000	1,791,300			
						53,000	3,164,630			
						20,800	1,241,968			
						33,280	1,987,149			
					36,000	2,149,560				
								48,000	2,866,080	
								38,000	2,268,980	
Terrence D. Matthews		8,000		12.20	10/23/14	11,200	668,752			
		40,000		20.36	10/21/15	6,000	358,260			
						17,000	1,015,070			
						4,000	238,840			
						6,400	382,144			
					10,800	644,868				
								27,000	1,612,170	
								12,500	746,375	
Craig Harper		9,600		12.20	10/23/14	13,600	812,056			
		32,000		20.36	10/21/15	9,000	537,390			
						17,000	1,015,070			
						4,800	286,608			
						7,680	458,573			
					11,400	680,694				
								12,000	716,520	
								12,500	746,375	

(1) Unvested and unexercisable options. Effective vesting dates are noted below.

	Shares Vesting	Vesting Date	Shares Vesting	Vesting Date
John N. Roberts, III	9,600	6/1/13	16,000	6/1/14
	16,000	6/1/13		
David G. Mee	6,400	6/1/13	10,667	6/1/14
	10,666	6/1/13		
Kirk Thompson	20,000	6/1/13	40,000	6/1/14
	40,000	6/1/13		
Terrence D. Matthews	8,000	6/1/13	20,000	6/1/14
	20,000	6/1/13		
Craig Harper	9,600	6/1/13	16,000	6/1/14
	16,000	6/1/13		

(2) Restricted share units are time-vested or performance-based awards. Effective vesting dates, pending achievement of required performance goals set for performance-based awards, are noted below.

Time-Based Awards

	Shares Vesting	Vesting Date	Shares Vesting	Vesting Date		
John N. Roberts, III	4,250	7/15/13	4,000	7/15/13		
	4,250	7/15/14				
	5,100	7/15/15				
	3,000	7/15/13				
	2,010	7/15/14				
	990	7/15/15				
	17,000	7/15/14	15,000	7/15/15		
David G. Mee	2,750	7/15/13			3,400	7/15/13
	2,750	7/15/14				
	3,300	7/15/15				
	3,000	7/15/13				
	2,010	7/15/14				
	990	7/15/15				
	17,000	7/15/15	7,000	7/15/15		
Kirk Thompson	8,750	7/15/13			23,000	7/15/15
	8,750	7/15/14				
	17,500	7/15/15				
	5,000	7/15/13				
	5,000	7/15/14				
	10,000	7/15/15				
	10,000	7/15/16	12,000	7/15/14		
	30,000	7/15/14				
Terrence D. Matthews	3,500	7/15/13			4,000	7/15/13
	3,500	7/15/14				
	4,200	7/15/15				
	3,000	7/15/13				
	2,010	7/15/14				
	990	7/15/15				
	17,000	7/15/15	3,600	7/15/15		
Craig Harper	4,250	7/15/13			8,000	7/15/15
	4,250	7/15/14				
	5,100	7/15/15				
	4,000	7/15/13				
	3,000	7/15/14				
	2,000	7/15/15				
	9,000	7/15/14	3,800	7/15/14		

Performance-Based Awards

	Shares Vesting	Vesting Date	Shares Vesting	Vesting Date
John N. Roberts, III	15,000	7/15/13	9,000	7/15/13
	15,000	7/15/14	9,000	7/15/14
	15,000	7/15/15	9,000	7/15/15
	15,000	7/15/16	9,000	7/15/16
	15,000	7/15/17	9,000	7/15/17
	15,000	7/15/18		
David G. Mee	3,000	7/15/13	3,125	7/15/13
	3,000	7/15/14	3,125	7/15/14
	3,000	7/15/15	3,125	7/15/15
	3,000	7/15/16	3,125	7/15/16
Kirk Thompson	12,000	7/15/13	7,600	7/15/14
	12,000	7/15/14	7,600	7/15/15
	12,000	7/15/15	7,600	7/15/16
	12,000	7/15/16	7,600	7/15/17
	7,600	7/15/13		
Terrence D. Matthews	3,000	7/15/13	3,000	7/15/20
	3,000	7/15/14	3,000	7/15/21
	3,000	7/15/15	3,125	7/15/13
	3,000	7/15/16	3,125	7/15/14
	3,000	7/15/17	3,125	7/15/15
	3,000	7/15/18	3,125	7/15/16
	3,000	7/15/19		
Craig Harper	3,000	7/15/13	3,125	7/15/13
	3,000	7/15/14	3,125	7/15/14
	3,000	7/15/15	3,125	7/15/15
	3,000	7/15/16	3,125	7/15/16

(3) Values are based on the last closing market price of \$59.71 on December 31, 2012.

Options Exercised and Restricted Share Units Vested

Name	Option Awards		Restricted Share Units	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$ (1) (2))	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$ (1) (2))
John N. Roberts, III	8,896	427,364	3,400	200,906
	9,600	412,032	3,990	235,769
	16,000	556,160	4,000	236,360
			5,000	295,450
			15,000	886,350
Total	34,496	1,395,556	46,390	2,741,185
David G. Mee	6,672	320,386	2,200	129,998
	6,400	274,557	3,990	235,769
	10,667	370,566	3,400	200,906
			7,000	413,630
Total	23,739	965,509	19,590	1,157,573
Kirk Thompson	17,792	845,132	5,000	295,450
	20,000	845,878	10,000	590,900
	20,000	682,678	20,800	1,229,072
			16,640	983,258
			12,000	709,080
Total	57,792	2,373,688	76,440	4,516,840
Terrence D. Matthews	12,000	598,190	2,800	165,452
	8,896	431,073	3,990	235,769
	28,000	1,153,193	4,000	236,360
			3,200	189,088
			3,600	212,724
Total	48,896	2,182,456	20,590	1,216,663
Craig Harper	8,896	427,186	3,400	200,906
	9,600	411,245	5,000	295,450
	16,000	554,848	4,800	283,632
			3,840	226,906
			3,800	224,542
Total	34,496	1,393,279	23,840	1,408,706

(1) Value realized on the acquired shares shown above is gross earnings. Values are earned over multiple years. Election to exercise an option or the receipt of vested shares in calendar year 2012 should not be interpreted to mean that all value was earned in the year the option was exercised or shares received. Each executive exercised and purchased or retained a portion of the available vested shares as shown below:

John N. Roberts, III	46,960
David G. Mee	11,473
Kirk Thompson	60,164
Terrence D. Matthews	13,705
Craig Harper	13,484

(2) Values are calculated by subtracting the exercise price from the fair market value of the underlying common stock on the date of exercise or vesting.

Components of Nonqualified Deferred Compensation for Calendar Year 2012

We have a nonqualified deferred compensation plan that allows eligible employees to defer a portion of their compensation. Participants can elect to defer up to a maximum of 50% of their base salary as well as up to 85% of their bonus for the year. The compensation deferred under this plan is credited with earnings or losses of investments elected by plan participants. Each participant is fully vested in all deferred compensation and earnings; however, these amounts are subject to general creditor claims until actually distributed to the employee. A participant may elect to receive deferred amounts in one payment or in quarterly installments payable over a period of two to 25 years upon reaching the age of 55, having 15 years of service, or becoming disabled. Our total liability under this plan was \$11,163,233 as of December 31, 2012, and \$10,751,270 as of December 31, 2011. These amounts are included in other long-term liabilities in our Consolidated Balance Sheets. Participant withholdings are held by a trustee and invested as directed by participants. These investments are included in “other assets” in our Consolidated Balance Sheets and totaled \$11,163,233 as of December 31, 2012, and \$10,751,270 as of December 31, 2011.

Name	Executive Contributions in 2012 (\$ (1))	Registrant Contributions in 2012 (\$)	Aggregate Earnings in 2012 (\$)	Aggregate Withdrawals and Distributions (\$)	Aggregate Balance at 2012 (\$)
John N. Roberts, III	0	0	0	0	0
David G. Mee	0	0	0	0	0
Kirk Thompson	0	0	81,586	0	837,205
Terrence D. Matthews	196,041	0	216,130	0	2,350,940
Craig Harper	67,933	0	39,436	18,856	532,747

(1) Amounts of executive contributions are included as part of the NEO's salary in the Summary Compensation Table detailed above.

Potential Post-Employment Benefits

The Company does not have employment contracts or predetermined personal severance agreements with any of its executives. However, according to the terms of the awards granted under the previously mentioned MIP, all outstanding non-incentive-based options and restricted share units would immediately vest upon a “change in control.”

Generally, a “change in control” would be deemed to occur when more than 30% of the outstanding shares of common stock of the Company change ownership in a transaction that is a merger, reorganization or consolidation, when the persons who constitute the Company's incumbent board of directors cease to constitute a majority of the board, or when the stockholders approve a transaction that is a merger, reorganization or consolidation where more than 50% of the outstanding shares change ownership or a complete liquidation or dissolution of the Company or the sale or disposition of all or substantially all of the assets of the Company.

Potential benefits of the NEOs due to a “change in control” are shown below. The amounts represent the immediate vesting of all outstanding non-incentive-based options and restricted share units and are valued using the last closing market price of \$59.71 on December 31, 2012.

John N. Roberts, III	\$ 7,423,572
David G. Mee	6,290,520
Kirk Thompson	16,522,657
Terrence D. Matthews	5,262,014
Craig Harper	5,505,687

REPORT OF THE AUDIT COMMITTEE

The Audit Committee

The Audit Committee is composed of James L. Robo, Chairman, Douglas G. Duncan, Sharilyn S. Gasaway, and John A. White. Each served as a member of the Audit Committee during calendar year 2012. The Company's Board has determined that all members of the Audit Committee satisfy the independence and other requirements for audit committee membership pursuant to the NASDAQ corporate governance listing standards and has also determined that Messrs. Robo, Duncan, and White and Mrs. Gasaway each has the attributes of an audit committee financial expert as defined by SEC requirements.

The Audit Committee operates under a written charter adopted by the Board. A copy of the Audit Committee Charter is available on the "Corporate Governance" page of the "Investors" section of the Company's website at www.jbhunt.com. In carrying out its responsibilities, the Audit Committee, among other things:

- monitors the integrity of the financial reporting process, systems of internal accounting controls, and financial statements and reports of the Company,
- appoints, retains, compensates and oversees the Company's independent auditors, including reviewing the qualifications, performance and independence of the independent auditors,
- reviews and preapproves all audit, attest and review services and permitted nonaudit services,
- oversees the performance of the Company's internal audit function, and
- oversees the Company's compliance with legal and regulatory requirements.

In 2012, the Audit Committee met eight times. The Audit Committee schedules its meetings with a view to ensure that it devotes appropriate attention to all of its responsibilities and duties. The Audit Committee's meetings include, whenever appropriate, executive sessions with the Company's independent auditors and the Company's internal auditors, in each case outside the presence of the Company's management.

In performing its oversight role, the Audit Committee reviewed the audited consolidated financial statements for the 2012 calendar year and met and held discussions with management, the Company's internal auditors and E&Y, the Company's independent registered public accounting firm, to discuss those financial statements and the audit related thereto. Management has represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles.

The Audit Committee discussed with the independent auditors matters required to be discussed by the Statement on Auditing Standards No. 61, as may be modified, supplemented or amended, which includes, among other items, matters related to the conduct of the audit of the Company's consolidated financial statements. The independent auditors also provided the Audit Committee with written disclosures and the letter required by Rule 3526 of the Public Company Accounting Oversight Board, as may be modified, supplemented or amended, which relates to the auditors' independence from the Company and its related entities, and the Audit Committee discussed with the independent auditors their independence.

Based on the Audit Committee's discussions with management, the internal auditors and the independent auditors as described above, and upon its review of the representation of management and the independent auditors and the reports of the independent auditors, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the calendar year ended December 31, 2012, as filed with the SEC.

J.B. Hunt Transport Services, Inc.
2012 Audit Committee Members
James L. Robo, Chairman
Douglas G. Duncan
Sharilyn S. Gasaway
John A. White

PROPOSAL NUMBER TWO

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected Ernest & Young LLP as the Company's independent registered public accounting firm to examine the consolidated financial statements of the Company for the 2013 calendar year. The Board seeks an indication from our stockholders of their approval or disapproval of the Audit Committee's selection of E&Y as the Company's independent registered public accounting firm for the 2013 calendar year.

E&Y has been our independent auditor since 2005. No relationships exist other than the usual relationships between auditor and client. Representatives of E&Y are expected to be present at the Annual Meeting to respond to appropriate questions and will have the opportunity to make a statement if they desire to do so. If our stockholders do not ratify the appointment of E&Y at the Annual Meeting, the Audit Committee will consider such event in its selection of the Company's independent registered public accounting firm for the 2013 calendar year. Additionally, even if the appointment is ratified, the Audit Committee, at its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the 2013 calendar year if it determines that such a change would be in the best interests of the Company and its stockholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE 2013 CALENDAR YEAR

AUDIT AND NONAUDIT FEES

The Audit Committee preapproves the audit and nonaudit services to be rendered to the Company, as well as the fees associated with such services. Generally, management will submit to the Audit Committee a detailed list of services that it recommends the Audit Committee engage the independent auditors to provide for the calendar year. The Audit Committee preapproves certain audit and nonaudit services and establishes a dollar limit on the amount of fees the Company will pay for each category of services. The Audit Committee is informed from time to time regarding the nonaudit services actually provided pursuant to the preapproval process. During the year, the Audit Committee periodically reviews the types of services and dollar amounts approved and adjusts such amounts, as it deems appropriate. Unless a service to be provided by the independent auditors has received general preapproval, it will require specific preapproval by the Audit Committee. The Audit Committee also periodically reviews all nonaudit services to ensure that such services do not impair the independence of the Company's independent registered public accounting firm. The Audit Committee approved all services provided by E&Y for the 2012, 2011, and 2010 calendar years. These services included the audit of the Company's annual financial statements, audit of the Company's internal control over financial reporting, review of the Company's quarterly financial statements, employee benefit plan, tax consultation services, and consents for and review of registration statements filed with the SEC. See "Report of Audit Committee" set forth earlier for a discussion of auditor independence.

The following table shows the fees billed by E&Y for audit and other services provided to the Company for the 2012, 2011, and 2010 calendar years, respectively:

	2012 (\$)	2011 (\$)	2010 (\$)
Audit fees (1)	973,170	930,750	991,500
Audit-related fees (2)	25,000	30,000	25,192
Tax fees (3)	226,619	11,654	69,023
All other fees			

- (1) Audit fees consisted of the audit of the Company's annual financial statements, including the audit of the effectiveness of internal control over financial reporting, the review of the Company's quarterly reports on Form 10-Q, and consents for and review of registration statements filed with the SEC.
- (2) Audit-related fees consisted of an audit of the Employee Benefit Plan.
- (3) Tax fees consisted principally of federal and state income tax consulting.

The Audit Committee has considered whether the nonaudit services provided by E&Y, including the services rendered in connection with income tax consultation, were compatible with maintaining E&Y's independence and has determined that the nature and substance of the limited nonaudit services did not impair the status of E&Y as the Company's independent registered public accounting firm. E&Y did not bill the Company for any other services during calendar years 2012, 2011, and 2010.

Policy on Audit Committee Preapproval of Audit and Permissible Nonaudit Services of Independent Auditor

The Audit Committee has the responsibility of appointing, setting compensation for and overseeing the work of the independent auditor and has established a policy to preapprove all audit and permissible nonaudit services provided by the independent auditor.

Prior to the engagement of the independent auditor for next year's audit, management will submit to the Audit Committee for approval an aggregate of services expected to be rendered during that year for each of four categories of services:

- **Audit services** include audit work performed related to the financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, including comfort letters, statutory audits, attestation services, and consultation regarding financial accounting and/or reporting standards.
- **Audit-related services** are for assurance and related services that are traditionally performed by the independent auditor, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements.
- **Tax services** include all services performed by the independent auditor's tax personnel except those services specifically related to the audit of the financial statements, including fees in the areas of tax compliance, tax planning and tax advice.
- **Other services** are those not captured in the other categories. The Company generally doesn't request such services from the independent auditor.

Prior to the engagement, the Audit Committee preapproves these services by category of service. The fees are budgeted and the Audit Committee requires the independent auditor and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent auditor for additional services not contemplated in the original preapproval. In those instances, the Audit Committee requires specific preapproval before engaging the independent auditor.

The Audit Committee may delegate preapproval authority to one or more of its members. The member(s) to whom such authority is delegated must report, for informational purposes only, the preapproval decisions to the Audit Committee at its next scheduled meeting.

STOCKHOLDERS WHO DO NOT EXPECT TO ATTEND THE MEETING ARE URGED TO VOTE BY TELEPHONE, MAIL OR INTERNET

IF YOU VOTE BY TELEPHONE OR THE INTERNET, DO NOT RETURN YOUR PROXY CARD

By Order of the Board of Directors

DAVID G. MEE
Corporate Secretary

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended
December 31, 2012

Commission file number
0-11757

J.B. HUNT TRANSPORT SERVICES, INC.

(Exact name of registrant as specified in its charter)

Arkansas
(State or other jurisdiction of
incorporation or organization)

71-0335111
(I.R.S. Employer
Identification No.)

615 J.B. Hunt Corporate Drive
Lowell, Arkansas

(Address of principal executive offices)

72745-0130

(ZIP Code)

Registrant's telephone number, including area code: **479-820-0000**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, \$0.01 Par Value**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The aggregate market value of 90,801,299 shares of the registrant's \$0.01 par value common stock held by non-affiliates as of June 29, 2012, was \$5.4 billion (based upon \$59.60 per share).

As of February 14, 2013, the number of outstanding shares of the registrant's common stock was 117,549,810.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the Notice and Proxy Statement for the Annual Meeting of Stockholders, to be held April 25, 2013, are incorporated by reference in Part III of this Form 10-K.

FORWARD-LOOKING STATEMENTS

This report, including documents which are incorporated by reference, and other documents which we file periodically with the Securities and Exchange Commission (SEC), contains statements that may be considered to be “forward-looking statements.” Such statements relate to our predictions concerning future events or operations and are within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are inherently uncertain, subject to risks, and should be viewed with caution. These statements are based on our belief or interpretation of information currently available. Stockholders and prospective investors are cautioned that actual results and future events may differ materially from these forward-looking statements as a result of many factors. Some of the factors and events that are not within our control and that could have a material impact on future operating results include: general economic and business conditions, competition and competitive rate fluctuations, cost and availability of diesel fuel, ability to attract and retain qualified drivers and delivery personnel, a loss of one or more major customers, interference with or termination of our relationships with certain railroads, insurance costs and availability, claims expense, retention of key employees, terrorist attacks or actions, acts of war, adverse weather conditions, new or different environmental or other laws and regulations, increased costs for new revenue equipment or decreases in the value of used equipment, and the ability of revenue equipment manufacturers to perform in accordance with agreements for guaranteed equipment trade-in values.

You should understand that many important factors, in addition to those listed above, could impact us financially. Our operating results may fluctuate as a result of these and other risk factors or events as described in our filings with the SEC. Some important factors that could cause our actual results to differ from estimates or projections contained in the forward-looking statements are described under “Risk Factors” in Item 1A. We assume no obligation to update any forward-looking statement to the extent we become aware that it will not be achieved for any reason.

PART I

ITEM 1. BUSINESS

OVERVIEW

We are one of the largest surface transportation, delivery and logistics companies in North America. J.B. Hunt Transport Services, Inc. is a publicly held holding company that, together with our wholly owned subsidiaries, provides safe and reliable transportation and delivery services to a diverse group of customers and consumers throughout the continental United States, Canada and Mexico. Unless otherwise indicated by the context, “we,” “us,” “our” and “JBHT” refer to J.B. Hunt Transport Services, Inc. and its consolidated subsidiaries. We were incorporated in Arkansas on August 10, 1961, and have been a publicly held company since our initial public offering in 1983. Our service offerings include transportation of full-truckload containerized freight, which we directly transport utilizing our company-controlled revenue equipment and company drivers or independent contractors. We have arrangements with most of the major North American rail carriers to transport freight in containers or trailers. We also provide customized freight movement, revenue equipment, labor, systems and delivery services that are tailored to meet individual customers’ requirements and typically involve long-term contracts. These arrangements are generally referred to as dedicated services and may include multiple pickups and drops, local and home deliveries, freight handling, specialized equipment and freight network design. Our local and home delivery services typically are provided through a network of cross-dock service centers throughout the continental United States. Utilizing a network of thousands of reliable third-party carriers, we also provide comprehensive transportation and logistics services. In addition to dry-van, full-load operations, these unrelated outside carriers also provide flatbed, refrigerated, less-than-truckload (LTL) and other specialized equipment, drivers and services. Our customer base is extremely diverse and includes a large number of Fortune 500 companies.

We believe our ability to offer multiple services, utilizing our four business segments and a full complement of logistics services through third parties, represents a competitive advantage. These segments include Intermodal (JBI), Dedicated Contract Services® (DCS), Integrated Capacity Solutions (ICS), and full-load dry-van (JBT). Our business is somewhat seasonal, with slightly higher freight volumes typically experienced during August through early November. Our DCS segment is subject to somewhat less seasonal variation than our other segments. For the calendar year ended December 31, 2012, our consolidated revenue totaled \$5.1 billion, after the elimination of intersegment business. Of this total, 61% was generated by our JBI business segment, 21% by DCS, 9% by ICS, and 9% by JBT. For the year ended December 31, 2011, JBI represented 59%, DCS 23%, ICS 7%, and JBT 11% of our consolidated revenue. For the year ended December 31, 2010, JBI represented 56%, DCS 24%, ICS 8%, and JBT 12% of our consolidated revenue.

Additional general information about us is available on our Internet website at www.jbhunt.com. We make a number of reports and other information available free of charge on our website, including our annual report on Form 10-K, our proxy statement and our earnings releases. Our website also contains corporate governance guidelines, our code of ethics, our whistleblower policy, Board committee charters and other corporate policies.

OUR MISSION AND STRATEGY

We forge long-term partnerships with key customers that include supply-chain management as an integral part of their strategy. Working in concert, we drive out cost, add value and function as an extension of their enterprise. Our strategy is based on utilizing an integrated, multimodal approach to provide capacity-oriented solutions centered on delivering customer value and industry-leading service. We believe our unique operating strategy can add value to customers and increase our profits and returns to stockholders.

RECENT FOCUS

We continually analyze where we believe additional capital should be invested and management resources should be focused to provide added benefits to our customers. These actions should, in turn, yield increasing returns to our stockholders. Unacceptable returns in certain areas have recently caused us to reduce the size of certain business segments and expand others.

Examples of our recent actions include focus on growth of capacity associated with the JBI segment and our continued concentration on the development and operation of one of the largest nationwide, final-mile cross-dock networks supporting local commercial and home delivery activities within our DCS segment. This network supports our goal to provide best-in-class services that increase delivery and replenishment service offerings to both residential and commercial locations.

Increasingly, our customers are seeking energy-efficient transportation solutions to reduce both cost and greenhouse-gas emissions. Our intermodal service addresses both demands. Further, we are customizing dedicated solutions aimed at minimizing transportation-related carbon emissions. Efforts to improve fleet fuel efficiency are ongoing, and we are an Environmental Protection Agency (EPA) SmartWaySM Transport Partner.

As always, we continue to ingrain safety into our corporate culture and strive to conduct all of our operations as safely as possible.

OPERATING SEGMENTS

Segment information is also included in Note 10 to our Consolidated Financial Statements.

JBI Segment

The transportation service offerings of our JBI segment utilize arrangements with most major North American rail carriers to provide intermodal freight solutions for our customers throughout the continental United States, Canada and Mexico. Our JBI segment began operations in 1989 forming a unique partnership with what is now the BNSF Railway Company; this was a watershed event in the industry and the first agreement that linked major rail and truckload carriers in a joint service environment. JBI draws on the intermodal services of rail carriers for the underlying linehaul movement of its equipment between rail ramps. The origin and destination pickup and delivery services (“drayage”) are handled by our company-owned tractors for the majority of our intermodal loads, while utilizing third-party dray carriers where economical. By performing our own drayage services, we are able to provide a cost-competitive, seamless coordination of the combined rail and dray movements for our customers.

JBI operates 58,962 pieces of company-owned trailing equipment systemwide. The fleet primarily consists of 53-foot, high-cube containers and is designed to take advantage of intermodal double-stack economics and superior ride quality. The Company also owns and maintains its own chassis fleet, consisting of 55,361 pieces. The containers and chassis are uniquely designed so that they may only be paired together, which the Company feels creates operational competitive advantage. JBI also manages a fleet of 3,124 company-owned tractors, 472 independent contractor trucks and 3,859 company drivers who maintain our high service standards. At December 31, 2012, the total JBI employee count was 4,299. Revenue for the JBI segment in 2012 was \$3.1 billion.

DCS Segment

DCS focuses on private fleet conversion and creation in final-mile delivery, replenishment and specialized equipment and services. We also specialize in the design, development and execution of supply-chain solutions that support a variety of transportation networks. Our final-mile delivery services are supported with a network of approximately 88 cross-dock locations nationwide, with 98% of the continental U.S. population living within 150 miles of a cross-dock location. Our customer contracts are long-term, ranging from three to 10 years with the average being approximately 3½ years. Pricing of our contracts typically involves cost-plus arrangements, with our fixed costs being recovered regardless of equipment utilization, but are customized based on invested capital and duration.

At December 31, 2012, this segment operated 4,844 company-owned trucks, 394 customer-owned trucks, and 15 independent contractor trucks. The DCS segment employed 7,166 people at December 31, 2012, 5,907 of whom were drivers. DCS revenue for 2012 was \$1.1 billion.

ICS Segment

ICS provides traditional freight brokerage and transportation logistics solutions to customers through relationships with thousands of third-party carriers and integration with our owned equipment. By leveraging the J.B. Hunt brand, systems and network, we provide a broader service offering to customers by providing flatbed, refrigerated, expedited and LTL, as well as a variety of dry-van and intermodal solutions. ICS provides single-source logistics management for customers that desire to outsource their transportation functions and utilize our proven supply-chain technology and design expertise to improve efficiency. ICS operates 15 remote sales offices or branches, as well as on-site logistics personnel working in direct contact with customers.

At December 31, 2012, the ICS segment employed 453 people, with a carrier base of approximately 32,300. ICS revenue for 2012 was \$456 million.

JBT Segment

The service offering in this segment is full-load, dry-van freight, utilizing tractors operating over roads and highways. We typically pick up freight at the dock or specified location of the shipper and transport the load directly to the location of the consignee. We use our company-owned tractors and employee drivers or independent contractors who agree to transport freight in our trailers.

At December 31, 2012, the JBT segment operated 1,192 company-owned tractors and employed 1,674 people, 1,282 of whom were drivers. At December 31, 2012, we had 901 independent contractors operating in the JBT segment, some of whom were leasing company-owned tractors. JBT revenue for 2012 was \$484 million.

Marketing and Operations

We transport, or arrange for the transportation of, a wide range of freight, including general merchandise, specialty consumer items, appliances, forest and paper products, food and beverages, building materials, soaps and cosmetics, automotive parts, electronics, and chemicals. Our customer base is extremely diverse and includes a large number of Fortune 500 companies. We provide a broad range of transportation services to shippers seeking to use a variety of transportation options to optimize their supply-chain logistics needs.

We generally market all of our service offerings through a nationwide sales and marketing network. We use a specific sales force in DCS due to the length, complexity and specialization of the sales cycle. In addition, ICS utilizes its own local branch salespeople. In accordance with our typical arrangements, we bill the customer for all services and we, in turn, pay all third parties for their portion of transportation services provided.

People

We believe that one of the factors differentiating us from our competitors is our service-oriented people. As of December 31, 2012, we had 16,475 employees, which consisted of 11,048 company drivers, 4,300 office personnel and 1,127 maintenance technicians. We also had arrangements with approximately 1,388 independent contractors to transport freight in our trailing equipment. None of our employees are represented by unions or covered by collective bargaining agreements.

Revenue Equipment

Our JBI segment utilizes uniquely designed high-cube containers and chassis, which can only be paired with each other and can be separated to allow the containers to be double-stacked on rail cars. The composition of our DCS trailing fleet varies with specific customer requirements and may include dry-vans, flatbeds, temperature-controlled, curtain-side vans, straight trucks and dump trailers. We primarily utilize third-party carriers' tractor and trailing equipment for our ICS segment. Our JBT segment operates primarily with 53-foot dry-van trailers.

As of December 31, 2012, our company-owned tractor and truck fleet consisted of 9,160 units. In addition, we had approximately 1,388 independent contractors who operate their own tractors but transport freight in our trailing equipment. We operate with standardized tractors in as many fleets as possible, particularly in our JBI and JBT fleets. Due to our customers' preferences and the actual business application, our DCS fleet is extremely diversified. We believe that operating with relatively newer revenue equipment provides better customer service, attracts quality drivers and lowers maintenance expense. At December 31, 2012, the average age of our combined tractor fleet was 2.6 years, our containers averaged 4.3 years of age and our trailers averaged 9.5 years. We perform routine servicing and preventive maintenance on our equipment at our regional terminal facilities.

Effective with model-year 2010 engines, the EPA has mandated lower emission standards for newly manufactured heavy-duty tractors. The 2010 EPA-compliant engines have shown no material decrease in miles per gallon and a slight increase in operating costs due to more stringent maintenance procedures compared with prior engine standards due to Exhaust Gas Recirculation (EGR) and Selective Catalytic Reduction (SCR) technology, which achieve lower emissions.

Competition and the Industry

The freight transportation markets in which we operate are frequently referred to as highly fragmented and competitive. Our JBI segment competes with other intermodal marketing companies, other full-load carriers that utilize railroads for a portion of the transportation service, and, to a certain extent, some railroads directly. The diversified nature of the services provided by our DCS segment attracts competition from customers' private fleets, other private fleet outsourcing companies, equipment leasing companies, local and regional delivery service providers, and some truckload carriers. Our ICS segment utilizes the fragmented nature of the truck industry and competes with other non-asset-based logistics companies and freight brokers, as well as full-load carriers. The full-load freight competition of our JBT segment includes thousands of carriers, many of which are very small. While we compete with a number of smaller carriers on a regional basis, only a limited number of companies represent competition in all markets across the country.

We compete with other transportation service companies primarily in terms of price, on-time pickup and delivery service, availability and type of equipment capacity, and availability of carriers for logistics services.

Regulation

Our operations as a for-hire motor carrier are subject to regulation by the U.S. Department of Transportation (DOT) and the Federal Motor Carrier Safety Administration (FMCSA), and certain business is also subject to state rules and regulations. The DOT periodically conducts reviews and audits to ensure our compliance with federal safety requirements, and we report certain accident and other information to the DOT. Our operations into and out of Canada and Mexico are subject to regulation by those countries.

In February, 2011, the FMCSA published a Notice of Proposed Rulemaking to require currently logging drivers to complete their logs using an Electronic On-Board Recorder (EOBR) and accepted comments from the public. This proposal is ongoing.

In December 2011, the FMCSA amended the hours-of-service (HOS) safety requirements for commercial truck drivers. Some provisions of the HOS Final Rule became effective February 27, 2012; others are effective July 1, 2013. While we are currently evaluating the impact of the Final Rule on various segments of our operations to determine implications, we expect some negative impact on our productivity.

In July 2012, President Obama signed into law the Moving Ahead for Progress in the 21st Century Act (MAP-21), which included a variety of requirements relating to the transportation industry. We are currently evaluating the impact of MAP-21, but do not anticipate a negative impact on our operations or productivity.

We continue to monitor the actions of the FMCSA and other regulatory agencies and evaluate all proposed rules to determine their impact on our operations.

ITEM 1A. RISK FACTORS

In addition to the forward-looking statements outlined previously in this Form 10-K and other comments regarding risks and uncertainties, the following risk factors should be carefully considered when evaluating our business. Our business, financial condition or financial results could be materially and adversely affected by any of these risks.

Our business is subject to general economic and business factors, any of which could have a material adverse effect on our results of operations. Economic trends and the tightening of credit in financial markets could adversely affect our ability, and the ability of our customers and suppliers, to obtain financing for operations and capital expenditures.

Our business is dependent upon a number of factors that may have a material adverse effect on the results of our operations, many of which are beyond our control. These factors include interference with, or termination of, our relationships with certain railroads, significant increases or rapid fluctuations in fuel prices, fuel taxes, interest rates, insurance premiums, self-insurance levels, excess capacity in the intermodal or trucking industries, license and registration fees, terrorist attacks or actions, acts of war, adverse weather conditions, increased costs for new revenue equipment or decreases in the value of used equipment, and difficulty in attracting and retaining qualified drivers, independent contractors and third-party carriers.

We are also affected by recessionary economic cycles and downturns in customers' business cycles, particularly in market segments and industries such as retail and manufacturing, where we have a significant concentration of customers. Economic conditions represent a greater potential for loss, and we may be required to increase our reserve for bad debt losses. In addition, our results of operations may be affected by seasonal factors. Customers tend to reduce shipments after the winter holiday season, and our operating expenses tend to be higher in the winter months, primarily due to colder weather, which causes higher fuel consumption from increased idle time and higher maintenance costs.

We depend on third parties in the operation of our business.

Our JBI business segment utilizes railroads in the performance of its transportation services. The majority of these services are provided pursuant to contractual relationships with the railroads. While we have agreements with a number of Class I railroads, the majority of our business travels on the Burlington Northern Santa Fe and the Norfolk Southern railways. The inability to utilize one or more of these railroads could have a material adverse effect on our business and operating results. In addition, a portion of the freight we deliver is imported to the United States through ports of call that are subject to labor union contracts. Work stoppages or other disruptions at any of these ports could have a material adverse effect on our business.

Our ICS and JBT business segments utilize third parties to complete their services. These third parties are subject to similar regulation requirements, which may have a more significant impact on their operations, causing them to exit the transportation industry. Aside from use of our trailing equipment to fulfill JBT loads and periodic use of our trailing equipment to fulfill certain ICS loads, we do not own the revenue equipment or control the drivers delivering these loads. The inability to obtain reliable third-party carriers could have a material adverse effect on our operating results and business growth.

Rapid changes in fuel costs could impact our periodic financial results.

Fuel costs can be very volatile. We have a fuel surcharge revenue program in place with the majority of our customers, which has historically enabled us to recover the majority of higher fuel costs. Most of these programs automatically adjust weekly depending on the cost of fuel. However, there can be timing differences between a change in our fuel cost and the timing of the fuel surcharges billed to our customers. In addition, we incur additional costs when fuel price increases cannot be fully recovered due to our engines being idled during cold or warm weather and empty or out-of-route miles that cannot be billed to customers. Rapid increases in fuel costs or shortages of fuel could have a material adverse effect on our operations or future profitability. As of December 31, 2012, we had no derivative financial instruments to reduce our exposure to fuel-price fluctuations.

Insurance and claims expenses could significantly reduce our earnings.

Our future insurance and claims expenses might exceed historical levels, which could reduce our earnings. If the number or severity of claims for which we are self-insured increases, our operating results could be adversely affected. We have policies in place for 2013 with substantially the same terms as our 2012 policies for personal injury, workers' compensation, cargo and property damage, with the exception of changing to a \$100,000 deductible per claim for workers' compensation coverage. We purchase insurance coverage for the amounts above which we are self-insured. If these expenses increase and we are unable to offset the increase with higher freight rates, our earnings could be materially and adversely affected.

We derive a significant portion of our revenue from a few major customers, the loss of one or more of which could have a material adverse effect on our business.

For the calendar year ended December 31, 2012, our top 10 customers, based on revenue, accounted for approximately 30% of our revenue. Our JBI, ICS and JBT segments typically do not have long-term contracts with their customers. While our DCS segment business may involve a long-term written contract, those contracts may contain cancellation clauses, and there is no assurance that our current customers will continue to utilize our services or continue at the same levels. A reduction in or termination of our services by one or more of our major customers could have a material adverse effect on our business and operating results.

We operate in a regulated industry, and increased direct and indirect costs of compliance with, or liability for violation of, existing or future regulations could have a material adverse effect on our business.

The DOT and various state agencies exercise broad powers over our business, generally governing matters including authorization to engage in motor carrier service, equipment operation, safety and financial reporting. We are audited periodically by the DOT to ensure that we are in compliance with various safety, hours-of-service, and other rules and regulations. If we were found to be out of compliance, the DOT could restrict or otherwise impact our operations.

Significant changes in hours-of-service regulations and other motor carrier safety regulations could negatively impact our operations due to lower driver productivity or increased capital expenditures for monitoring and recordkeeping equipment. In December 2011, the FMCSA amended the hours-of-service (HOS) safety requirements for commercial truck drivers. Some provisions of the HOS Final Rule became effective February 27, 2012; others are effective July 1, 2013. While we are currently evaluating the impact of the Final Rule on various segments of our operations to determine implications, we expect some negative impact on our productivity.

Difficulty in attracting and retaining drivers, delivery personnel and third-party carriers could affect our profitability and ability to grow.

If we are unable to attract and retain the necessary quality and number of employees or contract with enough independent contractors, we could be required to significantly increase our employee compensation package, let revenue equipment sit idle or dispose of the equipment altogether, which could adversely affect our growth and profitability. In addition, our growth could be limited by an inability to attract third-party carriers upon whom we rely to provide transportation services.

We operate in a competitive and highly fragmented industry. Numerous factors could impair our ability to maintain our current profitability and to compete with other carriers and private fleets.

We compete with many other transportation service providers of varying sizes and, to a lesser extent, with LTL carriers and railroads, some of which have more equipment and greater capital resources than we do. Additionally, some of our competitors periodically reduce their freight rates to gain business, especially during times of reduced growth rates in the economy, which may limit our ability to maintain or increase freight rates or to maintain our profit margins.

In an effort to reduce the number of carriers it uses, a customer often selects so-called "core carriers" as approved transportation service providers, and in some instances we may not be selected. Many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress freight rates or result in the loss of some business to competitors. Also, certain customers that operate private fleets to transport their own freight could decide to expand their operations, thereby reducing their need for our services.

Extreme or unusual weather conditions can disrupt our operations, impact freight volumes and increase our costs, all of which could have a material adverse effect on our business results.

Certain weather conditions such as ice and snow can disrupt our operations. Increases in the cost of our operations, such as towing and other maintenance activities, frequently occur during the winter months. Natural disasters such as hurricanes and flooding can also impact freight volumes and increase our costs.

Our operations are subject to various environmental laws and regulations, the violation of which could result in substantial fines or penalties.

We are subject to various environmental laws and regulations dealing with the handling of hazardous materials, underground fuel storage tanks, and discharge and retention of storm water. We operate in industrial areas, where truck terminals and other industrial activities are located, and where groundwater or other forms of environmental contamination have occurred. Our operations involve the risks of fuel spillage or seepage, environmental damage and hazardous waste disposal, among others. We also maintain bulk fuel storage and fuel islands at several of our facilities. If a spill or other accident involving hazardous substances occurs, or if we are found to be in violation of applicable laws or regulations, it could have a material adverse effect on our business and operating results. If we should fail to comply with applicable environmental regulations, we could be subject to substantial fines or penalties and to civil and criminal liability.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate headquarters are in Lowell, Arkansas. We occupy a number of buildings in Lowell that we utilize for administrative support, customer service, freight dispatch, and data processing and warehousing. We maintain a backup data center for disaster recovery, maintenance shop and driver operations facility in Lowell. We also own or lease approximately 40 other significant facilities across the United States where we perform maintenance on our equipment, provide bulk fuel and employ personnel to support operations. These facilities vary from one acre to 35 acres in size. Each of our business segments utilizes these facilities for various services, including bulk fueling, maintenance and driver support activities. In addition, we have approximately 88 leased facilities in our DCS cross-dock and delivery system network and 13 leased remote sales offices or branches used in our ICS segment. Excluded from the following table are leases for small offices and parking yards throughout the country that support our customers' business needs.

A summary of our principal facilities in locations throughout the U.S. follows:

Type	Acreage	Maintenance Shop/ Cross-dock Facility (square feet)	Office Space (square feet)
Maintenance and support facilities	471	786,000	216,000
Cross-dock and delivery system facilities	–	1,208,000	88,000
Corporate headquarters, Lowell, Arkansas	117	–	262,000
Offices and data center, Lowell, Arkansas	8	–	40,000
Branch sales offices	–	–	27,000

ITEM 3. LEGAL PROCEEDINGS

We are involved in certain claims and pending litigation arising from the normal conduct of business. Based on present knowledge of the facts and, in certain cases, opinions of outside counsel, we believe the resolution of claims and pending litigation will not have a material adverse effect on our financial condition, results of operations or liquidity.

We are a defendant in certain class-action lawsuits in which the plaintiffs are current and former California-based drivers who allege claims for unpaid wages, failure to provide meal and rest periods, and other items. Further proceedings had been stayed in these matters pending the California Supreme Court's decision in a case unrelated to ours involving similar issues. During the second quarter of 2012, the California Supreme Court issued its decision in this unrelated case and during the fourth quarter of 2012, we filed a motion to decertify the class, which was heard and denied. We intend to file a motion to stay further proceedings pending a decision in the Ninth Circuit Court of Appeals on yet another unrelated case, but again with similar issues. We cannot reasonably estimate at this time the possible loss or range of loss, if any, that may arise from these lawsuits.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded in the over-the-counter market under the symbol "JBHT." At December 31, 2012, we were authorized to issue up to 1 billion shares of our common stock, and 167.1 million shares were issued. We had 117.5 million and 116.9 million shares outstanding as of December 31, 2012 and 2011, respectively. The high and low sales prices of our common stock as reported by the National Association of Securities Dealers Automated Quotations National Market system (NASDAQ) and the quarterly dividends paid per share on our common shares were:

Period	Dividends Paid	High	Low
2012			
First Quarter	\$ 0.14	\$ 55.30	\$ 43.94
Second Quarter	0.14	61.18	51.88
Third Quarter	0.14	60.19	50.56
Fourth Quarter	0.29	60.67	51.47
2011			
First Quarter	\$ 0.13	\$ 45.74	\$ 39.72
Second Quarter	0.13	48.53	42.67
Third Quarter	0.13	49.12	34.42
Fourth Quarter	0.13	46.59	34.88

On February 14, 2013, the high and low sales prices for our common stock as reported by the NASDAQ were \$67.70 and \$66.66, respectively, and we had 1,107 stockholders of record.

DIVIDEND POLICY

Our dividend policy is subject to review and revision by the Board of Directors, and payments are dependent upon our financial condition, earnings, capital requirements and any other factors the Board of Directors may deem relevant. On December 7, 2012, we announced an increase and a pull forward of our regular quarterly dividend typically paid in February of each calendar year. The increase announced was from \$0.14 to \$0.15, which was paid December 28, 2012, to stockholders of record on December 17, 2012. We do not expect to declare or pay a quarterly dividend in the first quarter of 2013 and intend to resume paying quarterly cash dividends in the second quarter of 2013. However, no assurance can be given that future dividends will be paid.

PURCHASES OF EQUITY SECURITIES

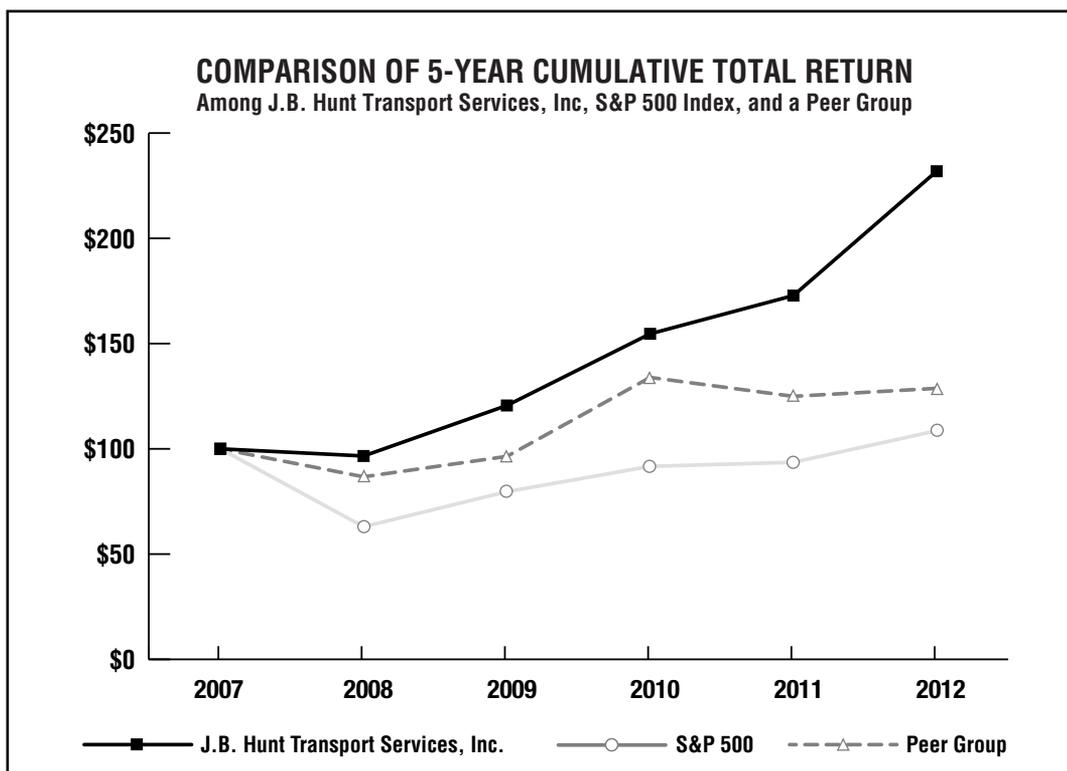
The following table summarizes purchases of our common stock during the three months ended December 31, 2012:

Period	Number of Common Shares Purchased	Average Price Paid Per Common Share Purchased	Total Number of Shares Purchased as Part of a Publicly Announced Plan(1)	Maximum Dollar Amount of Shares That May Yet Be Purchased Under the Plan (in millions)
October 1 through October 31, 2012	–	\$ –	–	\$ 503
November 1 through November 30, 2012	666,223	60.04(2)	666,223	463
December 1 through December 31, 2012	<u>182,787</u>	54.71	<u>182,787</u>	453
Total	<u>849,010</u>	\$ 58.89	<u>849,010</u>	\$ 453

- (1) On April 28, 2010, our Board of Directors authorized the purchase of up to \$500 million of our common stock. On October 27, 2011, our Board of Directors authorized an additional purchase of \$500 million of our common stock.
- (2) Number of common shares and average price paid per common share reflect the effective total purchases upon completion of our \$50 million accelerated repurchase program, which commenced in November 2012. Terms of the program included a deferment of 182,787 shares until program completion in December 2012.

STOCK PERFORMANCE GRAPH

The following graph compares the cumulative 5-year total return of stockholders of our common stock relative to the cumulative total returns of the S&P 500 index and a customized peer group. The peer group consists of 13 companies: Arkansas Best Corp., CH Robinson Worldwide Inc., CON-Way Inc., Expedito International Of Washington, HUB Group Inc., Kansas City Southern, Landstar System Inc., Old Dominion Freight Line Inc., Pacer International Inc., Ryder System Inc., Swift Transportation Company, UTI Worldwide Inc., and Werner Enterprises Inc. The graph assumes that the value of the investment in our common stock, in each of the peer groups, and in the index (including reinvestment of dividends) was \$100 on December 31, 2007, and tracks it through December 31, 2012. The stock price performance included in this graph is not necessarily indicative of future stock price performance.



	Years Ended December 31					
	2007	2008	2009	2010	2011	2012
J.B. Hunt Transport Services, Inc.	\$100.00	\$96.60	\$120.60	\$154.64	\$172.80	\$231.87
S&P 500	100.00	63.00	79.67	91.67	93.61	108.59
Peer Group	100.00	86.71	96.41	133.92	124.94	128.74

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Plan Category(1)	Number of Securities To Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (A)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A)) (C)
Equity compensation plans approved by security holders	<u>4,176,054</u>	<u>\$ 4.11(2)</u>	<u>9,071,146</u>

(1) We have no equity compensation plans that are not approved by security holders.

(2) Upon vesting, restricted share units are settled with shares of our common stock on a one-for-one basis. Accordingly, the restricted share units have been excluded for purposes of computing the weighted-average exercise price.

ITEM 6. SELECTED FINANCIAL DATA

(Dollars in millions, except per share amounts)

Earnings data for the years ended December 31,	2012	2011	2010	2009	2008
Operating revenues	\$ 5,055	\$ 4,527	\$ 3,793	\$ 3,203	\$ 3,732
Operating income	530	444	348	248	358
Net earnings	310	257	200	136	201
Basic earnings per share	2.64	2.16	1.60	1.08	1.60
Diluted earnings per share	2.59	2.11	1.56	1.05	1.56
Cash dividends per share	0.71	0.52	0.48	0.44	0.40
Operating expenses as a percentage of operating revenues:					
Rents and purchased transportation	49.2%	46.9%	45.1%	43.6%	39.6%
Salaries, wages and employee benefits	20.5	22.1	24.0	24.9	23.0
Fuel and fuel taxes	9.2	10.2	9.1	8.5	14.0
Depreciation and amortization	4.5	4.7	5.2	5.9	5.4
Operating supplies and expenses	3.5	3.6	4.0	4.7	4.2
Insurance and claims	1.1	1.0	1.3	1.6	1.6
General and administrative expenses, net of asset dispositions	0.6	0.7	1.0	1.6	1.1
Operating taxes and licenses	0.6	0.6	0.7	0.9	0.9
Communication and utilities	0.3	0.4	0.4	0.6	0.6
Total operating expenses	89.5	90.2	90.8	92.3	90.4
Operating income	10.5	9.8	9.2	7.7	9.6
Net interest expense	0.5	0.6	0.8	0.8	0.9
Equity in operations of affiliated company	—	—	—	(0.1)	—
Earnings before income taxes	10.0	9.2	8.4	7.0	8.7
Income taxes	3.9	3.5	3.1	2.7	3.3
Net earnings	6.1%	5.7%	5.3%	4.3%	5.4%
Balance sheet data as of December 31,	2012	2011	2010	2009	2008
Working capital ratio	1.10	1.17	0.91	1.46	0.97
Total assets (millions)	\$ 2,465	\$ 2,267	\$ 1,962	\$ 1,857	\$ 1,793
Stockholders' equity (millions)	\$ 792	\$ 568	\$ 573	\$ 644	\$ 529
Current portion of long-term debt (millions)	\$ 100	\$ 50	\$ 200	—	\$ 119
Total debt (millions)	\$ 685.3	\$ 749.2	\$ 654.2	\$ 565.0	\$ 633.5
Total debt to equity	0.87	1.32	1.14	0.88	1.20
Total debt as a percentage of total capital	46%	57%	53%	47%	54%

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our results of operations and financial condition should be read in conjunction with our financial statements and related notes in Item 8. This discussion contains forward-looking statements. Please see "Forward-looking Statements" and "Risk Factors" for a discussion of items, uncertainties, assumptions and risks associated with these statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our financial statements in accordance with U.S. generally accepted accounting principles requires us to make estimates and assumptions that impact the amounts reported in our Consolidated Financial Statements and accompanying notes. Therefore, the reported amounts of assets, liabilities, revenues, expenses and associated disclosures of contingent liabilities are affected by these estimates. We evaluate these estimates on an ongoing basis, utilizing historical experience, consultation with third parties and other methods considered reasonable in the particular circumstances. Nevertheless, actual results may differ significantly from our estimates. Any effects on our business, financial position or results of operations resulting from revisions to these estimates are recognized in the accounting period in which the facts that give rise to the revision become known. We consider our critical accounting policies and estimates to be those that require us to make more significant judgments and estimates when we prepare our financial statements and include the following:

Workers' Compensation and Accident Costs

We purchase insurance coverage for a portion of expenses related to employee injuries, vehicular collisions, accidents and cargo damage. We are substantially self-insured for loss of and damage to our owned and leased revenue equipment. Certain insurance arrangements include a level of self-insurance (deductible) coverage applicable to each claim. We have umbrella policies to limit our exposure to catastrophic claim costs that are completely insured.

The amounts of self-insurance change from time to time based on measurement dates, policy expiration dates and claim type. For 2010 through 2012, we were self-insured for \$500,000 per occurrence for personal injury and property damage and fully insured for substantially all workers' compensation claims. We have policies in place for 2013 with substantially the same terms as our 2012 policies for personal injury, workers' compensation, cargo and property damage, with the exception of adding a \$100,000 deductible per claim for workers' compensation coverage.

Our claims accrual policy for all self-insured claims is to recognize a liability at the time of the incident based on our analysis of the nature and severity of the claims and analyses provided by third-party claims administrators, as well as legal, economic and regulatory factors. Our safety and claims personnel work directly with representatives from the insurance companies to continually update the estimated cost of each claim. The ultimate cost of a claim develops over time as additional information regarding the nature, timing and extent of damages claimed becomes available. Accordingly, we use an actuarial method to develop current claim information to derive an estimate of our ultimate claim liability. This process involves the use of loss-development factors based on our historical claims experience and includes a contractual premium adjustment factor, if applicable. In doing so, the recorded liability considers future claims growth and, if applicable, conversion to fully insured status and provides an allowance for incurred-but-not-reported claims. We do not discount our estimated losses. At December 31, 2012, we had an accrual of approximately \$38 million for estimated claims. In addition, we are required to pay certain advanced deposits and monthly premiums. At December 31, 2012, we had a prepaid insurance asset of approximately \$35 million, which represented prefunded premiums.

Revenue Equipment

We operate a significant number of tractors, trucks, containers, chassis and trailers in connection with our business. This equipment may be purchased or acquired under lease agreements. In addition, we may rent revenue equipment from various third parties under short-term rental arrangements. Revenue equipment that is purchased is depreciated on the straight-line method over the estimated useful life to an estimated salvage or trade-in value. We periodically review the useful lives and salvage values of our revenue equipment and evaluate our long-lived assets for impairment. We have not identified any impairment to our assets at December 31, 2012.

We have agreements with our primary tractor suppliers for residual or trade-in values for certain new equipment. We have utilized these trade-in values, as well as other operational information such as anticipated annual miles, in accounting for depreciation expense. If our suppliers were unable to perform under the terms of our agreements for trade-in values, it could have a material adverse effect on our financial results.

Revenue Recognition

We recognize revenue based on the relative transit time of the freight transported and as other services are provided. Accordingly, a portion of the total revenue that will be billed to the customer once a load is delivered is recognized in each reporting period based on the percentage of the freight pickup and delivery service that has been completed at the end of the reporting period.

We record revenues on the gross basis at amounts charged to our customers because we are the primary obligor, we are a principal in the transaction, we invoice our customers and retain all credit risks, and we maintain discretion over pricing. Additionally, we are responsible for the selection of third-party transportation providers.

Our trade accounts receivable includes amounts due from customers that have been reduced by an allowance for uncollectible accounts and revenue adjustments. The allowance for uncollectible accounts and revenue adjustments is based on historical experience, as well as any known trends or uncertainties related to customer billing and account collectability. The adequacy of our allowance is reviewed quarterly.

Income Taxes

We account for income taxes under the liability method. Our deferred tax assets and liabilities represent items that will result in a tax deduction or taxable income in future years for which we have already recorded the related tax expense or benefit in our statement of earnings. Deferred tax accounts arise as a result of timing differences between when items are recognized in our Consolidated Financial Statements compared with when they are recognized in our tax returns. We assess the likelihood that deferred tax assets will be recovered from future taxable income. To the extent we believe recovery does not meet the more-likely-than-not threshold, a valuation allowance is established. To the extent we establish a valuation allowance, we include an expense as part of our income tax provision.

Significant judgment is required in determining and assessing the impact of complex tax laws and certain tax-related contingencies on our provision for income taxes. As part of our calculation of the provision for income taxes, we assess whether the benefits of our tax positions are at least more likely than not of being sustained upon audit based on the technical merits of the tax position. For tax positions that are more likely than not of being sustained upon audit, we accrue the largest amount of the benefit that is more likely than not of being sustained in our Consolidated Financial Statements. Such accruals require us to make estimates and judgments, whereby actual results could vary materially from these estimates. Further, a number of years may elapse before a particular matter for which we have established an accrual is audited and resolved. See Note 6, Income Taxes, in our Consolidated Financial Statements, for a discussion of our current tax contingencies.

RESULTS OF OPERATIONS

The following table sets forth items in our Consolidated Statements of Earnings as a percentage of operating revenues and the percentage increase or decrease of those items as compared with the prior year.

	Percentage of Operating Revenues			Percentage Change Between Years	
	2012	2011	2010	2012 vs. 2011	2011 vs. 2010
Operating revenues	100.0%	100.0%	100.0%	11.7%	19.3%
Operating expenses:					
Rents and purchased transportation	49.2	46.9	45.1	17.1	24.1
Salaries, wages and employee benefits	20.5	22.1	24.0	3.6	10.0
Fuel and fuel taxes	9.2	10.2	9.1	0.5	34.9
Depreciation and amortization	4.5	4.7	5.2	7.1	8.6
Operating supplies and expenses	3.5	3.6	4.0	11.3	5.2
Insurance and claims	1.1	1.0	1.3	19.8	(6.9)
General and administrative expenses, net of asset dispositions	0.6	0.7	1.0	(5.8)	(21.9)
Operating taxes and licenses	0.6	0.6	0.7	5.7	3.6
Communication and utilities	0.3	0.4	0.4	(4.0)	0.0
Total operating expenses	89.5	90.2	90.8	10.8	18.5
Operating income	10.5	9.8	9.2	19.4	27.8
Net interest expense	0.5	0.6	0.8	(10.3)	2.0
Earnings before income taxes	10.0	9.2	8.4	21.4	30.0
Income taxes	3.9	3.5	3.1	22.4	32.2
Net earnings	6.1%	5.7%	5.3%	20.8%	28.7%

2012 COMPARED WITH 2011

Consolidated Operating Revenues

Our total consolidated operating revenues were \$5.1 billion in 2012, an 11.7% increase over 2011. Higher fuel prices during the current year and overall increased load volume resulted in fuel surcharge (FSC) revenues of \$997 million in 2012, compared with \$849 million in 2011. If FSC revenues were excluded from both years, our 2012 revenue increased 10.3% over 2011, driven primarily by our consolidated load growth in the current year.

Consolidated Operating Expenses

Our 2012 consolidated operating expenses increased 10.8% from 2011, compared to the 11.7% increase in revenue year over year. This combination resulted in an improvement in our operating ratio to 89.5% from 90.2% in 2011. Rents and purchased transportation costs increased 17.1% in 2012, primarily due to the increase in load volume that increased services from third-party rail and truck carriers. In addition, rates paid to third-party carriers in 2012 increased when compared to 2011 due to a tighter supply of qualified providers and the higher price of fuel, since fuel costs of third-party rail and truck carriers are included in purchased transportation expense. The total cost of salaries, wages and employee benefits increased 3.6% in 2012 from 2011. This increase primarily related to increases in driver pay, caused by increased business demand and a tighter supply of qualified drivers and an increase in overall employee health care costs, partially offset by decreases in office personnel compensation costs.

Fuel and fuel taxes expense remained relatively flat, increasing only 0.5% in 2012 compared with 2011, due to increases in fuel prices being offset by improved fuel efficiency and fewer Company road miles during the current year. We have fuel surcharge programs in place with the majority of our customers. These programs typically involve a specified computation based on the change in national, regional or local fuel prices. While these programs may incorporate fuel cost increases as frequently as weekly, most also reflect a specified miles-per-gallon factor and require a certain minimum change in fuel costs to trigger a change in fuel surcharge revenue. As a result, some of these programs have a time lag between when fuel costs change and when this change is reflected in revenues. Due to these programs, this lag negatively impacts operating income in times of rapidly increasing fuel costs and positively impacts operating income when fuel costs decrease rapidly.

It is not meaningful to compare the amount of fuel surcharge revenue or the change in fuel surcharge revenue between reporting periods to fuel and fuel taxes expense, or the change of fuel expense between periods, as a significant portion of fuel costs is included in our payments to railroads, dray carriers and other third parties. These payments are classified as purchased transportation expense.

Depreciation and amortization expense increased 7.1% in 2012, primarily due to additions to our JBI segment container and chassis fleet to support additional business demand, as well as truck and tractor growth and trades in our JBI, DCS and JBT segments. Operating supplies and expenses increased 11.3%, driven primarily by toll rate increases and increased tire cost and usage. Insurance and claims expense increased 19.8% for 2012, primarily due to increased accident severity and customer cargo claims. The 5.8% decrease in general and administrative expenses was primarily the result of a decrease in bad debt expense due to a 2011 customer bankruptcy and an increase in net gains from asset sales. Net gains from sale of revenue equipment were \$17 million in 2012, compared with \$14 million in 2011.

Net interest expense for 2012 decreased by 10.3% compared with 2011. This decrease was primarily due to a decrease in debt levels and lower interest rates.

Our effective income tax rate was 38.5% in 2012 and 38.2% in 2011. The increase in 2012 was primarily related to an increase in the provision for uncertain tax positions taken in prior years. We expect our effective income tax rate to be between 38.0% and 38.5% for calendar year 2013.

Segments

We operated four business segments during calendar year 2012. The operation of each of these businesses is described in our Notes to Consolidated Financial Statements. The following tables summarize financial and operating data by segment:

Operating Revenue by Segment

	Years Ended December 31, (in millions)		
	2012	2011	2010
JBI	\$ 3,071	\$ 2,673	\$ 2,141
DCS	1,080	1,031	907
ICS	456	356	291
JBT	484	504	479
Total segment revenues	5,091	4,564	3,818
Intersegment eliminations	(36)	(37)	(25)
Total	\$ 5,055	\$ 4,527	\$ 3,793

Operating Income by Segment

	Years Ended December 31, (in millions)		
	2012	2011	2010
JBI	\$ 375	\$ 301	\$ 237
DCS	116	103	83
ICS	16	13	9
JBT	23	27	19
Total	\$ 530	\$ 444	\$ 348

Operating Data by Segment

	Years Ended December 31,		
	2012	2011	2010
JBI			
Loads	1,415,663	1,248,302	1,075,027
Average length of haul (miles)	1,702	1,726	1,777
Revenue per load	\$ 2,169	\$ 2,141	\$ 1,992
Average tractors during the period(1)	3,417	2,924	2,531
Tractors (end of period)			
Company-owned	3,124	2,901	2,592
Independent contractor	472	213	81
Total tractors	3,596	3,114	2,673
Trailing equipment (end of period)	58,962	54,506	45,666
Average effective trailing equipment usage	54,302	49,482	41,434
DCS			
Loads	1,522,740	1,444,518	1,383,565
Average length of haul (miles)	201	205	197
Revenue per truck per week(2)	\$ 4,164	\$ 4,175	\$ 3,956
Average trucks during the period(3)	5,057	4,811	4,468
Trucks (end of period)			
Company-owned	4,844	4,571	4,259
Independent contractor	15	17	23
Customer-owned (Dedicated-operated)	394	330	357
Total trucks	5,253	4,918	4,639
Trailing equipment (end of period)	13,448	11,211	10,688
Average effective trailing equipment usage	13,932	12,711	12,297
ICS			
Loads	326,574	253,344	230,561
Revenue per load	\$ 1,397	\$ 1,403	\$ 1,261
Gross profit margin	13.0%	13.5%	14.2%
Employee count (end of period)	453	384	329
Approximate number of third-party carriers (end of period)	32,300	28,800	25,600
JBT			
Loads	449,366	444,851	465,493
Average length of haul (miles)	467	514	522
Loaded miles (000)	207,677	225,997	240,088
Total miles (000)	242,311	259,144	274,857
Average nonpaid empty miles per load	77.1	72.7	68.7
Revenue per tractor per week(2)	\$ 3,891	\$ 3,869	\$ 3,370
Average tractors during the period(1)	2,435	2,557	2,788
Tractors (end of period)			
Company-owned	1,192	1,637	1,697
Independent contractor	901	948	891
Total tractors	2,093	2,585	2,588
Trailing equipment (end of period)	8,954	9,302	10,115
Average effective trailing equipment usage	7,985	8,089	9,329

(1) Includes company-owned and independent contractor tractors

(2) Using weighted workdays

(3) Includes company-owned, independent contractor, and customer-owned trucks

JBI Segment

JBI segment revenue increased 14.9% to \$3.07 billion in 2012, from \$2.67 billion in 2011, primarily due to a 13.4% increase in load volume. Excluding fuel surcharge, revenues increased 13.8% in 2012 over the prior year.

Operating income in our JBI segment increased to \$375 million in 2012, from \$301 million in 2011, primarily due to volume growth, partially offset by increased purchased transportation cost and driver wages.

DCS Segment

DCS segment revenue increased 4.7% to \$1.08 billion in 2012, from \$1.03 billion in 2011. Revenue, excluding fuel surcharges, increased 3.9% in 2012 compared to 2011, primarily from new contracts awarded.

Operating income increased to \$116 million in 2012, compared with \$103 million in 2011. This increase was due to the increased revenue, transfer of assets to more profitable accounts and increased gains on equipment dispositions, partially offset by increased driver wages, insurance and claims expense and employee health care costs. Additionally, our DCS segment operating income for 2011 was reduced by a charge related to a customer bankruptcy.

ICS Segment

ICS segment revenue grew 28.2% to \$456 million in 2012, from \$356 million in 2011. This increase in revenue was primarily due to an increase in load volume in both contractual and transactional business.

Operating income increased to \$16 million in 2012, compared with \$13 million in 2011. The increase was primarily due to increased revenues, partially offset by cost increases for additional headcount, branch network expansion and a single large cargo claim settlement. ICS gross profit margin declined to 13% for 2012 from 13.5% for 2011 attributable to increased rates paid to third-party carriers, which was the result of a tighter supply of qualified purchased transportation providers.

JBT Segment

JBT segment revenue decreased 4% to \$484 million in 2012, from \$504 million in 2011. Excluding surcharges, revenue for 2012 decreased 4.8% compared to 2011, on a 19% reduction in tractors year-over-year. Increases in customer rates and load volume were offset by a reduction in average length of haul and fewer paid empty miles.

JBT segment had operating income of \$23 million in 2012 compared with \$27 million in 2011. This decrease in operating income was primarily due to decreased revenue, increased independent contractor costs and fewer gains on equipment sales, partially offset by overall cost decreases related to the reduction in the segment's tractor fleet.

2011 COMPARED WITH 2010**Consolidated Operating Revenues**

Our total consolidated operating revenues were \$4.5 billion in 2011, a 19.3% increase over 2010. Significantly higher fuel prices and increased load volume resulted in fuel surcharge (FSC) revenues of \$849 million in 2011, compared with \$516 million in 2010. If FSC revenues were excluded from both years, our 2011 revenue increased 12% over 2010. Revenue in all operating segments increased over 2010, with consolidated load growth and rate improvements contributing to the increase in revenues.

Consolidated Operating Expenses

Our 2011 consolidated operating expenses increased 18.5% from 2010, compared to the 19.3% increase in revenue year over year. This combination resulted in an improvement in our operating ratio to 90.2% from 90.8% in 2010. Rents and purchased transportation costs increased 24.1% in 2011. This increase was the result of higher rates paid and the higher price of fuel, since fuel costs of third-party rail and truck carriers are included in purchased transportation expense, as well as an increase in load volume that increased services from these third-party rail and truck carriers. The total cost of salaries, wages and employee benefits increased 10.0% in 2011 from 2010. This increase primarily related to increases in driver and other labor pay due to increased business demand. Additionally, we previously reactivated and increased certain compensation and benefit programs, which contributed to the increase over the prior year.

Fuel and fuel taxes expense increased 34.9% in 2011, primarily due to a 30% higher fuel cost per gallon and higher load volume. We have fuel surcharge programs in place with the majority of our customers. These programs typically involve a specified computation based on the change in national, regional or local fuel prices. While these programs may incorporate fuel cost increases as frequently as weekly, most also reflect a specified miles-per-gallon factor and require a certain minimum change in fuel costs to trigger a change in fuel surcharge revenue. As a result, some of these programs have a time lag between when fuel costs change and when this change is reflected in revenues. Due to these programs, this lag negatively impacts operating income in times of rapidly increasing fuel costs and positively impacts operating income when fuel costs decrease rapidly.

It is not meaningful to compare the amount of fuel surcharge revenue or the change in fuel surcharge revenue between reporting periods to fuel and fuel taxes expense, or the change of fuel expense between periods, as a significant portion of fuel costs is included in our payments to railroads, dray carriers and other third parties. These payments are classified as purchased transportation expense.

Depreciation and amortization expense increased 8.6% in 2011, primarily due to additions to our container and chassis fleet to support additional business demand, as well as truck and tractor growth and trades. Operating supplies and expenses increased 5.2%, primarily due to toll and tire expenses related to increased activity and increased miles. Insurance and claims expense decreased 6.9% for 2011, primarily due to reduced accident severity. The 21.9% decrease in general and administrative expenses was primarily the result of a decrease in charitable contributions and an increase in gains from asset dispositions, partially offset by an increase in bad debt expense due to a customer bankruptcy and additional expense related to severance agreements for executive retirees. Net gains from sale of revenue equipment were \$14 million in 2011, compared with \$4 million in 2010.

Net interest expense for 2011 increased by 2.0% compared with 2010. This increase was primarily due to an increase in debt levels, partially offset by lower interest rates.

Our effective income tax rate was 38.2% in 2011 and 37.6% in 2010. The increase in 2011 was primarily related to an increase in state tax rates.

JBI Segment

JBI segment revenue increased 24.8% to \$2.67 billion in 2011, from \$2.14 billion in 2010, primarily due to a 16.1% increase in load volume and a 4.3% increase in rates.

Operating income in our JBI segment increased to \$301 million in 2011, from \$237 million in 2010, primarily due to volume growth and price increases.

DCS Segment

DCS segment revenue increased 13.7% to \$1.03 billion in 2011, from \$907 million in 2010. Revenue, excluding fuel surcharges, increased 8.6% in 2011 compared to 2010, primarily due to an increase in productivity and truck count as a result of new contracts awarded.

Operating income increased to \$103 million in 2011, compared with \$83 million in 2010. This increase was due to reductions in insurance and claims costs, the transfer of assets to more profitable accounts, improved cost controls and new contracts awarded.

ICS Segment

ICS segment revenue grew 22.3% to \$356 million in 2011, from \$291 million in 2010. This increase in revenue was primarily due to an increase in load volume and higher pricing in both contractual and transactional business and an increase in the cost of fuel.

Operating income increased to \$13 million in 2011, compared with \$9 million in 2010. The increase was primarily due to increased revenues, lower overhead costs, and operating leverage gained from a more experienced workforce.

JBT Segment

JBT segment revenue increased 5.1% to \$504 million in 2011, from \$479 million in 2010. Revenue, excluding fuel surcharges, remained relatively flat in 2011 compared to 2010. Increases in rates were offset by a reduction in average tractor count and reduced load volume.

JBT segment had operating income of \$27 million in 2011, compared with \$19 million in 2010. This was mainly a result of increased rates and gains on equipment disposals, partially offset by increases in driver compensation during 2011.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was \$548 million in 2012, \$636 million in 2011, and \$428 million in 2010. The decrease in 2012 cash provided by operating activities relative to 2011 was primarily due to the increase in cash paid for income taxes during the current period when compared to 2011 due to the effect of timing differences caused by the use of 100% bonus depreciation within the Company's 2011 corporate tax filings. Also contributing to the decrease was the timing of payments related to trade accounts payable and other accrued expenses.

Cash flows used in investing activities primarily relate to additions to our revenue equipment fleet, net of proceeds from disposals. The decreased level of cash used for equipment additions during 2012 was due to the timing of these purchases.

Net cash used in financing activities during 2012 decreased from 2011, primarily due to a decrease in our treasury stock repurchases, partially offset by payments on our long-term debt and revolving lines of credit and an increase in dividends paid.

Our dividend policy is subject to review and revision by the Board of Directors, and payments are dependent upon our financial condition, earnings, capital requirements and other factors the Board of Directors may deem relevant. We paid a \$0.12 per share quarterly dividend in 2010, a \$0.13 per share quarterly dividend in 2011, and a \$0.14 per share quarterly dividend in 2012. On December 7, 2012, we announced an increase and a pull-forward of our regular quarterly dividend typically paid in February of each calendar year. The increase announced was from \$0.14 to \$0.15, which was paid December 28, 2012, to stockholders of record on December 17, 2012. We do not expect to declare or pay a quarterly dividend in the first quarter of 2013 and intend to resume paying quarterly cash dividends in the second quarter of 2013. However, no assurance can be given that future dividends will be paid.

Liquidity

Our need for capital has typically resulted from the acquisition of containers and chassis, trucks, tractors and trailers required to support our growth and the replacement of older equipment. We are frequently able to accelerate or postpone a portion of equipment replacements depending on market conditions. We have, during the past few years, obtained capital through cash generated from operations, revolving lines of credit and long-term debt issuances. We have also periodically utilized capital and operating leases for revenue equipment.

At December 31, 2012, we were authorized to borrow up to \$500 million under a senior revolving line of credit, which is supported by a credit agreement with a group of banks. This senior credit facility, which has a five-year term expiring in August 2016, allows us to request an increase in the total commitment by up to \$250 million and to request a one-year extension of the maturity date. The applicable interest rate under this agreement is based on either the Prime Rate, the Federal Funds Rate or LIBOR, depending upon the specific type of borrowing, plus an applicable margin based on our credit rating and other fees. At December 31, 2012, we had \$85.8 million outstanding at an average interest rate of 2.03% under this agreement.

Our senior term loan consists of an unsecured \$200 million variable-rate agreement, which matures in March 2014. We are required to make an installment payment of \$50 million in March 2013, with the remaining \$150 million payable at maturity. The applicable interest rate under this agreement is based on either the Prime Rate, the Federal Funds Rate or LIBOR, depending upon the specific type of borrowing, plus an applicable margin based on our credit rating and other fees. At December 31, 2012, we had \$200 million outstanding under this variable-rate senior term loan facility at an interest rate of 1.26%.

At December 31, 2012, our senior notes consist of two separate issuances. The first is \$150 million of 6.08% senior notes, which mature in July 2014. We are required to make an installment payment of \$50 million in July 2013, with the remainder due upon maturity. Interest payments are due semiannually in January and July of each year. The second is \$250 million of 3.375% senior notes, which mature September 2015, with interest payments due semiannually in March and September of each year. We may redeem for cash some or all of the notes based on a redemption price set forth in the note indenture.

Our financing arrangements require us to maintain certain covenants and financial ratios. We were in compliance with all covenants and financial ratios at December 31, 2012.

We believe our liquid assets, cash generated from operations and various financing arrangements will provide sufficient funds for our operating and capital requirements for the foreseeable future. Our debt-to-equity ratio decreased from 2011, due to a decrease in debt levels and an increase in equity due to current-year earnings and a reduction in our treasury stock repurchases in 2012.

We are currently committed to spend approximately \$283 million, net of proceeds from sales or trade-ins during 2013, which is primarily related to containers and chassis and tractors.

Off-Balance Sheet Arrangements

Our only off-balance sheet arrangements are related to operating leases. As of December 31, 2012, we had approximately \$21.1 million of obligations, primarily related to facilities leases.

Contractual Obligations and Commitments

The following table summarizes our expected obligations and commitments (in millions) as of December 31, 2012:

	Total	2013	2014-2015	2016-2017	2018 and thereafter
Operating leases	\$ 21.1	\$ 7.8	\$ 13.0	\$ 0.3	\$ –
Long-term debt obligations	685.3	100.0	499.5	85.8	–
Interest payments on debt(1)	43.3	20.0	22.1	1.2	–
Commitments to acquire revenue equipment and facilities	283.1	283.1	–	–	–
Total	\$ 1,032.8	\$ 410.9	\$ 534.6	\$ 87.3	\$ –

(1) Interest payments on debt are based on the debt balance and applicable rate at December 31, 2012.

We had standby letters of credit outstanding of approximately \$5.0 million at December 31, 2012, that expire at various dates in fiscal year 2013, which are related to certain operating agreements and our self-insured retention levels for casualty and workers' compensation claims. We plan to renew these letters of credit in accordance with our third-party agreements. The table above excludes \$29.8 million of liabilities related to uncertain tax positions, including interest and penalties, as we are unable to reasonably estimate the ultimate timing of settlement. See Note 6, Income Taxes, in the Notes to Consolidated Financial Statements for further discussion.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk can be quantified by measuring the financial impact of a near-term adverse increase in short-term interest rates on variable-rate debt outstanding. Of our total \$685.3 million of debt, we had \$285.8 million of variable-rate debt outstanding at December 31, 2012, under our revolving lines of credit and our senior term loan. These have variable interest rates, which are based on the Prime Rate, the Federal Funds Rate or LIBOR, depending upon the specific type of borrowing, plus an applicable margin based on our credit rating and other fees. Our earnings would be affected by changes in these short-term variable interest rates. At our current level of borrowing, a one percentage point increase in our applicable rate would reduce annual pretax earnings by \$2.9 million. Our remaining debt is fixed-rate debt, and therefore changes in market interest rates do not directly impact our interest expense. Periodically, we enter into derivative instruments in response to market interest rates; however, at December 31, 2012, we had no such derivative financial instruments in place.

Although we conduct business in foreign countries, international operations are not material to our consolidated financial position, results of operations or cash flows. Additionally, foreign currency transaction gains and losses were not material to our results of operations for the year ended December 31, 2012. Accordingly, we are not currently subject to material foreign currency exchange rate risks from the effects that exchange rate movements of foreign currencies would have on our future costs or on future cash flows we would receive from our foreign investment. To date, we have not entered into any foreign currency forward exchange contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

The price and availability of diesel fuel are subject to fluctuations due to changes in the level of global oil production, seasonality, weather and other market factors. Historically, we have been able to recover a majority of fuel-price increases from our customers in the form of fuel surcharges. We cannot predict the extent to which high fuel price levels will continue in the future or the extent to which fuel surcharges could be collected to offset such increases. As of December 31, 2012, we had no derivative financial instruments to reduce our exposure to fuel-price fluctuations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our Consolidated Financial Statements, Notes to Consolidated Financial Statements and reports thereon of our independent registered public accounting firm as specified by this Item are presented following Item 15 of this report and include:

Reports of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of December 31, 2012 and 2011

Consolidated Statements of Earnings for years ended December 31, 2012, 2011 and 2010

Consolidated Statements of Stockholders' Equity for years ended December 31, 2012, 2011 and 2010

Consolidated Statements of Cash Flows for years ended December 31, 2012, 2011 and 2010

Notes to Consolidated Financial Statements

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The information required by Regulation S-K, Item 304(a) has previously been reported and is hereby incorporated by reference from the Notice and Proxy Statement for Annual Meeting of Stockholders to be held April 25, 2013. There have been no disagreements with our accountants, as defined in Regulation S-K, Item 304(b).

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain controls and procedures designed to ensure that we are able to collect the information we are required to disclose in the reports we file with the SEC, and to process, summarize and disclose this information within the time periods specified in the SEC rules. Based on an evaluation of our disclosure controls and procedures, as of the end of the period covered by this report, and conducted by our management, with the participation of our Chief Executive Officer and Chief Financial Officer, the Chief Executive Officer and Chief Financial Officer believe that these controls and procedures are effective to ensure that we are able to collect, process and disclose the information we are required to disclose in our reports filed with the SEC within the required time periods.

The certifications of our Chief Executive Officer and Chief Financial Officer required under Section 302 of the Sarbanes-Oxley Act have been filed as Exhibits 31.1 and 31.2 to this report.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2012. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework*. Based on our assessment, we believe that as of December 31, 2012, our internal control over financial reporting is effective based on those criteria.

The effectiveness of internal control over financial reporting as of December 31, 2012, has been audited by Ernst & Young LLP, an independent registered public accounting firm that also audited our Consolidated Financial Statements. Ernst & Young LLP's report on internal control over financial reporting is included herein.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during the fourth quarter ended December 31, 2012, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

The schedule of directors is hereby incorporated by reference from the Notice and Proxy Statement for Annual Meeting of Stockholders to be held April 25, 2013.

Executive Officers

The schedule of executive officers is hereby incorporated by reference from the Notice and Proxy Statement for Annual Meeting of Stockholders to be held April 25, 2013.

Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal accounting officer, and all other officers, employees and directors. Our code of ethics is available on our Internet website at www.jbhunt.com. If we make substantive amendments to this code of ethics or grant any waiver, including any implicit waiver, we will disclose the nature of such amendment or waiver on our website or in a report on Form 8-K within four days of such amendment or waiver.

Corporate Governance

In complying with the rules and regulations required by the Sarbanes-Oxley Act of 2002, NASDAQ, Public Company Accounting Oversight Board (PCAOB) and others, we have attempted to do so in a manner that clearly meets legal requirements, but does not create a bureaucracy of forms, checklists and other inefficient or expensive procedures. We have adopted a code of conduct, code of ethics, whistleblower policy and charters for all of our Board of Director Committees and other formal policies and procedures. Most of these items are available on our Company website, www.jbhunt.com. If we make significant amendments to our code of ethics or whistleblower policy, or grant any waivers to these items, we will disclose such amendments or waivers on our website or in a report on Form 8-K within four days of such action.

Audit Committee

The information required by Regulation S-K, Item 407(d) is hereby incorporated by reference from the Notice and Proxy Statement for Annual Meeting of Stockholders to be held April 25, 2013.

ITEM 11. EXECUTIVE COMPENSATION

The information required for Item 11 is hereby incorporated by reference from the Notice and Proxy Statement for Annual Meeting of Stockholders to be held April 25, 2013.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required for Item 12 is hereby incorporated by reference from the Notice and Proxy Statement for Annual Meeting of Stockholders to be held April 25, 2013.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required for Item 13 is hereby incorporated by reference from the Notice and Proxy Statement for Annual Meeting of Stockholders to be held April 25, 2013.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required for Item 14 is hereby incorporated by reference from the Notice and Proxy Statement for Annual Meeting of Stockholders to be held April 25, 2013.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(A) Financial Statements, Financial Statement Schedules and Exhibits:

(1) **Financial Statements**

The financial statements included in Item 8 above are filed as part of this annual report.

(2) **Financial Statement Schedules**

Schedule II – Valuation and Qualifying Accounts (in millions)

Allowance for Doubtful Accounts and Revenue Adjustments for the years Ended:	Balance at Beginning of Year	Charged to Expense / Against Revenue	Write-Offs, Net of Recoveries	Balance at End of Year
December 31, 2010	\$ 6.0	\$ 9.5	\$ (9.5)	\$ 6.0
December 31, 2011	6.0	12.6	(11.9)	6.7
December 31, 2012	6.7	11.4	(11.5)	6.6

All other schedules have been omitted either because they are not applicable or because the required information is included in our Consolidated Financial Statements or the notes thereto.

(3) **Exhibits**

The response to this portion of Item 15 is submitted as a separate section of this report on Form 10-K (“Exhibit Index”).

SIGNATURES

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, in the City of Lowell, Arkansas, on the 22nd day of February, 2013.

J.B. Hunt TRANSPORT SERVICES, INC.
(Registrant)

By: /s/ John N. Roberts, III
John N. Roberts, III
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on the 22nd day of February, 2013, on behalf of the registrant and in the capacities indicated.

<u>/s/ John N. Roberts, III</u> John N. Roberts, III	President and Chief Executive Officer, Member of the Board of Directors (Principal Executive Officer)
<u>/s/ David G. Mee</u> David G. Mee	Executive Vice President, Finance and Administration, Chief Financial Officer and Corporate Secretary (Principal Accounting Officer)
<u>/s/ Kirk Thompson</u> Kirk Thompson	Chairman of the Board of Directors
<u>/s/ James L. Robo</u> James L. Robo	Member of the Board of Directors (Lead Director)
<u>/s/ Douglas G. Duncan</u> Douglas G. Duncan	Member of the Board of Directors
<u>/s/ Francesca M. Edwardson</u> Francesca M. Edwardson	Member of the Board of Directors
<u>/s/ Wayne Garrison</u> Wayne Garrison	Member of the Board of Directors
<u>/s/ Sharilyn S. Gasaway</u> Sharilyn S. Gasaway	Member of the Board of Directors
<u>/s/ Gary C. George</u> Gary C. George	Member of the Board of Directors
<u>/s/ J. Bryan Hunt, Jr.</u> J. Bryan Hunt, Jr.	Member of the Board of Directors
<u>/s/ Coleman H. Peterson</u> Coleman H. Peterson	Member of the Board of Directors
<u>/s/ John A. White</u> John A. White	Member of the Board of Directors

EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Articles of Incorporation of J.B. Hunt Transport Services, Inc. dated May 19, 1988 (incorporated by reference from Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2005, filed April 29, 2005)
3.2	Restated Bylaws of J.B. Hunt Transport Services, Inc. dated February 4, 2010 (incorporated by reference from Exhibit 3.0 of the Company's current report on Form 8-K, filed February 10, 2010)
10.1	Amended and Restated Employee Retirement Plan (incorporated by reference from Exhibit 99 of the Company's Form S-8, filed December 30, 1994)
10.2	Second Amended and Restated Management Incentive Plan (incorporated by reference from Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2012, filed July 31, 2012)
10.3	Summary of Compensation Arrangements with Named Executive Officers
10.4	Senior Revolving Credit Facility Agreement (incorporated by reference from Exhibit 10.2 of the Company's current report on Form 8-K, filed March 30, 2007)
10.5	Term Loan Agreement (incorporated by reference from Exhibits 10.1 through 10.4 of the Company's current report on Form 8-K, filed October 5, 2006)
10.6	Note Purchase Agreement (incorporated by reference from Exhibit 10.1 of the Company's current report on Form 8-K, filed March 30, 2007)
10.7	Master Note Purchase Agreement (incorporated by reference from Exhibit 10.1 of the Company's current report on Form 8-K, filed July 30, 2007)
10.8	First Supplemental Indenture (incorporated by reference from Exhibit 4.2 of the Company's current report on Form 8-K, filed September 21, 2010)
10.9	Senior Term Loan Agreement (incorporated by reference from Exhibit 10.1 of the Company's current report on Form 8-K, filed March 29, 2011)
10.10	Credit Agreement (incorporated by reference from Exhibit 10.1 of the Company's current report on Form 8-K, filed August 18, 2011)
21	Subsidiaries of J.B. Hunt Transport Services, Inc.
23.1	Consent of Ernst & Young LLP
31.1	Rule 13a-14(a)/15d-14(a) Certification
31.2	Rule 13a-14(a)/15d-14(a) Certification
32	Section 1350 Certification
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

INDEX TO CONSOLIDATED FINANCIAL INFORMATION

	<u>PAGE</u>
Management's Report on Internal Control Over Financial Reporting	67
Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements	68
Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting	69
Consolidated Balance Sheets as of December 31, 2012 and 2011	70
Consolidated Statements of Earnings for years ended December 31, 2012, 2011 and 2010	71
Consolidated Statements of Stockholders' Equity for years ended December 31, 2012, 2011 and 2010	72
Consolidated Statements of Cash Flows for years ended December 31, 2012, 2011 and 2010	73
Notes to Consolidated Financial Statements	74

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We are responsible for the preparation, integrity and fair presentation of our Consolidated Financial Statements and related information appearing in this report. We take these responsibilities very seriously and are committed to maintaining controls and procedures that are designed to ensure that we collect the information we are required to disclose in our reports to the SEC and to process, summarize and disclose this information within the time periods specified by the SEC.

Based on an evaluation of our disclosure controls and procedures, as of the end of the period covered by this report, and conducted by our management, with the participation of our Chief Executive Officer and Chief Financial Officer, we believe that our controls and procedures are effective to ensure that we are able to collect, process and disclose the information we are required to disclose in our reports filed with the SEC within the required time periods.

We are responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements. Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. We assessed the effectiveness of our internal control over financial reporting as of December 31, 2012. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework*. Based on our assessment, we believe that as of December 31, 2012, our internal control over financial reporting is effective based on those criteria.

The effectiveness of internal control over financial reporting as of December 31, 2012, has been audited by Ernst & Young LLP, an independent registered public accounting firm that also audited our Consolidated Financial Statements. Ernst & Young LLP's report on internal control over financial reporting is included herein.

/s/ John N. Roberts, III
John N. Roberts, III
President and Chief Executive Officer
(Principal Executive Officer)

/s/ David G. Mee
David G. Mee
Executive Vice President, Finance and
Administration, Chief Financial Officer
(Principal Accounting Officer)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of J.B. Hunt Transport Services, Inc.

We have audited the accompanying consolidated balance sheets of J.B. Hunt Transport Services, Inc. and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of J.B. Hunt Transport Services, Inc. and subsidiaries at December 31, 2012 and 2011, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth herein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), J.B. Hunt Transport Services, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 22, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Rogers, Arkansas
February 22, 2013

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of J.B. Hunt Transport Services, Inc.

We have audited J.B. Hunt Transport Services, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). J.B. Hunt Transport Services, Inc. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Report on Internal Control Over Financial Reporting". Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, J.B. Hunt Transport Services, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of J.B. Hunt Transport Services, Inc. and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2012, and our report dated February 22, 2013 expressed an unqualified opinion thereon.

Rogers, Arkansas
February 22, 2013

/s/ Ernst & Young LLP

J.B. HUNT TRANSPORT SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2012 and 2011
(in thousands, except share data)

Assets	2012	2011
Current assets:		
Cash and cash equivalents	\$ 5,589	\$ 5,450
Trade accounts receivable, net	466,011	411,479
Inventories	23,065	20,932
Prepaid licenses and permits	17,632	16,735
Prepaid insurance	32,474	29,649
Deferred income taxes	–	5,136
Other current assets	9,761	24,161
Total current assets	<u>554,532</u>	<u>513,542</u>
Property and equipment, at cost:		
Revenue and service equipment	2,571,083	2,344,600
Land	36,482	29,246
Structures and improvements	135,974	132,202
Furniture and office equipment	161,167	152,095
Total property and equipment	<u>2,904,706</u>	<u>2,658,143</u>
Less accumulated depreciation	<u>1,019,232</u>	<u>931,273</u>
Net property and equipment	<u>1,885,474</u>	<u>1,726,870</u>
Other assets	24,635	26,920
Total assets	<u>\$ 2,464,641</u>	<u>\$ 2,267,332</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 100,000	\$ 50,000
Trade accounts payable	266,722	251,625
Claims accruals	47,442	42,364
Accrued payroll	70,647	77,107
Other accrued expenses	17,199	17,419
Deferred income taxes	750	–
Total current liabilities	<u>502,760</u>	<u>438,515</u>
Long-term debt	585,347	699,177
Other long-term liabilities	53,050	45,382
Deferred income taxes	531,624	516,715
Total liabilities	<u>1,672,781</u>	<u>1,699,789</u>
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, \$100 par value. 10 million shares authorized; none outstanding	–	–
Common stock, \$.01 par value. 1 billion shares authorized; (167,099,432 shares issued at December 31, 2012 and 2011, of which 117,529,307 shares and 116,932,448 shares were outstanding at December 31, 2012 and 2011, respectively)	1,671	1,671
Additional paid-in capital	207,073	192,470
Retained earnings	1,985,213	1,758,290
Treasury stock, at cost (49,570,125 shares at December 31, 2012, and 50,166,984 shares at December 31, 2011)	<u>(1,402,097)</u>	<u>(1,384,888)</u>
Total stockholders' equity	<u>791,860</u>	<u>567,543</u>
Total liabilities and stockholders' equity	<u>\$ 2,464,641</u>	<u>\$ 2,267,332</u>

See Notes to Consolidated Financial Statements.

J.B. HUNT TRANSPORT SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

Years Ended December 31, 2012, 2011 and 2010
(in thousands, except per share amounts)

	2012	2011	2010
Operating revenues, excluding fuel surcharge revenues	\$ 4,058,165	\$ 3,677,679	\$ 3,277,218
Fuel surcharge revenues	996,815	849,163	516,267
Total operating revenues	<u>5,054,980</u>	<u>4,526,842</u>	<u>3,793,485</u>
Operating expenses:			
Rents and purchased transportation	2,485,635	2,122,811	1,711,204
Salaries, wages and employee benefits	1,037,526	1,001,953	911,028
Fuel and fuel taxes	465,874	463,597	343,700
Depreciation and amortization	229,166	213,943	197,062
Operating supplies and expenses	178,610	160,425	152,500
Insurance and claims	53,832	44,929	48,280
General and administrative expenses, net of asset dispositions	27,231	28,900	37,017
Operating taxes and licenses	29,461	27,871	26,895
Communication and utilities	17,445	18,180	18,174
Total operating expenses	<u>4,524,780</u>	<u>4,082,609</u>	<u>3,445,860</u>
Operating income	530,200	444,233	347,625
Interest income	1	8	75
Interest expense	25,560	28,508	28,006
Earnings before income taxes	504,641	415,733	319,694
Income taxes	194,287	158,727	120,077
Net earnings	<u>\$ 310,354</u>	<u>\$ 257,006</u>	<u>\$ 199,617</u>
Weighted average basic shares outstanding	<u>117,572</u>	<u>119,158</u>	<u>124,712</u>
Basic earnings per share	<u>\$ 2.64</u>	<u>\$ 2.16</u>	<u>\$ 1.60</u>
Weighted average diluted shares outstanding	<u>120,022</u>	<u>121,922</u>	<u>127,767</u>
Diluted earnings per share	<u>\$ 2.59</u>	<u>\$ 2.11</u>	<u>\$ 1.56</u>
Dividends declared per common share	<u>\$ 0.71</u>	<u>\$ 0.52</u>	<u>\$ 0.48</u>

See Notes to Consolidated Financial Statements.

J.B. HUNT TRANSPORT SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31, 2012, 2011 and 2010
(in thousands, except per share amounts)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Stockholders' Equity
Balances at December 31, 2009	\$ 1,671	\$ 176,009	\$ 1,423,820	\$ (957,647)	\$ 643,853
Comprehensive income:					
Net earnings	—	—	199,617	—	199,617
Cash dividend declared and paid (\$0.48 per share)	—	—	(59,910)	—	(59,910)
Tax benefit of stock options exercised	—	12,154	—	—	12,154
Purchase of treasury shares	—	—	—	(250,892)	(250,892)
Stock compensation	—	21,397	—	—	21,397
Stock option exercises and restricted share issuances, net of stock repurchased for payroll taxes	—	(28,574)	—	35,376	6,802
Balances at December 31, 2010	\$ 1,671	\$ 180,986	\$ 1,563,527	\$ (1,173,163)	\$ 573,021
Comprehensive income:					
Net earnings	—	—	257,006	—	257,006
Cash dividend declared and paid (\$0.52 per share)	—	—	(62,243)	—	(62,243)
Tax benefit of stock options exercised	—	15,562	—	—	15,562
Purchase of treasury shares	—	—	—	(246,406)	(246,406)
Stock compensation	—	26,841	—	—	26,841
Stock option exercises and restricted share issuances, net of stock repurchased for payroll taxes	—	(30,919)	—	34,681	3,762
Balances at December 31, 2011	\$ 1,671	\$ 192,470	\$ 1,758,290	\$ (1,384,888)	\$ 567,543
Comprehensive income:					
Net earnings	—	—	310,354	—	310,354
Cash dividend declared and paid (\$0.71 per share)	—	—	(83,431)	—	(83,431)
Tax benefit of stock options exercised	—	20,090	—	—	20,090
Purchase of treasury shares	—	—	—	(50,000)	(50,000)
Stock compensation	—	29,715	—	—	29,715
Stock option exercises and restricted share issuances, net of stock repurchased for payroll taxes	—	(35,202)	—	32,791	(2,411)
Balances at December 31, 2012	\$ 1,671	\$ 207,073	\$ 1,985,213	\$ (1,402,097)	\$ 791,860

See Notes to Consolidated Financial Statements.

J.B. HUNT TRANSPORT SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2012, 2011 and 2010
(in thousands)

	2012	2011	2010
Cash flows from operating activities:			
Net earnings	\$ 310,354	\$ 257,006	\$ 199,617
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	229,166	213,943	197,062
Share-based compensation	29,715	26,841	21,397
Gain on sale of revenue equipment and other	(16,845)	(14,109)	(1,724)
Impairment on assets held for sale	-	-	180
Provision for deferred income taxes	20,795	117,711	40,101
Changes in operating assets and liabilities:			
Trade accounts receivable	(54,532)	(60,292)	(40,848)
Income taxes receivable or payable	11,868	9,045	(21,433)
Other assets	(4,826)	1,298	(9,426)
Trade accounts payable	15,097	56,179	1,883
Claims accruals	5,078	9,722	14,096
Accrued payroll and other accrued expenses	2,174	18,348	27,173
Net cash provided by operating activities	<u>548,044</u>	<u>635,692</u>	<u>428,078</u>
Cash flows from investing activities:			
Additions to property and equipment	(439,494)	(502,282)	(262,449)
Proceeds from sale of equipment	69,815	56,413	36,517
Change in other assets	85	340	(84)
Net cash used in investing activities	<u>(369,594)</u>	<u>(445,529)</u>	<u>(226,016)</u>
Cash flows from financing activities:			
Proceeds from issuances of long-term debt	-	200,000	249,207
Payments on long-term debt	(50,000)	(200,000)	-
Proceeds from revolving lines of credit and other	1,605,674	1,097,657	1,058,805
Payments on revolving lines of credit and other	(1,618,233)	(1,000,696)	(1,218,420)
Purchase of treasury stock	(50,000)	(246,406)	(250,892)
Stock option exercises and other	(2,411)	3,762	6,802
Tax benefit of stock options exercised	20,090	15,562	12,154
Dividends paid	(83,431)	(62,243)	(59,910)
Net cash used in financing activities	<u>(178,311)</u>	<u>(192,364)</u>	<u>(202,254)</u>
Net increase/(decrease) in cash and cash equivalents	139	(2,201)	(192)
Cash and cash equivalents at beginning of year	5,450	7,651	7,843
Cash and cash equivalents at end of year	<u>\$ 5,589</u>	<u>\$ 5,450</u>	<u>\$ 7,651</u>
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Interest	\$ 27,070	\$ 30,733	\$ 25,548
Income taxes	<u>\$ 132,096</u>	<u>\$ 16,377</u>	<u>\$ 88,717</u>

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business

J.B. Hunt Transport Services, Inc. is one of the largest surface transportation and delivery service companies in North America. We operate four distinct, but complementary, business segments and provide a wide range of general and specifically tailored freight and logistics services to our customers. We generate revenues from the actual movement of freight from shippers to consignees, customized labor and delivery services, and from serving as a logistics provider by offering or arranging for others to provide the transportation service. Unless otherwise indicated by the context, “we,” “us,” “our” and “JBHT” refer to J.B. Hunt Transport Services, Inc. and its consolidated subsidiaries.

2. Summary of Significant Accounting Policies

Basis of Consolidation

Our Consolidated Financial Statements include all of our wholly owned subsidiaries. Intercompany balances and transactions have been eliminated in consolidation. J.B. Hunt Transport Services, Inc. is a parent-level holding company with no significant assets or operations. J.B. Hunt Transport, Inc. is a wholly owned subsidiary of J.B. Hunt Transport Services, Inc. and is the primary operating subsidiary. All other subsidiaries of J.B. Hunt Transport Services, Inc. are minor.

Use of Estimates

The Consolidated Financial Statements contained in this report have been prepared in conformity with accounting principles generally accepted in the United States of America. The preparation of these statements requires us to make estimates and assumptions that directly affect the amounts reported in such statements and accompanying notes. We evaluate these estimates on an ongoing basis utilizing historical experience, consulting with experts and using other methods we consider reasonable in the particular circumstances. Nevertheless, our actual results may differ significantly from our estimates.

We believe certain accounting policies and estimates are of more significance in our financial statement preparation process than others. We believe the most critical accounting policies and estimates include the economic useful lives and salvage values of our assets, provisions for uncollectible accounts receivable, estimates of exposures under our insurance and claims policies, and estimates for taxes. To the extent that actual, final outcomes are different from our estimates, or that additional facts and circumstances cause us to revise our estimates, our earnings during that accounting period will be affected.

Cash and Cash Equivalents

Cash in excess of current operating requirements is invested in short-term, highly liquid investments. We consider all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Allowance

Our trade accounts receivable includes accounts receivable reduced by an allowance for uncollectible accounts and revenue adjustments. Receivables are recorded at amounts billed to customers when loads are delivered or services are performed. The allowance for uncollectible accounts and revenue adjustments is based on historical experience, as well as any known trends or uncertainties related to customer billing and account collectability. The adequacy of our allowance is reviewed quarterly. Balances are charged against the allowance when it is determined the receivable will not be recovered. The allowance for uncollectible accounts and revenue adjustments was \$6.6 million and \$6.7 million at December 31, 2012 and 2011, respectively.

Inventory

Our inventories consist primarily of revenue equipment parts, tires, supplies and fuel and are valued using the lower of average cost or market.

Investments in Marketable Equity Securities

Our investments consist of marketable equity securities stated at fair value and are designated as either trading securities or available-for-sale securities at the time of purchase based upon the intended holding period. Changes in the fair value of our trading securities are recognized currently in “general and administrative expenses, net of asset dispositions” in our Consolidated Statements of Earnings. Changes in the fair value of our available-for-sale securities are recognized in “accumulated other comprehensive income” on our Consolidated Balance Sheets, unless we determine that an unrealized loss is other-than-temporary. If we determine that an unrealized loss is other-than-temporary, we recognize the loss in earnings. Cost basis is determined using average cost.

At December 31, 2012 and 2011, we had no available-for-sale securities. See Note 7, Employee Benefit Plans, for a discussion of our trading securities.

Property and Equipment

Depreciation of property and equipment is calculated on the straight-line method over the estimated useful lives of 4 to 10 years for tractors and 7 to 20 years for trailing equipment, 10 to 40 years for structures and improvements, and 3 to 10 years for furniture and office equipment. Salvage values are typically 10% to 30% of original cost for tractors and trailing equipment and reflect any agreements with tractor suppliers for residual or trade-in values for certain new equipment. We capitalize tires placed in service on new revenue equipment as a part of the equipment cost. Replacement tires and costs for recapping tires are expensed at the time the tires are placed in service. Gains and losses on the sale or other disposition of equipment are recognized at the time of the disposition and are classified in general and administrative expenses, net of asset dispositions.

Revenue Recognition

We recognize revenue based on relative transit time in each reporting period and as other services are provided, with expenses recognized as incurred. Accordingly, a portion of the total revenue that will be billed to the customer once a load is delivered is recognized in each reporting period based on the percentage of the freight pickup and delivery service that has been completed at the end of the reporting period.

We record revenues on the gross basis at amounts charged to our customers because we are the primary obligor, we are a principal in the transaction, we invoice our customers and retain all credit risks, and we maintain discretion over pricing. Additionally, we are responsible for selection of third-party transportation providers to the extent used to satisfy customer freight requirements.

Derivative Instruments

We periodically utilize derivative instruments to manage exposure to changes in interest rates. At inception of a derivative contract, we document relationships between derivative instruments and hedged items, as well as our risk-management objective and strategy for undertaking various derivative transactions, and assess hedge effectiveness. If it is determined that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, we discontinue hedge accounting prospectively. We had no derivative instruments in place at December 31, 2012 and 2011.

Income Taxes

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income or expense in the period that includes the enactment date.

Earnings Per Share

We compute basic earnings per share by dividing net earnings available to common stockholders by the actual weighted average number of common shares outstanding for the reporting period. Diluted earnings per share reflect the potential dilution that could occur if holders of unvested restricted and performance share units or options exercised or converted their holdings into common stock. Outstanding unvested restricted share units and stock options represent the dilutive effects on weighted average shares. A reconciliation of the number of shares used in computing basic and diluted earnings per share is shown below (in thousands):

	Years ended December 31,		
	2012	2011	2010
Weighted average shares outstanding – basic	117,572	119,158	124,712
Effect of common stock equivalents	2,450	2,764	3,055
Weighted average shares outstanding – diluted	120,022	121,922	127,767

Concentrations of Credit Risk

Financial instruments, which potentially subject us to concentrations of credit risk, include trade receivables. For the years ended December 31, 2012, 2011 and 2010, our top 10 customers, based on revenue, accounted for approximately 30%, 32% and 34%, respectively, of our total revenue. Our top 10 customers, based on revenue, accounted for approximately 26% and 27% of our total trade accounts receivable at December 31, 2012 and 2011, respectively. We had no individual customers with revenues greater than 10% of total revenues.

Share-based Compensation

We have share-based compensation plans covering certain employees, including officers and directors. We account for share-based compensation utilizing the fair value recognition provisions of current accounting standards for share-based payments. We currently utilize restricted share units, performance share units and nonstatutory stock options. Issuances of our stock upon restricted share unit and performance share unit vesting or share option exercise are made from treasury stock. Our restricted share unit and performance share unit awards may include both graded-vesting and cliff-vesting awards and therefore vest in increments during the requisite service period or at the end of the requisite service period, as appropriate for each type of vesting. We recognize compensation expense on a straight-line basis over the requisite service periods within each award.

Impairment of Long-Lived Assets and Assets Held for Sale

We continually evaluate the carrying value of our assets for events or changes in circumstances that indicate the carrying value may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell.

All impairment charges are included in “general and administrative expenses, net of asset dispositions” in our Consolidated Statements of Earnings and are reflected in our applicable business segments’ final results. We had no active plans or assets held for sale at December 31, 2012.

Claims Accruals

We purchase insurance coverage for a portion of expenses related to employee injuries, vehicular collisions, accidents and cargo damage. We are substantially self-insured for loss of and damage to our owned and leased revenue equipment. Certain insurance arrangements include a level of self-insurance (deductible) coverage applicable to each claim. We have umbrella policies to limit our exposure to catastrophic claim costs that are completely insured.

The amounts of self-insurance change from time to time based on measurement dates, policy expiration dates and claim type. For 2010 through 2012, we were self-insured for \$500,000 per occurrence for personal injury and property damage and fully insured for substantially all workers' compensation claims. We have policies in place for 2013 with substantially the same terms as our 2012 policies for personal injury, workers' compensation, cargo and property damage, with the exception of adding a \$100,000 deductible per claim for workers' compensation.

Our claims accrual policy for all self-insured claims is to recognize a liability at the time of the incident based on our analysis of the nature and severity of the claims and analyses provided by third-party claims administrators, as well as legal, economic and regulatory factors. Our safety and claims personnel work directly with representatives from the insurance companies to continually update the estimated cost of each claim. The ultimate cost of a claim develops over time as additional information regarding the nature, timing and extent of damages claimed becomes available. Accordingly, we use an actuarial method to develop current claim information to derive an estimate of our ultimate claim liability. This process involves the use of loss-development factors based on our historical claims experience and includes a contractual premium adjustment factor, if applicable. In doing so, the recorded liability considers future claims growth and, if applicable, conversion to fully insured status and provides an allowance for incurred-but-not-reported claims. We do not discount our estimated losses. At December 31, 2012 and 2011, we had an accrual of approximately \$38 million and \$34 million, respectively, for estimated net claims. In addition, we are required to pay certain advanced deposits and monthly premiums. At December 31, 2012 and 2011, we had a prepaid insurance asset of approximately \$35 million and \$38 million, respectively, which represented prefunded claims and premiums.

3. Financing Arrangements

Outstanding borrowings under our current financing arrangements consist of the following (in millions):

	December 31,	
	2012	2011
Senior revolving line of credit	\$ 85.8	\$ 99.8
Senior term loan	200.0	200.0
Senior notes, net of unamortized discount	399.5	449.4
Less current portion of long-term debt	(100.0)	(50.0)
Total long-term debt	<u>\$ 585.3</u>	<u>\$ 699.2</u>

Aggregate maturities of long-term debt subsequent to December 31, 2012, are as follows (in millions): 2013 – \$100.0; 2014 – \$250.0; 2015 – \$249.5; and 2016 – \$85.8.

Senior Revolving Line of Credit

At December 31, 2012, we were authorized to borrow up to \$500 million under a senior revolving line of credit, which is supported by a credit agreement with a group of banks. This senior credit facility, which has a five-year term expiring in August 2016, allows us to request an increase in the total commitment by up to \$250 million and to request a one-year extension of the maturity date. The applicable interest rate under this agreement is based on either the Prime Rate, the Federal Funds Rate or LIBOR, depending upon the specific type of borrowing, plus an applicable margin based on our credit rating and other fees. At December 31, 2012, we had \$85.8 million outstanding at an average interest rate of 2.03% under this agreement.

Senior Term Loan

Our senior term loan consists of an unsecured \$200 million variable-rate agreement, which matures in March 2014. We are required to make an installment payment of \$50 million in March 2013, with the remaining \$150 million payable at maturity. The applicable interest rate under this agreement is based on either the Prime Rate, the Federal Funds Rate or LIBOR, depending upon the specific type of borrowing, plus an applicable margin based on our credit rating and other fees. At December 31, 2012, we had \$200 million outstanding under this variable-rate senior term loan facility at an interest rate of 1.26%.

Senior Notes

At December 31, 2012, our senior notes consist of two separate issuances. The first is \$150 million of 6.08% senior notes, which mature in July 2014. We are required to make an installment payment of \$50 million in July 2013, with the remainder due upon maturity. Interest payments are due semiannually in January and July of each year. The second is \$250 million of 3.375% senior notes, which mature September 2015, with interest payments due semiannually in March and September of each year. We may redeem for cash some or all of the notes based on a redemption price set forth in the note indenture.

Our financing arrangements require us to maintain certain covenants and financial ratios. We were in compliance with all covenants and financial ratios at December 31, 2012.

4. Capital Stock

We have one class of preferred stock and one class of common stock. We had no outstanding shares of preferred stock at December 31, 2012 or 2011. Holders of shares of common stock are entitled to receive dividends when and if declared by the Board of Directors and are entitled to one vote per share on all matters submitted to a vote of the stockholders. At December 31, 2012, we had 4.2 million shares of common stock to be issued upon the exercise or vesting of equity awards and 9.1 million shares reserved for future issuance pursuant to share-based payment plans. During calendar year 2012, we purchased approximately 849,000 shares, or \$50 million, of our common stock in accordance with plans authorized by our Board. At December 31, 2012, we had \$453 million available under an authorized plan to purchase our common stock.

5. Share-based Compensation

We maintain a Management Incentive Plan (the "Plan") that provides various share-based financial methods to compensate our key employees with shares of our common stock or common stock equivalents. Under the Plan, as amended, we have, from time to time, utilized restricted share units, performance share units, restricted options and nonstatutory stock options to compensate our employees and directors. We currently are utilizing restricted and performance share units and nonstatutory stock options.

Our restricted share units have various vesting schedules ranging from three to 10 years when awarded. These restricted share units do not contain rights to vote or receive dividends until the vesting date. Unvested restricted share units are forfeited if the employee terminates for any reason other than death, disability or special circumstances as determined by the Compensation Committee. Restricted share units are valued based on the fair value of the award on the grant date, adjusted for dividend estimates based on grant date dividend rates.

Our performance share units vest based on the passage of time (currently four to 10 years) and achievement of performance criteria. Performance share units do not contain rights to vote or receive dividends until the vesting date. Unvested performance share units are forfeited if the employee terminates for any reason other than death or disability. Performance shares are valued based on the fair value of the award on the grant date, adjusted for dividend estimates based on grant date dividend rates.

Our nonstatutory stock options may be granted to key employees for the purchase of our common stock for 100% of the fair market value of the common stock at the grant date as awarded by the Compensation Committee. These options generally vest over a 10-year period and are forfeited immediately if the employee terminates for any reason other than death, disability or retirement after age 55. We did not grant any stock options during the years ended December 31, 2012, 2011 and 2010.

An employee is allowed to surrender shares of common stock that the employee has owned for at least six months in full or partial payment of the option price of an option being exercised and/or to satisfy tax withholding obligations incident to the vesting of restricted share units, performance share units, or the exercise of an option.

We account for our restricted share units, performance share units and stock options in accordance with current accounting standards for share-based payments. These standards require the cost of all share-based payments to employees, including grants of employee stock options, to be recognized in our Consolidated Financial Statements based on the grant date fair value of those awards. This cost is recognized over the period for which an employee is required to provide service in exchange for the award, subject to the attainment of performance metrics established for performance share units. Share-based compensation expense is recorded in salaries, wages and employee benefits in our Consolidated Statements of Earnings, along with other compensation expenses to employees. The following table summarizes the components of our share-based compensation program expense (in thousands):

	Years ended December 31,		
	2012	2011	2010
Restricted share units			
Pretax compensation expense	\$ 24,393	\$ 24,192	\$ 19,190
Tax benefit	9,391	9,237	7,208
Restricted share unit expense, net of tax	\$ 15,002	\$ 14,955	\$ 11,982
Performance share units			
Pretax compensation expense	\$ 4,298	\$ 816	\$ –
Tax benefit	1,655	312	–
Performance share unit expense, net of tax	\$ 2,643	\$ 504	\$ –
Stock options			
Pretax compensation expense	\$ 1,024	\$ 1,833	\$ 2,207
Tax benefit	394	700	829
Stock option expense, net of tax	\$ 630	\$ 1,133	\$ 1,378

A summary of our restricted share units, performance share units and nonstatutory stock options is as follows:

<i>Restricted Share Units</i>	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2009	2,892,340	\$ 24.04
Granted	755,616	34.73
Vested	(335,106)	26.26
Forfeited	(22,579)	25.44
Unvested at December 31, 2010	3,290,271	\$ 26.26
Granted	599,125	40.89
Vested	(495,439)	29.23
Forfeited	(151,985)	23.80
Unvested at December 31, 2011	3,241,972	\$ 28.92
Granted	400,926	55.37
Vested	(769,087)	28.57
Forfeited	(38,345)	29.32
Unvested at December 31, 2012	2,835,466	\$ 32.75

<i>Performance Share Units</i>	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2010	–	\$ –
Granted	225,000	41.66
Vested	–	–
Forfeited	–	–
Unvested at December 31, 2011	225,000	\$ 41.66
Granted	120,500	55.57
Vested	(36,000)	41.66
Forfeited	–	–
Unvested at December 31, 2012	309,500	\$ 47.07

<i>Stock Options</i>	Number of Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2009	4,214	\$ 11.44	4.18	\$ 87.8
Exercised	(1,189)	7.82	–	32.4
Forfeited	(27)	13.79	–	–
Outstanding at December 31, 2010	2,998	\$ 12.86	3.55	\$ 83.8
Exercised	(1,087)	9.68	–	38.2
Forfeited	(12)	18.29	–	–
Outstanding at December 31, 2011	1,899	\$ 14.65	3.01	\$ 57.8
Exercised	(863)	12.25	–	36.8
Forfeited	(5)	18.84	–	–
Outstanding at December 31, 2012	1,031	\$ 16.63	2.35	\$ 44.4
Exercisable	216	\$ 12.74	1.81	\$ 10.2

At December 31, 2012, we had \$45.6 million, \$11.0 million and \$0.7 million of total unrecognized compensation expense related to restricted share units, performance share units, and stock options, respectively, that is expected to be recognized on a straight-line basis over the remaining weighted average vesting period of approximately 2.6 years for restricted share units, 2.9 years for performance share units, and 1.1 years for stock options.

The aggregate intrinsic value of restricted and performance share units vested and options exercised during the years ended December 31, 2012, 2011 and 2010, was \$84.3 million, \$61.9 million and \$44.0 million, respectively. The aggregate intrinsic value of unvested restricted and performance share units was \$187.8 million at December 31, 2012. The total fair value of shares vested for restricted share, performance share and stock option plans during the years ended December 31, 2012, 2011 and 2010, was \$29.0 million, \$20.0 million and \$14.4 million, respectively.

6. Income Taxes

Income tax expense attributable to earnings before income taxes consists of (in thousands):

	Years ended December 31,		
	2012	2011	2010
Current:			
Federal	\$ 152,140	\$ 32,845	\$ 70,381
State and local	21,095	8,171	9,595
	<u>173,235</u>	<u>41,016</u>	<u>79,976</u>
Deferred:			
Federal	12,458	110,495	37,897
State and local	8,594	7,216	2,204
	<u>21,052</u>	<u>117,711</u>	<u>40,101</u>
Total tax expense	<u>\$ 194,287</u>	<u>\$ 158,727</u>	<u>\$ 120,077</u>

Income tax expense attributable to earnings before income taxes differed from the amounts computed using the statutory federal income tax rate of 35% as follows (in thousands):

	Years ended December 31,		
	2012	2011	2010
Income tax at federal statutory rate	\$ 176,624	\$ 145,506	\$ 111,893
State tax, net of federal effect	16,191	9,668	6,337
Nondeductible meals and entertainment	1,568	1,570	1,627
Change in effective state tax rate, net of federal benefit	126	1,611	141
Valuation allowance	-	552	-
Other, net	(222)	(180)	79
Total tax expense	<u>\$ 194,287</u>	<u>\$ 158,727</u>	<u>\$ 120,077</u>

Income taxes receivable was \$2.4 million and \$14.2 million at December 31, 2012 and 2011, respectively. These amounts have been included in other current assets in our Consolidated Balance Sheets. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2012 and 2011, are presented below (in thousands):

	December 31,	
	2012	2011
Deferred tax assets:		
Insurance accruals	\$ 9,713	\$ 8,316
Allowance for doubtful accounts	1,715	1,827
Compensation accrual	16,851	20,522
Deferred compensation accrual	25,997	24,727
Federal benefit of state uncertain tax positions	10,586	7,155
Equity investment	2,197	2,197
Other	3,403	3,584
Total gross deferred tax assets	<u>70,462</u>	<u>68,328</u>
Valuation allowance	(2,749)	(2,749)
Total deferred tax assets, net of valuation allowance	<u>67,713</u>	<u>65,579</u>
Deferred tax liabilities:		
Plant and equipment, principally due to differences in depreciation	571,830	551,526
Prepaid permits and insurance, principally due to expensing for income tax purposes	19,069	17,605
Other	9,188	8,027
Total gross deferred tax liabilities	<u>600,087</u>	<u>577,158</u>
Net deferred tax liability	<u>\$ 532,374</u>	<u>\$ 511,579</u>

Guidance on accounting for uncertainty in income taxes prescribes recognition and measurement criteria and requires that we assess whether the benefits of our tax positions taken are more likely than not of being sustained under tax audits. We have made adjustments to the balance of unrecognized tax benefits, a component of other long-term liabilities on our Consolidated Balance Sheet, as follows (in millions):

	December 31,		
	2012	2011	2010
Beginning balance	\$ 17.4	\$ 17.3	\$ 18.9
Additions based on tax positions related to the current year	7.1	4.0	4.2
Additions/(reductions) based on tax positions taken in prior years	4.2	(0.3)	(1.4)
Reductions due to settlements	-	(0.4)	(1.8)
Reductions due to lapse of applicable statute of limitations	(2.9)	(3.2)	(2.6)
Ending balance	\$ 25.8	\$ 17.4	\$ 17.3

At December 31, 2012 and 2011, we had a total of \$25.8 million and \$17.4 million, respectively, in gross unrecognized tax benefits. Of these amounts, \$16.8 million and \$11.3 million represent the amount of unrecognized tax benefits that, if recognized, would impact our effective tax rate in 2012 and 2011, respectively. Interest and penalties related to income taxes are classified as interest expense in our Consolidated Financial Statements. The amount of accrued interest and penalties during the years ended December 31, 2012, 2011 and 2010, was \$1.1 million, \$1.5 million, and \$1.1 million, respectively. Future changes to unrecognized tax benefits will be recognized as income tax expense and interest expense, as appropriate. The total amount of accrued interest and penalties for such unrecognized tax benefits at December 31, 2012 and 2011, was \$4.0 million and \$2.9 million, respectively.

Tax years 2009 and forward remain subject to examination by federal tax jurisdictions, while tax years 2002 and forward remain open for state jurisdictions.

7. Employee Benefit Plans

We maintain a defined contribution employee retirement plan, which includes a 401(k) option, under which all employees are eligible to participate. We match a specified percentage of employee contributions, subject to certain limitations. For the years ended December 31, 2012, 2011 and 2010, our matching contributions to the plan were \$11.1 million, \$10.5 million and \$5.6 million, respectively. Effective March 1, 2009, we decreased our company match percentage from 50% to 0% for participants who are salaried employees exempt from overtime compensation and from 50% to 25% for all other participants. Effective July 14, 2010, we reinstated our company match percentage to 50% for all participants.

We have a nonqualified deferred compensation plan that allows eligible employees to defer a portion of their compensation. Participants can elect to defer up to a maximum of 50% of their base salary as well as up to 85% of their bonus for the year. The compensation deferred under this plan is credited with earnings or losses on investments elected by plan participants. Each participant is fully vested in all deferred compensation and earnings; however, these amounts are subject to general creditor claims until actually distributed to the employee. A participant may elect to receive deferred amounts in one payment or in quarterly installments payable over a period of two to 25 years upon reaching age 55, having 15 years of service or becoming disabled. Our total liability under this plan was \$11.2 million as of December 31, 2012, and \$10.8 million as of December 31, 2011. These amounts are included in other long-term liabilities in our Consolidated Balance Sheets. Participant withholdings are held by a trustee and invested in equity securities as directed by participants. These investments are classified as trading securities and recorded at fair value. Realized and unrealized gains and losses are recognized currently in earnings. The investments are included in other assets in our Consolidated Balance Sheets and totaled \$11.2 million as of December 31, 2012, and 10.8 million as of December 31, 2011.

8. Fair Value Measurements

Accounting standards related to fair value measurements define fair value and establish a framework for measuring fair value. Assets and liabilities measured at fair value are based on one or more of three valuation techniques provided for in the standards, which are the market, income and cost approaches.

The standards state that fair value is an exit price, representing the amount that would be received to sell an asset, based on the highest and best use of the asset, or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for evaluating such assumptions, the standards establish a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. These tiers are: Level 1, defined as quoted prices in active markets for identified assets or liabilities; Level 2, defined as inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and Level 3, defined as unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions about what market participants would use in pricing the asset or liability.

At December 31, 2012 and 2011, our trading investments of \$11.2 million and \$10.8 million, respectively, were measured at fair value, based on quoted market prices (Level 1). Trading investments are classified in other assets in our Consolidated Balance Sheets and measured on a recurring basis.

The carrying amounts and estimated fair values using the income method (Level 2), based on their net present value, discounted at our current borrowing rate of our long-term debt at December 31, 2012, were as follows (in millions):

	Carrying Value	Estimated Fair Value
Revolving lines of credit	\$ 85.8	\$ 85.8
Variable-rate term loan	200.0	200.0
Senior notes	399.5	429.9

The carrying amounts of all other instruments at December 31, 2012, approximate their fair value due to the short maturity of these instruments.

9. Commitments and Contingencies

As of December 31, 2012, we had approximately \$21.1 million of obligations remaining under operating lease arrangements related to terminal facilities. Future minimum lease payments under noncancelable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2012, are approximately \$21.1 million, with payment streams as follows (in millions): 2013 – \$7.8; 2014 – \$9.5; 2015 – \$3.5, and 2016 – \$0.3.

Total rent expense was \$27.5 million in 2012, \$24.8 million in 2011, and \$21.8 million in 2010. At December 31, 2012, we had outstanding commitments to acquire approximately \$283 million of revenue equipment and facilities in 2013.

During 2012, we issued financial standby letters of credit as a guarantee of our performance under certain operating agreements and self-insurance arrangements. If we default on our commitments under the agreements or other arrangements, we are required to perform under these guarantees. The undiscounted maximum amount of our obligation to make future payments in the event of defaults is approximately \$5.0 million.

We are a defendant in certain class-action lawsuits in which the plaintiffs are current and former California-based drivers who allege claims for unpaid wages, failure to provide meal and rest periods, and other items. Further proceedings had been stayed in these matters pending the California Supreme Court's decision in a case unrelated to ours involving similar issues. During the second quarter of 2012, the California Supreme Court issued its decision in this unrelated case and during the fourth quarter of 2012, we filed a motion to decertify the class, which was heard and denied. We intend to file a motion to stay further proceedings pending a decision in the Ninth Circuit Court of Appeals on yet another unrelated case, but again with similar issues. We cannot reasonably estimate at this time the possible loss or range of loss, if any, that may arise from these lawsuits.

We are involved in certain other claims and pending litigation arising from the normal conduct of business. Based on the present knowledge of the facts and, in certain cases, opinions of outside counsel, we believe the resolution of these claims and pending litigation will not have a material adverse effect on our financial condition, our results of operations or our liquidity.

10. Segment Information

We have four reportable business segments – Intermodal (JBI), Dedicated Contract Services® (DCS), Integrated Capacity Solutions (ICS), and Truck (JBT) – which are based primarily on the services each segment provides. The JBI segment includes freight that is transported by rail over at least some portion of the movement and also includes certain repositioning truck freight moved by JBI equipment or third-party carriers, when such highway movement is intended to direct JBI equipment back toward intermodal operations. DCS segment business includes company-owned and customer-owned, DCS-operated revenue equipment and employee drivers assigned to a specific customer, traffic lane or service. DCS operations usually include formal, written longer-term agreements or contracts that govern services performed and applicable rates. ICS provides non-asset and asset-light transportation solutions to customers through relationships with third-party carriers and integration with JBHT-owned equipment. ICS services include flatbed, refrigerated and LTL, as well as a variety of dry-van and intermodal solutions. JBT business includes full-load dry-van freight that is typically transported utilizing company-owned or company-controlled revenue equipment. This freight is typically transported over roads and highways and does not move by rail. All transactions between reporting segments are eliminated in consolidation.

Our customers are geographically dispersed across the United States. A summary of certain segment information as of December 31 is presented below (in millions):

	Assets (1)		
	December 31,		
	2012	2011	2010
JBI	\$ 1,443	\$ 1,273	\$ 1,042
DCS	586	488	433
ICS	55	42	36
JBT	185	250	245
Other (includes corporate)	196	214	206
Total	\$ 2,465	\$ 2,267	\$ 1,962

	Revenues		
	Years ended December 31,		
	2012	2011	2010
JBI	\$ 3,071	\$ 2,673	\$ 2,141
DCS	1,080	1,031	907
ICS	456	356	291
JBT	484	504	479
Total segment revenues	5,091	4,564	3,818
Intersegment eliminations	(36)	(37)	(25)
Total	\$ 5,055	\$ 4,527	\$ 3,793

	Operating Income		
	Years ended December 31,		
	2012	2011	2010
JBI	\$ 375	\$ 301	\$ 237
DCS	116	103	83
ICS	16	13	9
JBT	23	27	19
Total	\$ 530	\$ 444	\$ 348

	Depreciation and Amortization Expense		
	Years ended December 31,		
	2012	2011	2010
JBI	\$ 104	\$ 91	\$ 77
DCS	79	75	68
JBT	36	38	42
Other	10	10	10
Total	\$ 229	\$ 214	\$ 197

(1) Business segment assets exclude the net impact of intercompany transactions and accounts.

11. Quarterly Financial Information (Unaudited)

Operating results by quarter for the years ended December 31, 2012 and 2011, are as follows (in thousands, except per share data):

	Quarter			
	First	Second	Third	Fourth
2012:				
Operating revenues	\$ 1,165,922	\$ 1,255,130	\$ 1,295,792	\$ 1,338,136
Operating income	\$ 116,597	\$ 137,215	\$ 133,052	\$ 143,335
Net earnings	\$ 67,684	\$ 80,451	\$ 78,241	\$ 83,977
Basic earnings per share	\$ 0.58	\$ 0.69	\$ 0.66	\$ 0.71
Diluted earnings per share	\$ 0.57	\$ 0.67	\$ 0.65	\$ 0.70
2011:				
Operating revenues	\$ 1,000,780	\$ 1,149,855	\$ 1,171,270	\$ 1,204,937
Operating income	\$ 89,823	\$ 113,443	\$ 118,680	\$ 122,287
Net earnings	\$ 50,095	\$ 65,696	\$ 68,650	\$ 72,565
Basic earnings per share	\$ 0.41	\$ 0.55	\$ 0.58	\$ 0.62
Diluted earnings per share	\$ 0.40	\$ 0.53	\$ 0.57	\$ 0.61

BOARD OF DIRECTORS

Kirk Thompson
Chairman of the Board

Douglas G. Duncan
FedEx Freight Corporation (retired)

Francesca M. Edwardson
American Red Cross of Greater Chicago

Wayne Garrison
J.B. Hunt Transport Services, Inc. (retired)

Sharilyn S. Gasaway
Alltel Corp. (retired)

Gary C. George
George's, Inc.

J. Bryan Hunt, Jr.
Hunt Auto Group

Coleman H. Peterson
Hollis Enterprises, LLC

John N. Roberts, III
President and Chief Executive Officer

James L. Robo
NextEra Energy, Inc.

Dr. John A. White
Chancellor Emeritus
and Distinguished Professor
University of Arkansas

OFFICERS

Kirk Thompson
Chairman of the Board, Director

John N. Roberts, III
President and Chief Executive Officer, Director

David G. Mee
Executive Vice President,
Finance and Administration,
Chief Financial Officer, and Corporate Secretary

Craig Harper
Executive Vice President, Operations
and Chief Operations Officer

Terrence D. Matthews
Executive Vice President
and President, Intermodal

Gary Anderson
Executive Vice President,
Equipment and Properties

Nicholas Hobbs
Executive Vice President
and President, Dedicated Contract Services

Kay Johnson Palmer
Executive Vice President
and Chief Information Officer

Shelley Simpson
Executive Vice President, Chief Marketing Officer,
and President, Integrated Capacity Solutions

STOCKHOLDER INFORMATION

Corporate Address
J.B. Hunt Transport Services, Inc.
615 J.B. Hunt Corporate Drive
Lowell, AR 72745
479-820-0000

Internet Address
www.jbhunt.com

Auditors
Ernst & Young LLP
Rogers, Arkansas

Counsel
Mitchell, Williams, Selig, Gates & Woodyard PLLC
Little Rock, Arkansas

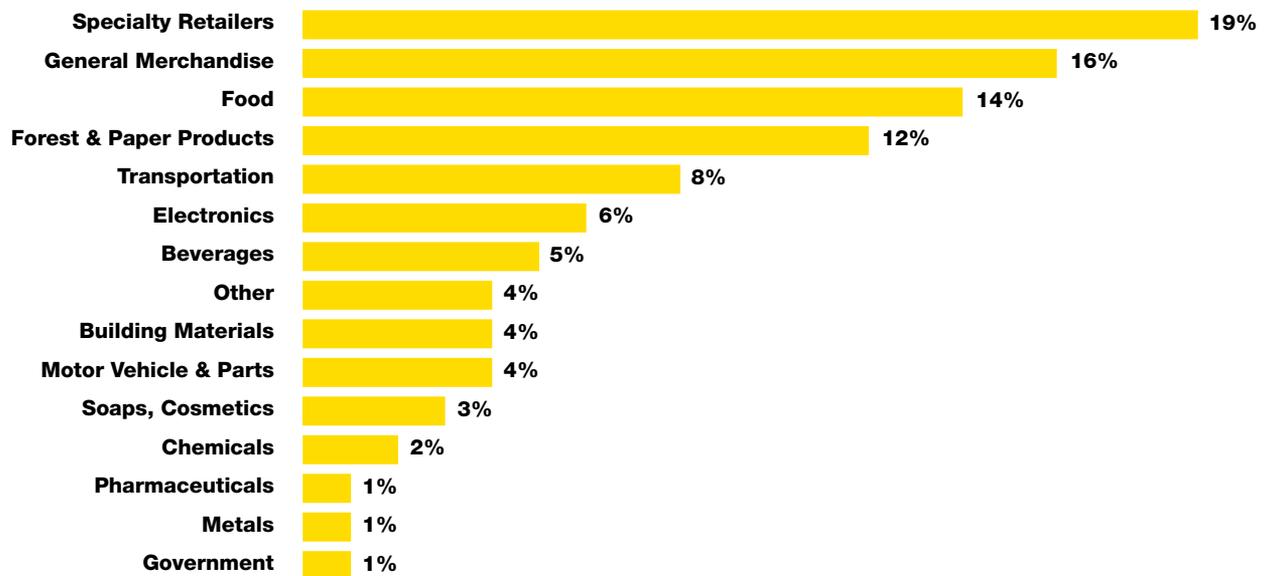
Stock Exchange Listing
J.B. Hunt Transport Services, Inc.
Class A Common Stock is listed on
NASDAQ National Market System

Stock Symbol
JBHT

Stock Transfer Agent and Registrar
Computershare Trust Company, N.A.
250 Royall Street
Canton, MA 02021
877-498-8861 for Stockholder Inquiries
www.computershare.com/investor

Annual Meeting
The Annual Meeting of Stockholders
will be held at 10:00 a.m., CDT,
on Thursday, April 25, 2013,
at the corporate headquarters of
J.B. Hunt Transport Services, Inc.,
Lowell, Arkansas, located on
Interstate 540 at the Lowell Exit 78.

2012 Percent of Revenue by Industry





P.O. Box 130 • Lowell, Arkansas 72745
www.jbhunt.com